

# Handelsbanken's Interim Report

JANUARY – JUNE 2015

## Summary January – June 2015, compared with January – June 2014

- Operating profit grew by 2% to SEK 10,211m (9,997)
- The period's profit after tax for total operations rose to SEK 8,084m (7,943)
- Earnings per share for total operations grew to SEK 4.24 (4.17)
- The common equity tier 1 ratio according to CRD IV increased to 21.3% (20.1) and the total capital ratio rose to 28.4% (25.0)
- Return on equity for total operations decreased to 13.5% (14.3)
- Moody's upgraded Handelsbanken's long-term credit rating to Aa2, and thus the Bank has the highest rating in the Nordic countries of all peer banks
- Income grew by 4% to SEK 19,966m (19,128)
- Net interest income went up by 4% to SEK 13,935m (13,357) and in the UK, net interest income increased by 37%
- Net fee and commission income grew by 11% to SEK 4,669m (4,195)
- The C/I ratio increased to 45.5% (44.7)
- The loan loss ratio was 0.07% (0.07)

## Summary of Q2 2015, compared with Q1 2015

- Operating profit increased by 6% to SEK 5,256m (4,955), the highest quarterly result to date for continuing operations
- The period's profit after tax for total operations grew by 7% to SEK 4,173m (3,911) and earnings per share increased by 7% to SEK 2.19 (2.05)
- Return on equity for total operations rose to 14.5% (12.9)
- Income increased by 5% to SEK 10,221m (9,745)
- The C/I ratio fell to 45.1% (46.0)
- The loan loss ratio was 0.08% (0.07)

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## Handelsbanken Group – Overview

SEK m	Q2 2015	Q1 2015	Change	Q2 2014	Change	Jan-Jun 2015	Jan-Jun 2014	Change	Full year 2014
<b>Summary income statement</b>									
Net interest income	7,019	6,916	1%	6,704	5%	13,935	13,357	4%	27,244
Net fee and commission income	2,359	2,310	2%	2,135	10%	4,669	4,195	11%	8,556
Net gains/losses on financial transactions	451	428	5%	466	-3%	879	1,124	-22%	1,777
Risk result - insurance	55	26	112%	43	28%	81	85	-5%	165
Other dividend income	275	3		245	12%	278	249	12%	251
Share of profit of associates	9	1		5	80%	10	-6		18
Other income	53	61	-13%	49	8%	114	124	-8%	303
<b>Total income</b>	<b>10,221</b>	<b>9,745</b>	<b>5%</b>	<b>9,647</b>	<b>6%</b>	<b>19,966</b>	<b>19,128</b>	<b>4%</b>	<b>38,314</b>
Staff costs	-3,149	-3,126	1%	-2,910	8%	-6,275	-5,797	8%	-11,766
Other administrative expenses	-1,336	-1,228	9%	-1,267	5%	-2,564	-2,515	2%	-5,099
Depreciation, amortisation and impairments of property, equipment and intangible assets	-122	-127	-4%	-122	0%	-249	-233	7%	-462
<b>Total expenses</b>	<b>-4,607</b>	<b>-4,481</b>	<b>3%</b>	<b>-4,299</b>	<b>7%</b>	<b>-9,088</b>	<b>-8,545</b>	<b>6%</b>	<b>-17,327</b>
<b>Profit before loan losses</b>	<b>5,614</b>	<b>5,264</b>	<b>7%</b>	<b>5,348</b>	<b>5%</b>	<b>10,878</b>	<b>10,583</b>	<b>3%</b>	<b>20,987</b>
Net loan losses	-359	-305	18%	-272	32%	-664	-587	13%	-1,781
Gains/losses on disposal of property, equipment and intangible assets	1	-4		1	0%	-3	1		6
<b>Operating profit</b>	<b>5,256</b>	<b>4,955</b>	<b>6%</b>	<b>5,077</b>	<b>4%</b>	<b>10,211</b>	<b>9,997</b>	<b>2%</b>	<b>19,212</b>
Taxes	-1,110	-1,063	4%	-1,074	3%	-2,173	-2,112	3%	-4,069
<b>Profit for the period from continuing operations</b>	<b>4,146</b>	<b>3,892</b>	<b>7%</b>	<b>4,003</b>	<b>4%</b>	<b>8,038</b>	<b>7,885</b>	<b>2%</b>	<b>15,143</b>
Profit for the period pertaining to discontinued operations, after tax	27	19	42%	31	-13%	46	58	-21%	41
<b>Profit for the period</b>	<b>4,173</b>	<b>3,911</b>	<b>7%</b>	<b>4,034</b>	<b>3%</b>	<b>8,084</b>	<b>7,943</b>	<b>2%</b>	<b>15,184</b>
<b>Summary balance sheet</b>									
Loans to the public	1,851,432	1,826,323	1%	1,765,160	5%	1,851,432	1,765,160	5%	1,807,836
<i>of which mortgage loans</i>	<i>1,046,719</i>	<i>1,029,440</i>	<i>2%</i>	<i>994,531</i>	<i>5%</i>	<i>1,046,719</i>	<i>994,531</i>	<i>5%</i>	<i>1,018,514</i>
Deposits and borrowing from the public	1,093,551	1,055,140	4%	943,151	16%	1,093,551	943,151	16%	1,022,267
<i>of which households</i>	<i>349,223</i>	<i>323,719</i>	<i>8%</i>	<i>308,777</i>	<i>13%</i>	<i>349,223</i>	<i>308,777</i>	<i>13%</i>	<i>318,750</i>
Total equity	123,971	124,492	0%	116,814	6%	123,971	116,814	6%	126,827
Total assets	2,935,809	2,919,019	1%	2,680,291	10%	2,935,809	2,680,291	10%	2,816,676
<b>Summary of key figures</b>									
Return on equity, total operations*	14.5%	12.9%		15.1%		13.5%	14.3%		13.4%
Return on equity, continuing operations*	14.4%	12.8%		15.0%		13.4%	14.2%		13.3%
C/I ratio, continuing operations	45.1%	46.0%		44.6%		45.5%	44.7%		45.2%
Earnings per share, total operations, SEK	2.19	2.05		2.12		4.24	4.17		7.96
- after dilution	2.14	2.01		2.09		4.15	4.11		7.84
Common equity tier 1 ratio, CRD IV	21.3%	21.1%		20.1%		21.3%	20.1%		20.4%
Total capital ratio, CRD IV	28.4%	28.2%		25.0%		28.4%	25.0%		25.6%

\* When calculating return on equity, equity is adjusted for the impact of unrealised changes in the value of financial assets classified as "Available for Sale" and for cash flow hedges and revaluation effects on defined-benefit pension plans.

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

## Group performance

### JANUARY – JUNE 2015 COMPARED WITH JANUARY – JUNE 2014

The Group's operating profit increased by 2% to SEK 10,211m (9,997). Profit after tax for total operations increased to SEK 8,084m (7,943) and earnings per share rose to SEK 4.24 (4.17). The common equity tier 1 ratio increased to SEK 21.3% (20.1) and the return on equity for total operations decreased to 13.5% (14.3).

The C/I ratio increased to 45.5% (44.7).

#### Income

SEK m	Jan-Jun 2015	Jan-Jun 2014	Change
Net interest income	13,935	13,357	4%
Net fee and commission income	4,669	4,195	11%
Net gains/losses on financial trans.	879	1,124	-22%
Other income	483	452	7%
<b>Total income</b>	<b>19,966</b>	<b>19,128</b>	<b>4%</b>

Income increased by 4% to SEK 19,966m (19,128).

Net interest income rose by 4% to SEK 13,935m (13,357). Higher business volumes and higher lending margins increased net interest income by SEK 583m and SEK 159m respectively. The positive effects were offset by the fact that deposit margins and interest income related to equity decreased by SEK 1,334m. The benchmark effect in Stadshypotek totalled SEK -13m (-45), and the cost of the Stabilisation Fund and various deposit guarantees rose by SEK 37m to SEK -635m (-598). Exchange rate effects had a SEK 463m positive impact on net interest income.

The remainder of the SEK 712m increase in net interest income was chiefly attributable to strong growth in deposits and thus a lower issued volume of market funding.

Net interest income grew by 37% in the UK, by 10% in Denmark, and by 14% in the Netherlands. Net interest income fell by 1% in Sweden, and by 2% in Norway; in Finland it was unchanged.

The average volume of loans to the public grew by 6% to SEK 1,828bn (1,720). Exchange rate effects increased lending volumes by SEK 35bn. Household lending increased by 9% to SEK 915bn (841), while corporate lending grew by 4% to SEK 913bn (879).

The average volume of deposits and borrowing rose by 18% to SEK 1,004bn (852). The average volume of household deposits went up by 12% to SEK 325bn (291) and corporate deposits increased by 21% to SEK 679bn (561).

Net fee and commission income rose by 11%, or SEK 474m, to SEK 4,669m (4,195), mainly as a result of higher asset management, advisory and payment commissions. Fund management commissions grew by 30% to SEK 1,501m (1,159), as a result of both increasing inflows and rising stock market prices. Other asset management commissions increased by 14% to

SEK 303m (265). Net payment commissions rose by 11% to SEK 991m (890), chiefly as a result of net commissions from card operations increasing by SEK 71m, or 12%, to SEK 680m (609). Increasing business activity helped advisory commissions to rise by 27% to SEK 141m (111).

Net gains/losses on financial transactions fell by 22% to SEK 879m (1,124). Excluding the comparison period's non-recurring capital gains of SEK 306m on the sale of shares, the outcome was an increase of 7%. This increase was mainly due to greater customer activity in foreign exchange trading.

Other income amounted to SEK 483m (452m).

#### Expenses

SEK m	Jan-Jun 2015	Jan-Jun 2014	Change
Staff costs	-6,275	-5,797	8%
Other administrative expenses	-2,564	-2,515	2%
Depreciation and amortisation	-249	-233	7%
<b>Total expenses</b>	<b>-9,088</b>	<b>-8,545</b>	<b>6%</b>

Total expenses rose by 6% to SEK -9,088m (8,545).

Adjusted for exchange rate movements of SEK -305m, the increase was just under 3%.

Staff costs rose by 8% to SEK -6,275m (-5,797). Of this increase, three percentage points, or SEK -197m, stemmed from exchange rate effects. The impact of IAS 19 increased costs for defined benefit pensions by SEK 108m, and two percentage points of the increase were attributable to this. The provision for Oktogonen rose to SEK -398m (-366). Excluding these items, staff costs rose by 2%, which was chiefly attributable to annual salary increases and continued expansion in the Bank's growth markets.

Variable remuneration, including social security costs and other payroll overheads, totalled SEK -75m (-63).

The average number of employees rose to 11,657 (11,629). Excluding the expanding operations in the UK and the Netherlands, where the average number of staff rose by 210 and 25 respectively, the number of employees decreased by 2%.

Other administrative expenses went up by 2% to SEK 2,564m (2,515), chiefly as a result of increasing costs for property and premises. Adjusted for exchange rate movements of SEK -102m, other administrative expenses went down by 2%.

#### Loan losses

SEK m	Jan-Jun 2015	Jan-Jun 2014	Change
Net loan losses	-664	-587	77
Loan loss ratio as a % of loans	0.07	0.07	0.00
Impaired loans, net	4,579	2,392	91%
Proportion of impaired loans, %	0.24	0.13	0.11

Loan losses increased by 13% to SEK -664m (-587) and the loan loss ratio was 0.07% (0.07). Credit quality

remained stable. Net impaired loans increased to SEK 4,579m (2,392), equivalent to 0.24% (0.13) of lending.

## Q2 2015 COMPARED WITH Q1 2015

Operating profit increased by 6% to SEK 5,256m (4,955), and the C/I ratio improved to 45.1% (46.0).

Profit after tax for total operations grew during the period by 7% to SEK 4,173m (3,911) and earnings per share increased to SEK 2.19 (2.05).

Return on equity increased to 14.5% (12.9).

### Income

SEK m	Q2 2015	Q1 2015	Change
Net interest income	7,019	6,916	1%
Net fee and commission income	2,359	2,310	2%
Net gains/losses on financial trans.	451	428	5%
Other income	392	91	331%
<b>Total income</b>	<b>10,221</b>	<b>9,745</b>	<b>5%</b>

Income increased by 5% to SEK 10,221m (9,745). The effect of exchange rate movements was marginal.

Net interest income rose by 1% to SEK 7,019m (6,916). Net interest income grew by 8% in the UK and the Netherlands, rose marginally in Sweden, Norway and Denmark, and was stable in Finland.

Rising business volumes increased net interest income by SEK 91m, while lower lending margins had a negative impact of SEK -11m. Deposit margins and interest income related to equity decreased by SEK 226m.

Fees to the Stabilisation Fund and various deposit guarantees increased to SEK -319m (-316), and the benchmark effect in Stadshypotek totalled SEK 5m (-18). An extra day in the second quarter increased net interest income by SEK 26m. The remainder of the change in net interest income, an increase of SEK 203m, was chiefly attributable to lower funding costs.

The average volume of loans to the public increased by 1% to SEK 1,837bn (1,819). The effect of exchange rate movements was marginal. Household lending grew by 2%, while corporate lending was unchanged. The total average volume of deposits and borrowing rose by 1% to SEK 1,007bn (1,001). Household deposits rose by 5%, while corporate deposits went down by 1%.

Net fee and commission income rose by 2% to SEK 2,359m (2,310). Inflows of new mutual fund volumes and higher average market values contributed to mutual fund commissions growing by 7% to SEK 775m (726). Net payment commissions increased by 11% to SEK 522m (469).

Lower transaction activity among customers was one factor in brokerage income declining by 16% to SEK 271m (322), and lower return on capital was the cause of insurance commissions falling to SEK 145m (181).

Net gains/losses on financial transactions increased to SEK 451m (428).

Other income increased to SEK 392m (91). The increase was primarily attributable to higher dividend income, which totalled SEK 275m (3).

### Expenses

SEK m	Q2 2015	Q1 2015	Change
Staff costs	-3,149	-3,126	1%
Other administrative expenses	-1,336	-1,228	9%
Depreciation and amortisation	-122	-127	-4%
<b>Total expenses</b>	<b>-4,607</b>	<b>-4,481</b>	<b>3%</b>

Expenses rose by 3% to SEK -4,607m (-4,481).

Staff costs increased by 1% to SEK -3,149m (-3,126), due to the average number of employees rising by 1%. The provision to Oktogonen was unchanged at SEK -199m (-199), and the period's provision for variable compensation totalled SEK -39m (-36).

Other administrative expenses rose by 9% to SEK -1,336m (-1,228). The increase mainly stemmed from a seasonally higher activity level during the second quarter of the year, particularly related to travel and marketing expenses. Costs were also burdened by a fee to the Swedish Financial Supervisory Authority of SEK 35m.

The average number of employees rose to 11,696 (11,618), as a result of continuing expansion in the Bank's growth markets.

### Loan losses

SEK m	Q2 2015	Q1 2015	Change
Net loan losses	-359	-305	54
Loan loss ratio as a % of loans	0.08	0.07	0.01
Impaired loans, net	4,579	4,676	-2%
Proportion of impaired loans, %	0.24	0.25	-0.01

Loan losses were SEK -359m (-305), and the loan loss ratio was 0.08% (0.07).

The quality of the credit portfolio remained stable. Net impaired loans decreased to SEK 4,579m (4,676), equivalent to 0.24% (0.25) of lending.

## FUNDING AND LIQUIDITY

In the first six months, the volume of issued bonds decreased to SEK 74bn (first half of 2014: 111bn), of which SEK 62bn was covered bonds, SEK 2bn senior bonds, and SEK 10bn in the form of an AT1 bond.

The Bank has a high proportion of mortgage loans and other assets that are not encumbered and therefore represent protection for the Bank's senior lenders. At the end of the period, the ratio of non-encumbered assets to all unsecured market funding was 242% (229).

During the period, the Bank maintained a liquidity reserve well in excess of SEK 800bn. Cash funds and liquid assets invested with central banks amounted to SEK 552bn, while the volume of liquid bonds and other liquid assets totalled SEK 123bn. The remainder of the

reserve mainly comprises an unutilised issue amount of covered bonds at Stadshypotek.

According to the current Swedish definition from January 2013, the Handelsbanken Group's liquidity coverage ratio (LCR) at the end of the period was 117%. In USD, the LCR was 126% and in EUR it was 151%. The Group's LCR, calculated according to the European Commission's delegated act, was 141%.

## CAPITAL

The Bank's goal for its common equity tier 1 ratio is that under normal circumstances, it should exceed the common equity tier 1 capital requirement communicated to the Bank by the Swedish Financial Supervisory Authority by 1-3 percentage points. On 22 May, the Swedish Financial Supervisory Authority announced that Handelsbanken's preliminary common equity tier 1 capital requirement for the first quarter was 17.7%, based on a standard margin for other risks in Pillar 2 of 1.5 percentage points. The Supervisory Authority has published the models that are to be used in Pillar 2, instead of the standard margin. The Bank's estimate is that the use of these models, together with the forthcoming counter-cyclical buffer requirements, will raise the total common equity tier 1 capital requirement, and that Handelsbanken is presently within the Bank's target interval for the common equity tier 1 ratio.

SEK m	30 Jun 2015	30 Jun 2014	Change
Common equity tier 1 ratio, CRD IV	21.3%	20.1%	1.2
Total capital ratio, CRD IV	28.4%	25.0%	3.4
Risk exposure amount CRD IV, SEK m	481,134	497,050	-3%
Common equity tier 1 capital	102,721	99,797	3%
Total own funds	136,633	124,152	10%
Capital requirement, Basel I floor	92,799	88,657	5%
Total own funds, Basel I floor	138,301	126,380	9%

### 30 June 2015 compared with 30 June 2014

The Bank's total capital ratio increased to 28.4% (25.0). Of the increase of 3.4 percentage points, the Bank's AT1 issue contributed 2.0 percentage points.

The common equity tier 1 capital increased to SEK 103bn (100) and the common equity tier 1 ratio rose by 1.2 percentage points to 21.3% (20.1). The period's profit contributed 0.3 percentage points of this increase, after a deduction for the dividend accrued.

Higher lending volumes affected the common equity tier 1 ratio by -0.3 percentage points, while credit risk migration in the loan portfolio improved the ratio by 0.2 percentage points. The effect of the fact that new lending volumes are low-risk, while exposures leaving the portfolio are higher-risk (known as volume migration), improved the average credit quality of the loan portfolio by 0.8 percentage points. The maturity factor raised the common equity tier 1 ratio by 0.2

percentage points, while the effect of IAS 19 (pensions) was -0.8 percentage points.

The surplus values in AFS holdings increased the common equity tier 1 ratio by 0.6 percentage points, and the net effect of other factors, including foreign exchange effects, was an increase of 0.2 percentage points.

SEK m	30 Jun 2015	31 Mar 2015	Change
Common equity tier 1 ratio, CRD IV	21.3%	21.1%	0.2
Total capital ratio, CRD IV	28.4%	28.2%	0.2
Risk exposure amount CRD IV, SEK m	481,134	492,968	-2%
Common equity tier 1 capital	102,721	104,201	-1%
Total own funds	136,633	138,844	-2%
Capital requirement, Basel I floor	92,799	92,209	1%
Total own funds, Basel I floor	138,301	140,976	-2%

### 30 June 2015 compared with 31 March 2015

The capital base amounted to SEK 137bn (139) and the total capital ratio rose to 28.4% (28.2).

The common equity tier 1 capital was SEK 103bn (104). A reduced risk exposure amount meant that the common equity tier 1 ratio according to CRD IV rose by 0.2 percentage points to 21.3% (21.1), with the period's profit after dividends accrued contributing 0.1 percentage points.

Increasing business volumes reduced the common equity tier 1 ratio by 0.1 percentage point while credit risk migration in the quarter was neutral. The effects of improved credit quality through 'volume migration,' had a positive effect of 0.2 percentage points.

The effect of IAS 19 reduced the common equity tier 1 ratio by 0.5 percentage points, chiefly due to a reduction of the discount rate. The effect of exchange rate movements was marginal, and other effects (net) affected the common equity tier 1 ratio by 0.5 percentage points.

Economic capital and available financial resources  
Handelsbanken's internal assessment of the capital requirement is based on the Bank's model for Economic Capital (EC), which is measured in relation to the Bank's Available Financial Resources (AFR). The Board stipulates that the AFR/EC ratio for the Group must exceed 120%. At the end of the second quarter, Group EC totalled SEK 59.4bn, while AFR was SEK 139.8bn. Thus the ratio between AFR and EC was 235%. For the parent company, EC totalled SEK 50.9bn, and AFR was SEK 111.6bn.

For the consolidated situation, EC totalled SEK 56.0bn, and AFR was SEK 136.7bn.

## RATING

During the second quarter, Moody's upgraded Handelsbanken's long-term rating from Aa3 to Aa2, and thus the Bank has the highest rating in the Nordic countries of all peer banks. Otherwise, Handelsbanken's short-term and long-term ratings with the other rating agencies which monitor the Bank were unchanged.

	Long-term	Short-term	Counterparty Risk Assessment
Standard & Poor's	AA-	A-1+	
Fitch	AA-	F1+	
Moody's	Aa2	P-1	Aa1
DBRS	AA (low)		



# Handelsbanken Group – Business segments

January - June 2015	Branch operations - Home markets									Group Jan-Jun 2015
SEK m	Sweden	UK	Denmark	Finland	Norway	Nether- lands	Capital Markets	Other	Adj. & elim.	
Net interest income	7,736	2,197	843	683	1,675	156	361	284		13,935
Net fee and commission income	2,298	208	242	198	203	12	1,504	4		4,669
Net gains/losses on financial transactions	237	103	35	38	43	1	765	-343		879
Risk result - insurance							81			81
Share of profit of associates								10		10
Other income	40	4	10	13	9	-	3	313		392
<b>Total income</b>	<b>10,311</b>	<b>2,512</b>	<b>1,130</b>	<b>932</b>	<b>1,930</b>	<b>169</b>	<b>2,714</b>	<b>268</b>		<b>19,966</b>
Staff costs	-1,792	-908	-307	-187	-367	-74	-1,271	-1,266	-103	-6,275
Other administrative expenses	-571	-190	-90	-80	-107	-18	-433	-1,075		-2,564
Internal purchased and sold services	-1,321	-210	-145	-124	-192	-43	-36	2,071		
Depreciation, amortisation and impairments of property, equipment and intangible assets	-45	-10	-7	-5	-7	-1	-37	-137		-249
<b>Total expenses</b>	<b>-3,729</b>	<b>-1,318</b>	<b>-549</b>	<b>-396</b>	<b>-673</b>	<b>-136</b>	<b>-1,777</b>	<b>-407</b>	<b>-103</b>	<b>-9,088</b>
<b>Profit before loan losses</b>	<b>6,582</b>	<b>1,194</b>	<b>581</b>	<b>536</b>	<b>1,257</b>	<b>33</b>	<b>937</b>	<b>-139</b>	<b>-103</b>	<b>10,878</b>
Net loan losses	-310	-102	-46	-65	-139	-3	1			-664
Gains/losses on disposal of property, equipment and intangible assets	-3	-9	2	0	-	-	0	7		-3
<b>Operating profit</b>	<b>6,269</b>	<b>1,083</b>	<b>537</b>	<b>471</b>	<b>1,118</b>	<b>30</b>	<b>938</b>	<b>-132</b>	<b>-103</b>	<b>10,211</b>
Profit allocation	393	17	35	52	23	0	-520	0		
<b>Operating profit after profit allocation</b>	<b>6,662</b>	<b>1,100</b>	<b>572</b>	<b>523</b>	<b>1,141</b>	<b>30</b>	<b>418</b>	<b>-132</b>	<b>-103</b>	<b>10,211</b>
Internal income*	38	-732	-142	-192	-1,460	-80	-1,286	3,854		

January - June 2014	Branch operations - Home markets									Group Jan-Jun 2014
SEK m	Sweden	UK	Denmark	Finland	Norway	Nether- lands	Capital Markets	Other	Adj. & elim.	
Net interest income	7,817	1,601	769	684	1,702	137	453	219	-25	13,357
Net fee and commission income	1,872	159	202	217	194	12	1,552	-13		4,195
Net gains/losses on financial transactions	233	73	33	37	40	5	799	-96		1,124
Risk result - insurance							85			85
Share of profit of associates								-6		-6
Other income	32	7	14	4	11	-	8	297		373
<b>Total income</b>	<b>9,954</b>	<b>1,840</b>	<b>1,018</b>	<b>942</b>	<b>1,947</b>	<b>154</b>	<b>2,897</b>	<b>401</b>	<b>-25</b>	<b>19,128</b>
Staff costs	-1,667	-677	-287	-168	-343	-61	-1,288	-1,306	0	-5,797
Other administrative expenses	-554	-150	-87	-73	-116	-12	-436	-1,087		-2,515
Internal purchased and sold services	-1,522	-198	-127	-121	-189	-31	-68	2,231	25	
Depreciation, amortisation and impairments of property, equipment and intangible assets	-38	-11	-9	-4	-5	-1	-37	-128		-233
<b>Total expenses</b>	<b>-3,781</b>	<b>-1,036</b>	<b>-510</b>	<b>-366</b>	<b>-653</b>	<b>-105</b>	<b>-1,829</b>	<b>-290</b>	<b>25</b>	<b>-8,545</b>
<b>Profit before loan losses</b>	<b>6,173</b>	<b>804</b>	<b>508</b>	<b>576</b>	<b>1,294</b>	<b>49</b>	<b>1,068</b>	<b>111</b>	<b>0</b>	<b>10,583</b>
Net loan losses	-325	-51	-21	-154	-68	-1	33			-587
Gains/losses on disposal of property, equipment and intangible assets	0	1	-	0	-	-	0	0		1
<b>Operating profit</b>	<b>5,848</b>	<b>754</b>	<b>487</b>	<b>422</b>	<b>1,226</b>	<b>48</b>	<b>1,101</b>	<b>111</b>	<b>0</b>	<b>9,997</b>
Profit allocation	437	17	27	40	25	6	-552	0		
<b>Operating profit after profit allocation</b>	<b>6,285</b>	<b>771</b>	<b>514</b>	<b>462</b>	<b>1,251</b>	<b>54</b>	<b>549</b>	<b>111</b>	<b>0</b>	<b>9,997</b>
Internal income*	-400	-589	-244	-220	-1,730	-83	-763	4,029		

\* Internal income which is included in total income comprises income from transactions with other operating segments and Other. Since interest income and interest expense are reported net as income, this means that internal income includes the net amount of the internal funding cost among segments and Other.

The business segments consist of the branch operations in Sweden, the UK, Denmark, Finland, Norway and the Netherlands, and also Handelsbanken Capital Markets. The income statements by segment include internal items such as internal interest, commissions and

payment for internal services rendered, primarily according to the cost price principle. The part of Handelsbanken Capital Markets' operating profit that does not involve risk-taking is distributed to branches with customer responsibility.



## Branch operations in Sweden

Branch operations in Sweden comprise six regional banks, as well as Handelsbanken Finans's and Stadshypotek's operations in Sweden. At Handelsbanken, the branches are the base of all operations, with responsibility for all customers of the Bank. The regional banks offer a full range of banking services at 463 branches throughout Sweden. Handelsbanken Finans offers finance company services and works through the Bank's branches. Stadshypotek is the Bank's mortgage company, and is completely integrated with the branch operations.

### INCOME STATEMENT

SEK m	Q2 2015	Q1 2015	Change	Q2 2014	Change	Jan-Jun 2015	Jan-Jun 2014	Change	Full year 2014
Net interest income	3,877	3,859	0%	3,914	-1%	7,736	7,817	-1%	15,734
Net fee and commission income	1,174	1,124	4%	961	22%	2,298	1,872	23%	3,908
Net gains/losses on financial transactions	137	100	37%	149	-8%	237	233	2%	400
Other income	5	35	-86%	12	-58%	40	32	25%	92
<b>Total income</b>	<b>5,193</b>	<b>5,118</b>	<b>1%</b>	<b>5,036</b>	<b>3%</b>	<b>10,311</b>	<b>9,954</b>	<b>4%</b>	<b>20,134</b>
Staff costs	-917	-875	5%	-832	10%	-1,792	-1,667	7%	-3,421
Other administrative expenses	-302	-269	12%	-289	4%	-571	-554	3%	-1,221
Internal purchased and sold services	-642	-679	-5%	-764	-16%	-1,321	-1,522	-13%	-2,770
Depreciation, amortisation and impairments of property, equipment and intangible assets	-21	-24	-13%	-18	17%	-45	-38	18%	-85
<b>Total expenses</b>	<b>-1,882</b>	<b>-1,847</b>	<b>2%</b>	<b>-1,903</b>	<b>-1%</b>	<b>-3,729</b>	<b>-3,781</b>	<b>-1%</b>	<b>-7,497</b>
<b>Profit before loan losses</b>	<b>3,311</b>	<b>3,271</b>	<b>1%</b>	<b>3,133</b>	<b>6%</b>	<b>6,582</b>	<b>6,173</b>	<b>7%</b>	<b>12,637</b>
Net loan losses	-236	-74	219%	-77	206%	-310	-325	-5%	-657
Gains/losses on disposal of property, equipment and intangible assets	-	-3		-		-3	0		0
<b>Operating profit</b>	<b>3,075</b>	<b>3,194</b>	<b>-4%</b>	<b>3,056</b>	<b>1%</b>	<b>6,269</b>	<b>5,848</b>	<b>7%</b>	<b>11,980</b>
Profit allocation	211	182	16%	240	-12%	393	437	-10%	930
<b>Operating profit after profit allocation</b>	<b>3,286</b>	<b>3,376</b>	<b>-3%</b>	<b>3,296</b>	<b>0%</b>	<b>6,662</b>	<b>6,285</b>	<b>6%</b>	<b>12,910</b>
Internal income	68	-30		-89		38	-400		-492
Cost/income ratio, %	34.8	34.8		36.1		34.8	36.4		35.6
Loan loss ratio, %	0.08	0.03		0.03		0.05	0.06		0.06
Allocated capital	64,142	69,628	-8%	61,052	5%	64,142	61,052	5%	67,103
Return on allocated capital, %	16.0	15.1		16.8		15.5	15.7		15.7
Average number of employees	4,374	4,337	1%	4,306	2%	4,355	4,323	1%	4,381
Number of branches	463	463	0%	462	0%	463	462	0%	463

### BUSINESS VOLUMES

Average volumes, SEK bn	Q2 2015	Q1 2015	Change	Q2 2014	Change	Jan-Jun 2015	Jan-Jun 2014	Change	Full year 2014
Loans to the public*									
Household	680	668	2%	639	6%	674	635	6%	645
of which mortgage loans	626	615	2%	588	6%	620	584	6%	593
Corporate	464	467	-1%	476	-3%	466	476	-2%	473
of which mortgage loans	268	269	0%	267	0%	268	263	2%	266
<b>Total</b>	<b>1,144</b>	<b>1,135</b>	<b>1%</b>	<b>1,115</b>	<b>3%</b>	<b>1,140</b>	<b>1,111</b>	<b>3%</b>	<b>1,118</b>
Deposits and borrowing from the public									
Household	258	248	4%	236	9%	253	233	9%	238
Corporate	185	181	2%	158	17%	183	159	15%	161
<b>Total</b>	<b>443</b>	<b>429</b>	<b>3%</b>	<b>394</b>	<b>12%</b>	<b>436</b>	<b>392</b>	<b>11%</b>	<b>399</b>

\* Excluding loans to the National Debt Office.

## JANUARY – JUNE 2015 COMPARED WITH JANUARY – JUNE 2014

### Financial performance

Operating profit increased by 7% to SEK 6,269m (5,848), due to higher income, while expenses and loan losses were lower.

Net interest income decreased by SEK 81m, or 1%, to SEK 7,736m (7,817). A lower interest rate environment reduced the deposit margin by SEK -955m. Lending margins had a positive impact of SEK 394m, and growing lending volumes increased net interest income by SEK 163m. The benchmark effect in Stadshypotek increased by SEK 32m to SEK -13m (-45). The fees to the Stabilisation Fund and the deposit guarantee were virtually unchanged, amounting to SEK -333m (-334).

Net fee and commission income grew by 23% to SEK 2,298m (1,872), as a result of the continuing flow of new customers and generally high customer activity, particularly in the area of asset management.

Net gains/losses on financial transactions rose by 2% to SEK 237m (233).

Total expenses decreased by 1% to SEK -3,729m (-3,781). Staff costs rose by 7%. Adjusted for internal organisational changes and higher pension costs, the increase in staff costs was 2%. Other expenses fell by 8%. The C/I ratio improved to 34.8% (36.4).

Loan losses went down to SEK -310m (-325), and the loan loss ratio fell to 0.05% (0.06).

### Business development

During the first half of the year, new savings in the Bank's mutual funds in Sweden amounted to SEK 13.5bn, corresponding to a market share of 27%. At the same time, the average volume of deposits from households was up by 9% compared with the first half of the previous year, amounting to SEK 253bn (233).

The average volume of mortgage loans to private individuals increased by 6% to SEK 620bn (584), while the average volume of lending to companies fell by 2% to SEK 466bn (476).

Handelsbanken had a total of 463 branches in Sweden, which was unchanged.

## Q2 2015 COMPARED WITH Q1 2015

Operating profit decreased by 4% to SEK 3,075m (3,194), and return on equity rose to 16.0% (15.1).

Income grew by 1% and expenses increased by 2%.

Net interest income improved by SEK 18m to SEK 3,877m (3,859). Deposit margins went down by SEK -200m as a result of lower short-term interest rate levels. Lending margins increased by SEK 77m. Higher deposit and lending volumes positively affected net interest income by SEK 20m. Fees for the Swedish Stabilisation Fund and the deposit guarantee increased by SEK 1m to SEK -167m (-166). The benchmark effect in Stadshypotek amounted to SEK 5m (-18).

The average volume of mortgages to private individuals grew by 2% to SEK 626bn (615). The gross margin on the mortgage portfolio – before advisory and administration expenses – was 1.04% (1.01).

Demand from companies for loans remained weak, and the average volume of lending decreased by 1% to SEK 464bn (467).

Net fee and commission income went up by 4% to SEK 1,174m (1,124), chiefly as a result of higher card commissions.

Net gains/losses on financial transactions rose to SEK 137m (100), mainly due to higher early redemption charges.

Expenses increased by 2% to SEK -1,882m (-1,847). Staff costs increased by 5% to SEK -917m (-875). This increase was chiefly attributable to internal organisational changes, which caused the average number of employees to rise to 4,374 (4,337). Adjusted for these organisational changes, the number of employees was unchanged.

Loan losses increased to SEK -236m (-74) and the loan loss ratio was 0.08% (0.03).

## Branch operations in the UK

Branch operations in the UK comprise five regional banks and the asset management company Heartwood. Handelsbanken Finans's operations in the UK are also included. At Handelsbanken, the branches are the base of all operations, with responsibility for all customers of the Bank. The regional banks offer banking services at 187 branches throughout the UK.

### INCOME STATEMENT

SEK m	Q2 2015	Q1 2015	Change	Q2 2014	Change	Jan-Jun 2015	Jan-Jun 2014	Change	Full year 2014
Net interest income	1,140	1,057	8%	834	37%	2,197	1,601	37%	3,497
Net fee and commission income	105	103	2%	83	27%	208	159	31%	344
Net gains/losses on financial transactions	54	49	10%	37	46%	103	73	41%	158
Other income	2	2	0%	4	-50%	4	7	-43%	18
<b>Total income</b>	<b>1,301</b>	<b>1,211</b>	<b>7%</b>	<b>958</b>	<b>36%</b>	<b>2,512</b>	<b>1,840</b>	<b>37%</b>	<b>4,017</b>
Staff costs	-463	-445	4%	-348	33%	-908	-677	34%	-1,471
Other administrative expenses	-99	-91	9%	-79	25%	-190	-150	27%	-333
Internal purchased and sold services	-109	-101	8%	-102	7%	-210	-198	6%	-379
Depreciation, amortisation and impairments of property, equipment and intangible assets	-5	-5	0%	-6	-17%	-10	-11	-9%	-18
<b>Total expenses</b>	<b>-676</b>	<b>-642</b>	<b>5%</b>	<b>-535</b>	<b>26%</b>	<b>-1,318</b>	<b>-1,036</b>	<b>27%</b>	<b>-2,201</b>
<b>Profit before loan losses</b>	<b>625</b>	<b>569</b>	<b>10%</b>	<b>423</b>	<b>48%</b>	<b>1,194</b>	<b>804</b>	<b>49%</b>	<b>1,816</b>
Net loan losses	-7	-95	-93%	-51	-86%	-102	-51	100%	-203
Gains/losses on disposal of property, equipment and intangible assets	-8	-1		1		-9	1		4
<b>Operating profit</b>	<b>610</b>	<b>473</b>	<b>29%</b>	<b>373</b>	<b>64%</b>	<b>1,083</b>	<b>754</b>	<b>44%</b>	<b>1,617</b>
Profit allocation	8	9	-11%	8	0%	17	17	0%	35
<b>Operating profit after profit allocation</b>	<b>618</b>	<b>482</b>	<b>28%</b>	<b>381</b>	<b>62%</b>	<b>1,100</b>	<b>771</b>	<b>43%</b>	<b>1,652</b>
Internal income	-361	-371	3%	-289	-25%	-732	-589	-24%	-1,230
Cost/income ratio, %	51.6	52.6		55.4		52.1	55.8		54.3
Loan loss ratio, %	0.02	0.22		0.15		0.12	0.08		0.15
Allocated capital	10,527	9,798	7%	7,732	36%	10,527	7,732	36%	9,430
Return on allocated capital, %	18.3	15.3		15.4		16.9	15.1		15.2
Average number of employees	1,755	1,689	4%	1,547	13%	1,722	1,512	14%	1,567
Number of branches	187	180	4%	170	10%	187	170	10%	178

### BUSINESS VOLUMES

Average volumes, GBP m	Q2 2015	Q1 2015	Change	Q2 2014	Change	Jan-Jun 2015	Jan-Jun 2014	Change	Full year 2014
Loans to the public									
Household	4,709	4,532	4%	3,921	20%	4,620	3,842	20%	4,044
Corporate	9,913	9,697	2%	8,924	11%	9,805	8,853	11%	9,109
<b>Total</b>	<b>14,622</b>	<b>14,229</b>	<b>3%</b>	<b>12,845</b>	<b>14%</b>	<b>14,425</b>	<b>12,695</b>	<b>14%</b>	<b>13,153</b>
Deposits and borrowing from the public									
Household	1,681	1,526	10%	1,222	38%	1,604	1,127	42%	1,261
Corporate	6,628	6,105	9%	6,431	3%	6,367	5,899	8%	6,133
<b>Total</b>	<b>8,309</b>	<b>7,631</b>	<b>9%</b>	<b>7,653</b>	<b>9%</b>	<b>7,971</b>	<b>7,026</b>	<b>13%</b>	<b>7,394</b>

## JANUARY – JUNE 2015 COMPARED WITH JANUARY – JUNE 2014

### Financial performance

Operating profit increased by 44% to SEK 1,083m (754). Income rose by 37%, while expenses went up by 27%. Exchange rate movements increased operating profit by SEK 131m, and expressed in local currency, operating profit improved by 23%. Profits take full account of expenses relating to continuing expansion, and 17 new branches have been opened over the past 12 months.

Profit before loan losses grew by 49% to SEK 1,194m (804), as a result of continuing growth in business volumes and customer numbers. In local currency, the increase was 27%.

Net interest income rose by 37%, or SEK 596m, to SEK 2,197m (1,601). Exchange rate movements positively affected net interest income by SEK 278m. The underlying increase is primarily due to the fact that higher deposit and lending volumes made a positive contribution of SEK 237m. Higher lending margins boosted net interest income by SEK 45m, while lower deposit margins caused a SEK 10m reduction.

Net fee and commission income went up by 31% to SEK 208m (159), due mainly to an increase of 38% in asset management commissions and an increase of 44% in net payment commissions. Heartwood contributed asset management and advisory commissions of SEK 122m (93).

Net gains/losses on financial transactions went up by 41% to SEK 103m (73), chiefly as a result of expanding business volumes and a higher number of customers.

Expenses grew by 27% to SEK -1,318m (-1,036), with exchange rate movements behind 17 percentage points of the increase; in local currency, expenses grew by 9%. The underlying cost increase is entirely due to the expanding operations.

The average number of employees grew by 14% to 1,722 (1,512).

Loan losses were SEK -102m (-51), and the loan loss ratio was 0.12% (0.08).

### Business development

Business volumes – particularly deposits from households – continued to grow. The average volume of deposits from households climbed by 42% compared with the corresponding period in the previous year, while lending to households grew by 20%. Overall, the average volume of lending increased by 14%, or GBP 1.7bn, while deposits grew by 13%, or GBP 0.9bn. In the second quarter, the lending/deposits ratio was 176%, compared with 186% in the preceding quarter.

Since the acquisition of Heartwood in May 2013, its assets under management have increased from GBP 1.5bn to just over GBP 2.4bn.

Seven new branches were opened during the second quarter, bringing the total number of branches in the UK to 187. In addition, managers have been recruited for another ten new branches.

On 1 January 2015, the Bank established a fifth regional bank in the UK, with its head office in Leeds.

## Q2 2015 COMPARED WITH Q1 2015

Operating profit increased by 29% to SEK 610m (473). Exchange rate movements had a positive effect amounting to SEK 9m, and expressed in local currency, operating profit grew by 27%. The return on equity increased to 18.3% (15.3).

Income increased by 7% to SEK 1,301m (1,211), mainly due to higher net interest income. Exchange rate movements had a positive effect on income amounting to SEK 24m.

Net interest income grew by 8% to SEK 1,140m (1,057), chiefly due to larger business volumes, but lending margins also made a positive contribution.

Net fee and commission income increased by 2% to SEK 105m (103). Asset management and payment commissions increased, while brokerage income decreased somewhat.

Expenses increased by 5%, or SEK 34m, to SEK -676m (-642). Exchange rate effects increased expenses by SEK 13m. The average number of employees rose by 4% to 1,755 (1,689).

Loan losses went down to SEK -7m (-95), and the loan loss ratio was 0.02% (0.22).

## Branch operations in Denmark

Branch operations in Denmark comprise the regional bank, as well as Handelsbanken Finans's and Stadshypotek's operations in Denmark. At Handelsbanken, the branches are the base of all operations, with responsibility for all customers of the Bank. The regional bank offers a full range of banking services at 57 branches throughout Denmark. Handelsbanken Finans offers finance company services and works through the Bank's branches. The mortgage operations at Stadshypotek are fully integrated with the branch operations.

### INCOME STATEMENT

SEK m	Q2 2015	Q1 2015	Change	Q2 2014	Change	Jan-Jun 2015	Jan-Jun 2014	Change	Full year 2014
Net interest income	424	419	1%	389	9%	843	769	10%	1,610
Net fee and commission income	114	128	-11%	107	7%	242	202	20%	385
Net gains/losses on financial transactions	22	13	69%	8	175%	35	33	6%	116
Other income	5	5	0%	8	-38%	10	14	-29%	21
<b>Total income</b>	<b>565</b>	<b>565</b>	<b>0%</b>	<b>512</b>	<b>10%</b>	<b>1,130</b>	<b>1,018</b>	<b>11%</b>	<b>2,132</b>
Staff costs	-152	-155	-2%	-147	3%	-307	-287	7%	-584
Other administrative expenses	-44	-46	-4%	-44	0%	-90	-87	3%	-181
Internal purchased and sold services	-73	-72	1%	-64	14%	-145	-127	14%	-273
Depreciation, amortisation and impairments of property, equipment and intangible assets	-3	-4	-25%	-5	-40%	-7	-9	-22%	-19
<b>Total expenses</b>	<b>-272</b>	<b>-277</b>	<b>-2%</b>	<b>-260</b>	<b>5%</b>	<b>-549</b>	<b>-510</b>	<b>8%</b>	<b>-1,057</b>
<b>Profit before loan losses</b>	<b>293</b>	<b>288</b>	<b>2%</b>	<b>252</b>	<b>16%</b>	<b>581</b>	<b>508</b>	<b>14%</b>	<b>1,075</b>
Net loan losses	-22	-24	-8%	-23	-4%	-46	-21	119%	-529
Gains/losses on disposal of property, equipment and intangible assets	2	0		-		2	-		1
<b>Operating profit</b>	<b>273</b>	<b>264</b>	<b>3%</b>	<b>229</b>	<b>19%</b>	<b>537</b>	<b>487</b>	<b>10%</b>	<b>547</b>
Profit allocation	17	18	-6%	14	21%	35	27	30%	62
<b>Operating profit after profit allocation</b>	<b>290</b>	<b>282</b>	<b>3%</b>	<b>243</b>	<b>19%</b>	<b>572</b>	<b>514</b>	<b>11%</b>	<b>609</b>
Internal income	-81	-61	-33%	-129	37%	-142	-244	42%	-468
Cost/income ratio, %	46.7	47.5		49.4		47.1	48.8		48.2
Loan loss ratio, %	0.11	0.12		0.13		0.11	0.06		0.73
Allocated capital	6,387	5,951	7%	5,172	23%	6,387	5,172	23%	6,008
Return on allocated capital, %	14.1	14.8		14.7		14.5	14.9		8.5
Average number of employees	630	625	1%	635	-1%	627	634	-1%	631
Number of branches	57	57	0%	57	0%	57	57	0%	57

### BUSINESS VOLUMES

Average volumes, DKK bn	Q2 2015	Q1 2015	Change	Q2 2014	Change	Jan-Jun 2015	Jan-Jun 2014	Change	Full year 2014
Loans to the public									
Household	36.3	35.6	2%	32.4	12%	35.9	31.9	13%	32.8
Corporate	30.3	27.3	11%	28.2	7%	28.8	28.1	2%	28.3
<b>Total</b>	<b>66.6</b>	<b>62.9</b>	<b>6%</b>	<b>60.6</b>	<b>10%</b>	<b>64.7</b>	<b>60.0</b>	<b>8%</b>	<b>61.1</b>
Deposits and borrowing from the public									
Household	11.3	10.1	12%	10.0	13%	10.7	9.7	10%	9.9
Corporate	16.6	15.7	6%	12.2	36%	16.2	13.7	18%	13.7
<b>Total</b>	<b>27.9</b>	<b>25.8</b>	<b>8%</b>	<b>22.2</b>	<b>26%</b>	<b>26.9</b>	<b>23.4</b>	<b>15%</b>	<b>23.6</b>

## JANUARY – JUNE 2015 COMPARED WITH JANUARY – JUNE 2014

### Financial performance

Operating profit increased by 10% to SEK 537m (487). Exchange rate movements increased operating profit by SEK 23m, and expressed in local currency, operating profit grew by 6%. Profits before loan losses grew by 14% to SEK 581m (508). Income grew by 11%.

Net interest income increased by 10% to SEK 843m (769), chiefly as a result of higher volumes of lending to households. In local currency, net interest income increased by 5%. Both deposit and lending margins fell. Fees for the Swedish Stabilisation Fund and the deposit guarantee, together with the Danish state deposit guarantee, burdened net interest income by SEK -28m (-25).

Net fee and commission income increased by 20% to SEK 242m (202). Expressed in local currency, net fee and commission income increased by 14%, mainly due to a continued inflow of new customers and a generally high level of customer activity, particularly in the area of asset management.

Net gains/losses on financial transactions increased to SEK 35m (33).

Expenses increased by 8% to SEK -549m (-510). Adjusted for the effects of exchange rate movements, expenses rose by 3%.

Loan losses were SEK -46m (-21), and the loan loss ratio rose to 0.11% (0.06).

### Business development

The Bank continued to have a stable inflow of new customers, and business volumes continued to increase. Compared with the first half of 2014, the average volume of deposits grew by 15% to DKK 26.9bn (23.4), while lending rose by 8% to DKK 64.7bn (60.0).

The Bank had a total of 57 branches in Denmark, which was unchanged.

## Q2 2015 COMPARED WITH Q1 2015

Operating profit improved to SEK 273m (264), as a result of lower expenses and loan losses. In local currency, operating profit increased by 4%. Return on equity was 14.1% (14.8).

Net interest income increased by 1% to SEK 424m (419).

Net fee and commission income decreased by 11%, mainly due to lower guarantee commissions in the second quarter.

Net gains/losses on financial transactions increased to SEK 22m (13).

Expenses decreased by 2% to SEK -272m (-277). In local currency, expenses fell by 1%. Loan losses went down to SEK -22m (-24), and the loan loss ratio fell to 0.11% (0.12).

## Branch operations in Finland

Branch operations in Finland comprise the regional bank, as well as Handelsbanken Finans's and Stadshypotek's operations in Finland. At Handelsbanken, the branches are the base of all operations, with responsibility for all customers of the Bank. The regional bank offers a full range of banking services at 46 branches throughout Finland. Handelsbanken Finans offers finance company services and works through the Bank's branches. The mortgage operations at Stadshypotek are fully integrated with the branch operations.

### INCOME STATEMENT

SEK m	Q2 2015	Q1 2015	Change	Q2 2014	Change	Jan-Jun 2015	Jan-Jun 2014	Change	Full year 2014
Net interest income	341	342	0%	340	0%	683	684	0%	1,389
Net fee and commission income	98	100	-2%	109	-10%	198	217	-9%	440
Net gains/losses on financial transactions	16	22	-27%	28	-43%	38	37	3%	76
Other income	7	6	17%	2	250%	13	4	225%	11
<b>Total income</b>	<b>462</b>	<b>470</b>	<b>-2%</b>	<b>479</b>	<b>-4%</b>	<b>932</b>	<b>942</b>	<b>-1%</b>	<b>1,916</b>
Staff costs	-94	-93	1%	-83	13%	-187	-168	11%	-351
Other administrative expenses	-42	-38	11%	-38	11%	-80	-73	10%	-158
Internal purchased and sold services	-61	-63	-3%	-60	2%	-124	-121	2%	-232
Depreciation, amortisation and impairments of property, equipment and intangible assets	-3	-2	50%	-2	50%	-5	-4	25%	-8
<b>Total expenses</b>	<b>-200</b>	<b>-196</b>	<b>2%</b>	<b>-183</b>	<b>9%</b>	<b>-396</b>	<b>-366</b>	<b>8%</b>	<b>-749</b>
<b>Profit before loan losses</b>	<b>262</b>	<b>274</b>	<b>-4%</b>	<b>296</b>	<b>-11%</b>	<b>536</b>	<b>576</b>	<b>-7%</b>	<b>1,167</b>
Net loan losses	-51	-14	264%	-106	-52%	-65	-154	-58%	-277
Gains/losses on disposal of property, equipment and intangible assets	0	-		-		0	0	0%	0
<b>Operating profit</b>	<b>211</b>	<b>260</b>	<b>-19%</b>	<b>190</b>	<b>11%</b>	<b>471</b>	<b>422</b>	<b>12%</b>	<b>890</b>
Profit allocation	27	25	8%	19	42%	52	40	30%	85
<b>Operating profit after profit allocation</b>	<b>238</b>	<b>285</b>	<b>-16%</b>	<b>209</b>	<b>14%</b>	<b>523</b>	<b>462</b>	<b>13%</b>	<b>975</b>
Internal income	-93	-99	6%	-119	22%	-192	-220	13%	-429
Cost/income ratio, %	40.9	39.6		36.7		40.2	37.3		37.4
Loan loss ratio, %	0.17	0.05		0.39		0.11	0.28		0.25
Allocated capital	5,983	5,995	0%	5,717	5%	5,983	5,717	5%	6,545
Return on allocated capital, %	12.4	14.8		11.4		13.6	12.1		12.4
Average number of employees	502	481	4%	500	0%	492	493	0%	494
Number of branches	46	46	0%	46	0%	46	46	0%	46

### BUSINESS VOLUMES

Average volumes, EUR m	Q2 2015	Q1 2015	Change	Q2 2014	Change	Jan-Jun 2015	Jan-Jun 2014	Change	Full year 2014
Loans to the public									
Household	3,948	3,918	1%	3,811	4%	3,933	3,799	4%	3,843
Corporate	8,558	8,704	-2%	8,369	2%	8,631	8,288	4%	8,438
<b>Total</b>	<b>12,506</b>	<b>12,622</b>	<b>-1%</b>	<b>12,180</b>	<b>3%</b>	<b>12,564</b>	<b>12,087</b>	<b>4%</b>	<b>12,281</b>
Deposits and borrowing from the public									
Household	1,366	1,353	1%	1,235	11%	1,359	1,242	9%	1,264
Corporate	2,384	2,431	-2%	3,119	-24%	2,407	3,081	-22%	3,249
<b>Total</b>	<b>3,750</b>	<b>3,784</b>	<b>-1%</b>	<b>4,354</b>	<b>-14%</b>	<b>3,766</b>	<b>4,323</b>	<b>-13%</b>	<b>4,513</b>



## JANUARY – JUNE 2015 COMPARED WITH JANUARY – JUNE 2014

### Financial performance

Operating profit improved by 12% to SEK 471m (422), due to lower loan losses. Exchange rate effects increased the operating profit by SEK 20m, and expressed in local currency, operating profit grew by 7%.

Income decreased by 1%, and net interest income was virtually unchanged at SEK 683m (684). In local currency, net interest income fell by 4%, which was chiefly attributable to declining lending and deposit margins. Fees for the Swedish Stabilisation Fund and the deposit guarantee increased to SEK -27m (-25).

Net fee and commission income went down by 9% to SEK 198m (217), due mainly to higher commission expenses.

Net gains/losses on financial transactions increased by 3% to SEK 38m (37).

Total expenses rose by 8% to SEK -396m (-366). Exchange rate movements explain half of this increase. The average number of employees was unchanged at 492 (493).

Loan losses went down to SEK -65m (-154), and the loan loss ratio fell to 0.11% (0.28).

### Business development

The average volume of deposits from households was up by 9%, while lending to households was up by 4% compared with the first half of the previous year.

The average volume of lending to companies grew by 4%, while corporate deposits decreased by 22%, owing to reduced deposits from large corporates.

The Bank had a total of 46 branches in Finland, which was unchanged.

## Q2 2015 COMPARED WITH Q1 2015

Operating profit decreased by 19% to SEK 211m (260) due to higher loan losses and lower net gains/losses on financial transactions. The effect of exchange rate movements was marginal. Return on equity was 12.4% (14.8).

Net interest income was virtually unchanged at SEK 341m (342). Increased lending volumes made a positive contribution, but were offset by lower lending and deposit margins.

Net fee and commission income decreased by 2% to SEK 98m (100), chiefly due to lower lending commissions.

Net gains/losses on financial transactions decreased to SEK 16m (22).

Expenses rose by 2% to SEK -200m (-196).

Loan losses increased to SEK -51m (-14) and the loan loss ratio rose to 0.17% (0.05).

## Branch operations in Norway

Branch operations in Norway comprise the regional bank, as well as Handelsbanken Finans's and Stadshypotek's operations in Norway. At Handelsbanken, the branches are the base of all operations, with responsibility for all customers of the Bank. The regional bank offers a full range of banking services at 51 branches throughout Norway. Handelsbanken Finans offers finance company services and works through the Bank's branches. The mortgage operations at Stadshypotek are fully integrated with the branch operations.

### INCOME STATEMENT

SEK m	Q2 2015	Q1 2015	Change	Q2 2014	Change	Jan-Jun 2015	Jan-Jun 2014	Change	Full year 2014
Net interest income	840	835	1%	859	-2%	1,675	1,702	-2%	3,439
Net fee and commission income	103	100	3%	97	6%	203	194	5%	390
Net gains/losses on financial transactions	14	29	-52%	23	-39%	43	40	8%	102
Other income	6	3	100%	5	20%	9	11	-18%	20
<b>Total income</b>	<b>963</b>	<b>967</b>	<b>0%</b>	<b>984</b>	<b>-2%</b>	<b>1,930</b>	<b>1,947</b>	<b>-1%</b>	<b>3,951</b>
Staff costs	-183	-184	-1%	-174	5%	-367	-343	7%	-711
Other administrative expenses	-54	-53	2%	-63	-14%	-107	-116	-8%	-219
Internal purchased and sold services	-95	-97	-2%	-99	-4%	-192	-189	2%	-390
Depreciation, amortisation and impairments of property, equipment and intangible assets	-4	-3	33%	-3	33%	-7	-5	40%	-11
<b>Total expenses</b>	<b>-336</b>	<b>-337</b>	<b>0%</b>	<b>-339</b>	<b>-1%</b>	<b>-673</b>	<b>-653</b>	<b>3%</b>	<b>-1,331</b>
<b>Profit before loan losses</b>	<b>627</b>	<b>630</b>	<b>0%</b>	<b>645</b>	<b>-3%</b>	<b>1,257</b>	<b>1,294</b>	<b>-3%</b>	<b>2,620</b>
Net loan losses	-44	-95	-54%	-47	-6%	-139	-68	104%	-141
Gains/losses on disposal of property, equipment and intangible assets	-	-	-	-	-	-	-	-	-
<b>Operating profit</b>	<b>583</b>	<b>535</b>	<b>9%</b>	<b>598</b>	<b>-3%</b>	<b>1,118</b>	<b>1,226</b>	<b>-9%</b>	<b>2,479</b>
Profit allocation	15	8	88%	14	7%	23	25	-8%	66
<b>Operating profit after profit allocation</b>	<b>598</b>	<b>543</b>	<b>10%</b>	<b>612</b>	<b>-2%</b>	<b>1,141</b>	<b>1,251</b>	<b>-9%</b>	<b>2,545</b>
Internal income	-742	-718	-3%	-898	17%	-1,460	-1,730	16%	-3,430
Cost/income ratio, %	34.4	34.6		34.0		34.5	33.1		33.1
Loan loss ratio, %	0.09	0.19		0.10		0.14	0.07		0.07
Allocated capital	12,858	13,901	-8%	11,532	11%	12,858	11,532	11%	13,181
Return on allocated capital, %	14.5	12.2		16.5		13.3	16.1		15.9
Average number of employees	673	673	0%	663	2%	673	663	2%	672
Number of branches	51	51	0%	50	2%	51	50	2%	51

### BUSINESS VOLUMES

Average volumes, NOK bn	Q2 2015	Q1 2015	Change	Q2 2014	Change	Jan-Jun 2015	Jan-Jun 2014	Change	Full year 2014
Loans to the public									
Household	80.5	79.5	1%	75.8	6%	80.0	75.4	6%	76.3
Corporate	118.2	116.3	2%	113.3	4%	117.3	113.3	4%	113.9
<b>Total</b>	<b>198.7</b>	<b>195.8</b>	<b>1%</b>	<b>189.1</b>	<b>5%</b>	<b>197.3</b>	<b>188.7</b>	<b>5%</b>	<b>190.2</b>
Deposits and borrowing from the public									
Household	17.1	16.6	3%	15.0	14%	16.9	14.8	14%	15.3
Corporate	54.6	55.5	-2%	45.1	21%	55.0	44.4	24%	47.1
<b>Total</b>	<b>71.7</b>	<b>72.1</b>	<b>-1%</b>	<b>60.1</b>	<b>19%</b>	<b>71.9</b>	<b>59.2</b>	<b>21%</b>	<b>62.4</b>

## JANUARY – JUNE 2015 COMPARED WITH JANUARY – JUNE 2014

### Financial performance

Operating profit decreased by 9% to SEK 1,118m (1,226), chiefly due to higher loan losses in the first quarter of the year. The effect of exchange rate movements was marginal.

Income fell by 1%, due to lower lending margins. Net interest income declined by 2% to SEK 1,675m (1,702). Lending margins decreased by SEK 209m, while increasing business volumes had a positive effect of SEK 97m. Fees for the Swedish Stabilisation Fund and the deposit guarantee burdened net interest income by SEK -51m (-52).

Net fee and commission income grew by 5% to SEK 203m (194), chiefly due to the continuing increase in fund management commissions.

Expenses increased by 3% to SEK -673m (-653). Staff costs rose by 7%, which was chiefly attributable to higher pension costs, and annual salary increases. The average number of employees rose to 673 (663).

Loan losses increased to SEK -139m (-68) and the loan loss ratio was 0.14% (0.07).

### Business development

Business volumes continued to grow. The average volume of deposits grew by 21%, while lending went up by 5%.

The average volume of deposits from households increased by 14% to NOK 16.9bn (14.8), while lending to households grew by 6% to NOK 80.0bn (75.4).

The average volume of deposits from companies increased by 24% to NOK 55.0bn (44.4), while lending to companies grew by 4% to NOK 117.3bn (113.3).

Handelsbanken had 51 branches in Norway, which was unchanged.

## Q2 2015 COMPARED WITH Q1 2015

Operating profit increased by 9% to SEK 583m (535). Of this increase, one percentage point stemmed from exchange rate effects. The return on equity increased to 14.5% (12.2).

Net interest income grew marginally to SEK 840m (835), chiefly due to higher deposit margins. Lending margins continued to be under pressure.

Net fee and commission income grew by 3% to SEK 103m (100), due to higher payment and mutual fund commissions.

Net gains/losses on financial transactions decreased to SEK 14m (29).

Expenses were virtually unchanged, amounting to SEK -336m (-337). The average number of employees was unchanged at 673 (673).

Loan losses went down to SEK -44m (-95), and the loan loss ratio was 0.09% (0.19).

## Branch operations in the Netherlands

Since January 2013, branch operations in the Netherlands have been a home market with a regional bank. At Handelsbanken, the branches are the base of all operations, with responsibility for all customers of the Bank. The regional bank offers banking services at 22 branches in the Netherlands.

### INCOME STATEMENT

SEK m	Q2 2015	Q1 2015	Change	Q2 2014	Change	Jan-Jun 2015	Jan-Jun 2014	Change	Full year 2014
Net interest income	81	75	8%	67	21%	156	137	14%	283
Net fee and commission income	5	7	-29%	7	-29%	12	12	0%	26
Net gains/losses on financial transactions	1	0		3	-67%	1	5	-80%	7
Other income	-	-		-		-	-		-
<b>Total income</b>	<b>87</b>	<b>82</b>	<b>6%</b>	<b>77</b>	<b>13%</b>	<b>169</b>	<b>154</b>	<b>10%</b>	<b>316</b>
Staff costs	-36	-38	-5%	-32	13%	-74	-61	21%	-127
Other administrative expenses	-10	-8	25%	-6	67%	-18	-12	50%	-28
Internal purchased and sold services	-21	-22	-5%	-15	40%	-43	-31	39%	-68
Depreciation, amortisation and impairments of property, equipment and intangible assets	-1	0		-1	0%	-1	-1	0%	-1
<b>Total expenses</b>	<b>-68</b>	<b>-68</b>	<b>0%</b>	<b>-54</b>	<b>26%</b>	<b>-136</b>	<b>-105</b>	<b>30%</b>	<b>-224</b>
<b>Profit before loan losses</b>	<b>19</b>	<b>14</b>	<b>36%</b>	<b>23</b>	<b>-17%</b>	<b>33</b>	<b>49</b>	<b>-33%</b>	<b>92</b>
Net loan losses	-3	0		-2	50%	-3	-1	200%	-1
Gains/losses on disposal of property, equipment and intangible assets	-	-		-		-	-		-
<b>Operating profit</b>	<b>16</b>	<b>14</b>	<b>14%</b>	<b>21</b>	<b>-24%</b>	<b>30</b>	<b>48</b>	<b>-37%</b>	<b>91</b>
Profit allocation	0	0		1	-100%	0	6	-100%	8
<b>Operating profit after profit allocation</b>	<b>16</b>	<b>14</b>	<b>14%</b>	<b>22</b>	<b>-27%</b>	<b>30</b>	<b>54</b>	<b>-44%</b>	<b>99</b>
Internal income	-43	-37	-16%	-38	-13%	-80	-83	4%	-154
Cost/income ratio, %	78.2	82.9		69.2		80.5	65.6		69.1
Loan loss ratio, %	0.06	0.00		0.04		0.03	0.01		0.01
Allocated capital	846	893	-5%	742	14%	846	742	14%	897
Return on allocated capital, %	5.8	4.9		9.7		5.3	10.6		9.2
Average number of employees	153	145	6%	128	20%	149	124	20%	131
Number of branches	22	22	0%	18	22%	22	18	22%	20

### BUSINESS VOLUMES

Average volumes, EUR m	Q2 2015	Q1 2015	Change	Q2 2014	Change	Jan-Jun 2015	Jan-Jun 2014	Change	Full year 2014
Loans to the public									
Household	980	900	9%	682	44%	940	653	44%	723
Corporate	1,132	1,116	1%	1,145	-1%	1,124	1,303	-14%	1,209
<b>Total</b>	<b>2,112</b>	<b>2,016</b>	<b>5%</b>	<b>1,827</b>	<b>16%</b>	<b>2,064</b>	<b>1,956</b>	<b>6%</b>	<b>1,932</b>
Deposits and borrowing from the public									
Household	47	48	-2%	29	62%	48	28	71%	32
Corporate	698	811	-14%	1,067	-35%	755	1,014	-26%	1,033
<b>Total</b>	<b>745</b>	<b>859</b>	<b>-13%</b>	<b>1,096</b>	<b>-32%</b>	<b>803</b>	<b>1,042</b>	<b>-23%</b>	<b>1,065</b>

## JANUARY – JUNE 2015 COMPARED WITH JANUARY – JUNE 2014

### Financial performance

Operating profit decreased to SEK 30m (48), due to continued investment in the expansion of operations. Income rose by 10%, while expenses went up by 30%.

Net interest income increased by SEK 19m, or 14%, to SEK 156m (137). Increasing lending volumes had a positive impact of SEK 23m, while pressure on deposit margins reduced net interest income by SEK 2m.

Net fee and commission income was unchanged at SEK 12m (12).

Expenses rose by 30% to SEK -136m (-105), as a result of the continuing investments in both infrastructure and the branch network. The average number of employees increased by 20% to 149 (124).

Loan losses were SEK -3m (-1), which corresponds to a loan loss ratio of 0.03% (0.01).

### Business development

The average volume of deposits from households grew by 71% to EUR 48m (28), while lending to households increased by 44% to EUR 940m (653).

The average volume of deposits from companies decreased by 26% to EUR 755m (1,014), while lending to companies decreased by 14% to EUR 1,124m (1,303).

Two new branches were opened during the first quarter: in Alphen aan den Rijn and in Haarlem. This brought the Bank's total number of branches in the Netherlands to 22. During the second quarter, a branch manager was recruited for a future branch to be opened in Tilburg.

## Q2 2015 COMPARED WITH Q1 2015

Operating profit rose by 14% to SEK 16m (14), due to higher net interest income. Return on equity was 5.8% (4.9).

Income rose by 6% to SEK 87m (82), and net interest income grew by 8%.

Expenses remained unchanged, amounting to SEK -68m (-68). The average number of employees rose to 153 (145).

Loan losses amounted to SEK -3m (0), and the loan loss ratio corresponded to 0.06% (0.00) of the lending volume.

## Handelsbanken Capital Markets

*Handelsbanken Capital Markets consists of the business areas Markets & Asset Management, Merchant Banking International and Pension & Life. Operations are conducted in 24 countries.*

*Markets & Asset Management offers a full range of products and services linked to risk management, securities, derivatives, mutual funds and research, as well as co-ordinating the Bank's offering in the savings area.*

*Merchant Banking International consists of the following areas: debt capital markets, corporate finance, cash management, trade finance, export finance, and global banking collaborations. This business area also includes Handelsbanken's operations in 27 locations in 19 countries outside the Bank's home markets.*

*Pension & Life comprises the subsidiary Handelsbanken Liv and offers pension solutions and other insurance solutions for private and corporate customers.*

*The segment also includes business support units in these areas.*

### INCOME STATEMENT

SEK m	Q2 2015	Q1 2015	Change	Q2 2014	Change	Jan-Jun 2015	Jan-Jun 2014	Change	Full year 2014
Net interest income	171	190	-10%	217	-21%	361	453	-20%	847
Net fee and commission income	757	747	1%	779	-3%	1,504	1,552	-3%	3,041
Net gains/losses on financial transactions	331	434	-24%	442	-25%	765	799	-4%	1,537
Risk result - insurance	55	26	112%	43	28%	81	85	-5%	165
Other income	2	1	100%	9	-78%	3	8	-63%	17
<b>Total income</b>	<b>1,316</b>	<b>1,398</b>	<b>-6%</b>	<b>1,490</b>	<b>-12%</b>	<b>2,714</b>	<b>2,897</b>	<b>-6%</b>	<b>5,607</b>
Staff costs	-634	-637	0%	-633	0%	-1,271	-1,288	-1%	-2,542
Other administrative expenses	-216	-217	0%	-216	0%	-433	-436	-1%	-859
Internal purchased and sold services	-26	-10	160%	-17	53%	-36	-68	-47%	-126
Depreciation, amortisation and impairments of property, equipment and intangible assets	-18	-19	-5%	-26	-31%	-37	-37	0%	-79
<b>Total expenses</b>	<b>-894</b>	<b>-883</b>	<b>1%</b>	<b>-892</b>	<b>0%</b>	<b>-1,777</b>	<b>-1,829</b>	<b>-3%</b>	<b>-3,606</b>
<b>Profit before loan losses</b>	<b>422</b>	<b>515</b>	<b>-18%</b>	<b>598</b>	<b>-29%</b>	<b>937</b>	<b>1,068</b>	<b>-12%</b>	<b>2,001</b>
Net loan losses	4	-3		34	-88%	1	33	-97%	27
Gains/losses on disposal of property, equipment and intangible assets	0	0		0		0	0		0
<b>Operating profit</b>	<b>426</b>	<b>512</b>	<b>-17%</b>	<b>632</b>	<b>-33%</b>	<b>938</b>	<b>1,101</b>	<b>-15%</b>	<b>2,028</b>
Profit allocation	-278	-242	15%	-296	-6%	-520	-552	-6%	-1,186
<b>Operating profit after profit allocation</b>	<b>148</b>	<b>270</b>	<b>-45%</b>	<b>336</b>	<b>-56%</b>	<b>418</b>	<b>549</b>	<b>-24%</b>	<b>842</b>
Internal income	-631	-655	4%	-420	-50%	-1,286	-763	-69%	-1,858
Cost/income ratio, %	86.1	76.4		74.7		81.0	78.0		81.6
Loan loss ratio, %	-0.03	0.02		-0.24		0.00	-0.11		-0.05
Allocated capital	7,198	7,912	-9%	8,430	-15%	7,198	8,430	-15%	7,448
Return on allocated capital, %	6.4	10.7		12.4		8.6	10.1		8.1
Average number of employees	1,772	1,794	-1%	1,900	-7%	1,783	1,920	-7%	1,885

### BUSINESS VOLUMES

Merchant Banking International

Average volumes, SEK bn	Q2 2015	Q1 2015	Change	Q2 2014	Change	Jan-Jun 2015	Jan-Jun 2014	Change	Full year 2014
Loans to the public									
Household	4.6	4.4	5%	3.9	18%	4.5	3.8	18%	4.0
Corporate	42.6	44.4	-4%	41.5	3%	43.5	42.0	4%	41.5
<b>Total</b>	<b>47.2</b>	<b>48.8</b>	<b>-3%</b>	<b>45.4</b>	<b>4%</b>	<b>48.0</b>	<b>45.8</b>	<b>5%</b>	<b>45.5</b>
Deposits and borrowing from the public									
Household	3.6	3.1	16%	2.4	50%	3.4	2.3	48%	2.7
Corporate	65.4	69.0	-5%	37.1	76%	67.2	37.0	82%	46.7
<b>Total</b>	<b>69.0</b>	<b>72.1</b>	<b>-4%</b>	<b>39.5</b>	<b>75%</b>	<b>70.6</b>	<b>39.3</b>	<b>80%</b>	<b>49.4</b>

## JANUARY – JUNE 2015 COMPARED WITH JANUARY – JUNE 2014

### Financial performance

Operating profit decreased by SEK 163m or 15% to SEK 938m (1,101).

Total income fell by 6% to SEK 2,714m (2,897), primarily due to lower net interest income. Net interest income decreased by 20% to SEK 361m (453), while net gains/losses on financial transactions went down by 4% to SEK 765m (799).

Net fee and commission income declined to SEK 1,504m (1,552). Insurance commissions increased, while lower stock market turnover meant that brokerage income declined compared to the previous year.

Expenses fell by 3% to SEK 1,777m (1,829) as a result of decreases in all expense categories. The average number of employees fell by 7% to 1,783 (1,920).

Loan losses consisted of recoveries of SEK 1m (33), and the loan loss ratio was 0.00% (-0.11).

Operating profit at Merchant Banking International decreased by SEK 138m or 49% to SEK 145m (283). The decrease was mainly due to lower net interest income as a result of the lower interest rate environment, as well as recoveries in the comparison period.

Operating profit in Markets & Asset Management was virtually unchanged at SEK 611m (613). Income decreased by 3%, while expenses fell by 5%.

Due to an increase in expenses, operating profit for Pension & Life decreased to SEK 182m (205).

### Business development

New savings in Handelsbanken's mutual funds in Sweden during the first half of the year were SEK 13.5bn, corresponding to a market share of 26.5%. Total net savings in the Handelsbanken Group's funds were SEK 16.6bn. Xact was the largest player on the Nordic market for exchange-traded funds, with a market share of 94% of sales during the first half of the year. Morningstar, a mutual fund research company, gave Handelsbanken's funds the highest average grade of all the major Swedish banks in its three-year rating of mutual funds on the Swedish market.

The total fund volume, including exchange-traded funds, increased during the first half of the year by 11% to SEK 373bn (337). Total assets under management in

the Group rose during the same period by 9% to SEK 581bn (533).

Activity levels within corporate finance were higher; among other things, the Bank acted as advisor for the largest Swedish IPO for 15 years.

Activity within capital market financing decreased somewhat during the second half of the period. Customer activity in foreign exchange trading was also lower during the second quarter. In the first half of 2015, the Bank arranged 68 bond issues for an amount of just over EUR 4.5bn.

The average volume of lending outside the Bank's home markets increased by 3% during the first six months, to SEK 46bn (44). During the same period, deposits increased by 46% to SEK 61bn (42).

Demand for Handelsbanken's pension solutions remained firm. New sales in Sweden rose by 86% and insurance commissions increased by 6%, to SEK 317m (298) compared with the corresponding period of the previous year.

## Q2 2015 COMPARED WITH Q1 2015

Operating profit went down by 17% to SEK 426m (512).

Total income went down by 6%. Activity normalised following the relatively high activity level in the comparison quarter.

Net fee and commission income increased by 1% to SEK 757m (747).

Net gains/losses on financial transactions decreased to SEK 331m (434). This decrease derived mainly from foreign exchange business, where profits in the comparison quarter had been higher than normal.

Expenses increased by 1% to SEK 894m (883), due to higher costs for internally purchased services. Staff costs decreased marginally, and the average number of employees fell by 1% to 1,772 (1,794).

Loan losses in Merchant Banking International consisted of recoveries of SEK 4m (-3). The loan loss ratio was -0.03% (0.02).

Operating profit in Markets & Asset Management decreased to SEK 242m (369), due to lower net gains/losses on financial transactions related to foreign exchange business.

Merchant Banking International improved its operating profit by 16% to SEK 78m (67), as a result of decreasing expenses. At Pension & Life, operating profit grew to SEK 107m (75), due to increasing income and lower expenses.



## BUSINESS AREAS

## Markets &amp; Asset Management

SEK m	Q2 2015	Q1 2015	Change	Q2 2014	Change	Jan-Jun 2015	Jan-Jun 2014	Change	Full year 2014
Net interest income	13	10	30%	4	225%	23	8	188%	23
Net fee and commission income	423	402	5%	424	0%	825	866	-5%	1,670
Net gains/losses on financial transactions	308	420	-27%	434	-29%	728	767	-5%	1,490
Other income	-5	-4	-25%	-9	44%	-9	-22	59%	-31
<b>Total income</b>	<b>739</b>	<b>828</b>	<b>-11%</b>	<b>853</b>	<b>-13%</b>	<b>1,567</b>	<b>1,619</b>	<b>-3%</b>	<b>3,152</b>
Staff costs	-268	-260	3%	-263	2%	-528	-541	-2%	-1,069
Other expenses	-229	-199	15%	-230	0%	-428	-465	-8%	-895
<b>Total expenses</b>	<b>-497</b>	<b>-459</b>	<b>8%</b>	<b>-493</b>	<b>1%</b>	<b>-956</b>	<b>-1,006</b>	<b>-5%</b>	<b>-1,964</b>
<b>Profit before loan losses</b>	<b>242</b>	<b>369</b>	<b>-34%</b>	<b>360</b>	<b>-33%</b>	<b>611</b>	<b>613</b>	<b>0%</b>	<b>1,188</b>
Net loan losses	-	-	-	-	-	-	-	-	-
<b>Operating profit</b>	<b>242</b>	<b>369</b>	<b>-34%</b>	<b>360</b>	<b>-33%</b>	<b>611</b>	<b>613</b>	<b>0%</b>	<b>1,188</b>
<b>Operating profit after profit allocation</b>	<b>39</b>	<b>188</b>	<b>-79%</b>	<b>146</b>	<b>-73%</b>	<b>227</b>	<b>214</b>	<b>6%</b>	<b>347</b>
Average number of employees	503	502	0%	539	-7%	502	549	-9%	535

## Merchant Banking International

SEK m	Q2 2015	Q1 2015	Change	Q2 2014	Change	Jan-Jun 2015	Jan-Jun 2014	Change	Full year 2014
Net interest income	150	176	-15%	195	-23%	326	408	-20%	777
Net fee and commission income	199	187	6%	211	-6%	386	407	-5%	819
Net gains/losses on financial transactions	19	25	-24%	20	-5%	44	52	-15%	91
Other income	7	4	75%	16	-56%	11	27	-59%	45
<b>Total income</b>	<b>375</b>	<b>392</b>	<b>-4%</b>	<b>442</b>	<b>-15%</b>	<b>767</b>	<b>894</b>	<b>-14%</b>	<b>1,732</b>
Staff costs	-200	-207	-3%	-197	2%	-407	-398	2%	-787
Other expenses	-101	-115	-12%	-116	-13%	-216	-246	-12%	-503
<b>Total expenses</b>	<b>-301</b>	<b>-322</b>	<b>-7%</b>	<b>-313</b>	<b>-4%</b>	<b>-623</b>	<b>-644</b>	<b>-3%</b>	<b>-1,290</b>
<b>Profit before loan losses</b>	<b>74</b>	<b>70</b>	<b>6%</b>	<b>129</b>	<b>-43%</b>	<b>144</b>	<b>250</b>	<b>-42%</b>	<b>442</b>
Net loan losses	4	-3	-	34	-88%	1	33	-97%	27
<b>Operating profit</b>	<b>78</b>	<b>67</b>	<b>16%</b>	<b>163</b>	<b>-52%</b>	<b>145</b>	<b>283</b>	<b>-49%</b>	<b>469</b>
<b>Operating profit after profit allocation</b>	<b>58</b>	<b>49</b>	<b>18%</b>	<b>126</b>	<b>-54%</b>	<b>107</b>	<b>212</b>	<b>-50%</b>	<b>298</b>
Average number of employees	585	601	-3%	617	-5%	593	629	-6%	616
Number of branches	17	17	0%	19	-11%	17	19	-11%	17

## Pension &amp; Life

SEK m	Q2 2015	Q1 2015	Change	Q2 2014	Change	Jan-Jun 2015	Jan-Jun 2014	Change	Full year 2014
Net interest income	6	5	20%	17	-65%	11	36	-69%	53
Net fee and commission income	148	169	-12%	153	-3%	317	298	6%	587
Net gains/losses on financial transactions	3	-11	-	-12	-	-8	-23	65%	-48
Other income	55	26	112%	44	25%	81	86	-6%	166
<b>Total income</b>	<b>212</b>	<b>189</b>	<b>12%</b>	<b>202</b>	<b>5%</b>	<b>401</b>	<b>397</b>	<b>1%</b>	<b>758</b>
Staff costs	-41	-46	-11%	-42	-2%	-87	-83	5%	-168
Other expenses	-64	-68	-6%	-51	25%	-132	-109	21%	-219
<b>Total expenses</b>	<b>-105</b>	<b>-114</b>	<b>-8%</b>	<b>-93</b>	<b>13%</b>	<b>-219</b>	<b>-192</b>	<b>14%</b>	<b>-387</b>
<b>Profit before loan losses</b>	<b>107</b>	<b>75</b>	<b>43%</b>	<b>109</b>	<b>-2%</b>	<b>182</b>	<b>205</b>	<b>-11%</b>	<b>371</b>
Net loan losses	-	-	-	-	-	-	-	-	-
<b>Operating profit</b>	<b>107</b>	<b>75</b>	<b>43%</b>	<b>109</b>	<b>-2%</b>	<b>182</b>	<b>205</b>	<b>-11%</b>	<b>371</b>
<b>Operating profit after profit allocation</b>	<b>51</b>	<b>33</b>	<b>55%</b>	<b>64</b>	<b>-20%</b>	<b>84</b>	<b>123</b>	<b>-32%</b>	<b>197</b>
Average number of employees	169	168	1%	175	-3%	168	174	-3%	171

In addition to the above business areas, the segment also includes business support units for Handelsbanken Capital Markets and for other parts of the Group. The operating profit for these business support units is zero, but gross income and expense are included in the segment's income statement.

## Other units not reported in the business segments

Reported below are the income and expenses related to treasury and the central head office departments and also provisions to the Oktogonen profit-sharing foundation. Capital gains/losses, dividends, and other income and expenses that are not attributable to any of the segments are also reported here.

### INCOME STATEMENT

SEK m	Q2 2015	Q1 2015	Change	Q2 2014	Change	Jan-Jun 2015	Jan-Jun 2014	Change	Full year 2014
Net interest income	145	139	4%	97	49%	284	219	30%	495
Net fee and commission income	3	1	200%	-8		4	-13		22
Net gains/losses on financial transactions	-124	-219	43%	-224	45%	-343	-96	-257%	-619
Share of profit of associates	9	1		5	80%	10	-6		18
Other income	301	12		254	19%	313	297	5%	375
<b>Total income</b>	<b>334</b>	<b>-66</b>		<b>124</b>	<b>169%</b>	<b>268</b>	<b>401</b>	<b>-33%</b>	<b>291</b>
Staff costs	-609	-657	-7%	-661	-8%	-1,266	-1,306	-3%	-2,587
Other administrative expenses	-569	-506	12%	-532	7%	-1,075	-1,087	-1%	-2,100
Internal purchased and sold services	1,027	1,044	-2%	1,108	-7%	2,071	2,231	-7%	4,188
Depreciation, amortisation and impairments of property, equipment and intangible assets	-67	-70	-4%	-61	10%	-137	-128	7%	-241
<b>Total expenses</b>	<b>-218</b>	<b>-189</b>	<b>15%</b>	<b>-146</b>	<b>49%</b>	<b>-407</b>	<b>-290</b>	<b>40%</b>	<b>-740</b>
<b>Profit before loan losses</b>	<b>116</b>	<b>-255</b>		<b>-22</b>		<b>-139</b>	<b>111</b>		<b>-449</b>
Net loan losses									
Gains/losses on disposal of property, equipment and intangible assets	7	-		-		7	0		1
<b>Operating profit</b>	<b>123</b>	<b>-255</b>		<b>-22</b>		<b>-132</b>	<b>111</b>		<b>-448</b>
Profit allocation	0	0		0		0	0		0
<b>Operating profit after profit allocation</b>	<b>123</b>	<b>-255</b>		<b>-22</b>		<b>-132</b>	<b>111</b>		<b>-448</b>
Internal income	1,883	1,971	-4%	1,982	-5%	3,854	4,029	-4%	8,061
Average number of employees	1,837	1,874	-2%	1,947	-6%	1,856	1,961	-5%	1,931

### JANUARY – JUNE 2015 COMPARED WITH JANUARY – JUNE 2014

Operating profit decreased to SEK -132m (111), mainly due to lower income from services sold. This figure also includes the provision to the Oktogonen profit-sharing foundation, which increased to SEK -398m (-366). The average number of employees fell by 5% to 1,856 (1,961).

### Q2 2015 COMPARED WITH Q1 2015

Operating profit rose to SEK 123m (-255). The provision to the Oktogonen profit-sharing foundation was unchanged at SEK -199m (-199). The average number of employees fell to 1,837 (1,874).

## KEY FIGURES – GROUP

	Q2 2015	Q1 2015	Q2 2014	Jan-Jun 2015	Jan-Jun 2014	Full year 2014
Return on equity, total operations*	14.5%	12.9%	15.1%	13.5%	14.3%	13.4%
Return on equity, continuing operations*	14.4%	12.8%	15.0%	13.4%	14.2%	13.3%
C/I ratio, continuing operations	45.1%	46.0%	44.6%	45.5%	44.7%	45.2%
C/I ratio, continuing operations, incl. loan losses	48.6%	49.1%	47.4%	48.8%	47.7%	49.9%
Earnings per share, total operations, SEK	2.19	2.05	2.12	4.24	4.17	7.96
- after dilution	2.14	2.01	2.09	4.15	4.11	7.84
Ordinary dividend, SEK						4.17
Total dividend						5.83
Adjusted equity per share, SEK**	63.32	62.41	60.90	63.32	60.90	64.13
Common equity tier 1 ratio, CRD IV	21.3%	21.1%	20.1%	21.3%	20.1%	20.4%
Total capital ratio, CRD IV	28.4%	28.2%	25.0%	28.4%	25.0%	25.6%
Own funds in relation to capital requirement according to Basel I floor	149%	153%	143%	149%	143%	138%
Average number of employees, continuing operations	11,696	11,618	11,626	11,657	11,629	11,692
Number of branches in Sweden	463	463	462	463	462	463
Number of branches outside Sweden	380	373	360	380	360	369

\* When calculating return on equity, equity is adjusted for the impact of unrealised changes in the value of financial assets classified as "Available for Sale" and for cash flow hedges and revaluation effects on defined-benefit pension plans.

\*\* When calculating equity per share, equity is adjusted for the impact of cash flow hedges and for dilution.

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

## THE HANDELSBANKEN SHARE

	Q2 2015	Q1 2015	Q2 2014	Jan-Jun 2015	Jan-Jun 2014	Full year 2014
Number of converted shares	4,475	10,836	8,820	15,311	65,643	89,772
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	1,907,042,468	1,907,037,993	1,907,003,028	1,907,042,468	1,907,003,028	1,907,027,157
Number of outstanding shares after dilution, end of period	1,973,425,509	1,974,008,668	1,972,945,914	1,973,425,509	1,972,945,914	1,971,862,552
Average number of shares converted during the year	12,841	2,529	62,097	7,713	39,981	79,824
Average holdings of own shares (repurchased and holdings in trading book)	-	-	372,972	-	310,056	-
Average number of outstanding shares	1,907,039,998	1,907,029,686	1,906,626,510	1,907,034,870	1,906,667,310	1,907,017,209
- after dilution	1,974,008,668	1,971,862,552	1,949,323,899	1,971,862,552	1,945,436,361	1,958,988,573
Share price ordinary class A, end of period, SEK	121.00	129.77	109.03	121.00	109.03	122.20
Market capitalisation, end of period, SEK bn	231	247	208	231	208	233

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

# Condensed set of financial statements – Group

## INCOME STATEMENT – GROUP

SEK m		Q2 2015	Q1 2015	Change	Q2 2014	Change	Jan-Jun 2015	Jan-Jun 2014	Change	Full year 2014
Interest income		10,646	11,430	-7%	12,926	-18%	22,076	25,796	-14%	50,899
Interest expense		-3,627	-4,514	-20%	-6,222	-42%	-8,141	-12,439	-35%	-23,655
<b>Net interest income</b>	Note 2	<b>7,019</b>	<b>6,916</b>	<b>1%</b>	<b>6,704</b>	<b>5%</b>	<b>13,935</b>	<b>13,357</b>	<b>4%</b>	<b>27,244</b>
Net fee and commission income	Note 3	2,359	2,310	2%	2,135	10%	4,669	4,195	11%	8,556
Net gains/losses on financial transactions	Note 4	451	428	5%	466	-3%	879	1,124	-22%	1,777
Risk result - insurance		55	26	112%	43	28%	81	85	-5%	165
Other dividend income		275	3		245	12%	278	249	12%	251
Share of profit of associates		9	1		5	80%	10	-6		18
Other income		53	61	-13%	49	8%	114	124	-8%	303
<b>Total income</b>		<b>10,221</b>	<b>9,745</b>	<b>5%</b>	<b>9,647</b>	<b>6%</b>	<b>19,966</b>	<b>19,128</b>	<b>4%</b>	<b>38,314</b>
Staff costs		-3,149	-3,126	1%	-2,910	8%	-6,275	-5,797	8%	-11,766
Other administrative expenses	Note 5	-1,336	-1,228	9%	-1,267	5%	-2,564	-2,515	2%	-5,099
Depreciation, amortisation and impairments of property, equipment and intangible assets		-122	-127	-4%	-122	0%	-249	-233	7%	-462
<b>Total expenses</b>		<b>-4,607</b>	<b>-4,481</b>	<b>3%</b>	<b>-4,299</b>	<b>7%</b>	<b>-9,088</b>	<b>-8,545</b>	<b>6%</b>	<b>-17,327</b>
<b>Profit before loan losses</b>		<b>5,614</b>	<b>5,264</b>	<b>7%</b>	<b>5,348</b>	<b>5%</b>	<b>10,878</b>	<b>10,583</b>	<b>3%</b>	<b>20,987</b>
Net loan losses	Note 6	-359	-305	18%	-272	32%	-664	-587	13%	-1,781
Gains/losses on disposal of property, equipment and intangible assets		1	-4		1	0%	-3	1		6
<b>Operating profit</b>		<b>5,256</b>	<b>4,955</b>	<b>6%</b>	<b>5,077</b>	<b>4%</b>	<b>10,211</b>	<b>9,997</b>	<b>2%</b>	<b>19,212</b>
Taxes		-1,110	-1,063	4%	-1,074	3%	-2,173	-2,112	3%	-4,069
<b>Profit for the period from continuing operations</b>		<b>4,146</b>	<b>3,892</b>	<b>7%</b>	<b>4,003</b>	<b>4%</b>	<b>8,038</b>	<b>7,885</b>	<b>2%</b>	<b>15,143</b>
Profit for the period pertaining to discontinued operations, after tax	Note 7	27	19	42%	31	-13%	46	58	-21%	41
<b>Profit for the period</b>		<b>4,173</b>	<b>3,911</b>	<b>7%</b>	<b>4,034</b>	<b>3%</b>	<b>8,084</b>	<b>7,943</b>	<b>2%</b>	<b>15,184</b>
Attributable to										
Shareholders in Svenska Handelsbanken AB		4,173	3,911	7%	4,033	3%	8,084	7,942	2%	15,183
Minority interest		0	0		1		0	1		1

## EARNINGS PER SHARE – GROUP

	Q2 2015	Q1 2015	Change	Q2 2014	Change	Jan-Jun 2015	Jan-Jun 2014	Change	Full year 2014
Profit for the year, attributable to shareholders in Svenska Handelsbanken AB	4,173	3,911	7%	4,033	3%	8,084	7,942	2%	15,183
- of which interest expense on convertible subordinated loan after tax	-52	-55	-5%	-32	63%	-107	-59	81%	-170
Average number of outstanding shares, million	1,907.0	1,907.0		1,906.6		1,907.0	1,906.7		1,907.0
Average number of outstanding shares after dilution, million	1,974.0	1,971.9		1,949.3		1,971.9	1,945.4		1,959.0
Earnings per share, continuing operations, SEK	2.18	2.04	7%	2.10	4%	4.22	4.14	2%	7.94
- after dilution	2.13	2.00	6%	2.07	3%	4.13	4.08	1%	7.82
Earnings per share, discontinued operations, SEK	0.01	0.01	0%	0.02	-50%	0.02	0.03	-33%	0.02
- after dilution	0.01	0.01	0%	0.02	-50%	0.02	0.03	-33%	0.02
Earnings per share, total operations, SEK	2.19	2.05	7%	2.12	3%	4.24	4.17	2%	7.96
- after dilution	2.14	2.01	6%	2.09	2%	4.15	4.11	1%	7.84

Earnings per share after dilution are calculated by taking into account the effects of a conversion of outstanding convertible debt instruments. This means that the average number of shares is adjusted by potential shares and that the period's earnings are adjusted by the period's interest expense on the outstanding convertible debt instruments after tax.

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

## STATEMENT OF COMPREHENSIVE INCOME – GROUP

SEK m	Q2 2015	Q1 2015	Change	Q2 2014	Change	Jan-Jun 2015	Jan-Jun 2014	Change	Full year 2014
<b>Profit for the period</b>	<b>4,173</b>	<b>3,911</b>	<b>7%</b>	<b>4,034</b>	<b>3%</b>	<b>8,084</b>	<b>7,943</b>	<b>2%</b>	<b>15,184</b>
<b>Other comprehensive income</b>									
<b>Items that may not subsequently be reclassified to profit or loss</b>									
Defined-benefit plans	-2,500	1,235		286		-1,265	703		-2,699
Taxes on items that cannot be reclassified into profit or loss	548	-276		-63		272	-155		592
<b>Total items that may not subsequently be reclassified to profit or loss</b>	<b>-1,952</b>	<b>959</b>		<b>223</b>		<b>-993</b>	<b>548</b>		<b>-2,107</b>
<b>Items that can be reclassified into profit or loss</b>									
Cash flow hedges	-2,853	1,251		2,596		-1,602	3,905		8,772
Available-for-sale instruments	18	1,415	-99%	-58		1,433	90		295
Translation differences for the period	-596	1,796		2,421		1,200	4,309	-72%	5,924
<i>of which hedging net investment in foreign operations</i>	<i>-266</i>	<i>890</i>		<i>1,210</i>		<i>624</i>	<i>2,588</i>	<i>-76%</i>	<i>2,558</i>
Taxes on items that can be reclassified into profit or loss	689	-546		-819		143	-1,433		-2,501
<i>of which cash flow hedges</i>	<i>627</i>	<i>-275</i>		<i>-571</i>		<i>352</i>	<i>-853</i>		<i>-1,924</i>
<i>of which available-for-sale instruments</i>	<i>3</i>	<i>-75</i>		<i>18</i>	<i>-83%</i>	<i>-72</i>	<i>-11</i>		<i>-14</i>
<i>of which hedging net investment in foreign operations</i>	<i>59</i>	<i>-196</i>		<i>-266</i>		<i>-137</i>	<i>-569</i>	<i>76%</i>	<i>-563</i>
<b>Total items that can be reclassified into profit or loss</b>	<b>-2,742</b>	<b>3,916</b>		<b>4,140</b>		<b>1,174</b>	<b>6,871</b>	<b>-83%</b>	<b>12,490</b>
<b>Total other comprehensive income for the period</b>	<b>-4,694</b>	<b>4,875</b>		<b>4,363</b>		<b>181</b>	<b>7,419</b>	<b>-98%</b>	<b>10,383</b>
<b>Total comprehensive income for the period</b>	<b>-521</b>	<b>8,786</b>		<b>8,397</b>		<b>8,265</b>	<b>15,362</b>	<b>-46%</b>	<b>25,567</b>
Attributable to									
Shareholders in Svenska Handelsbanken AB	-521	8,786		8,396		8,265	15,361	-46%	25,566
Minority interest	0	0	0%	1	-100%	0	1	-100%	1

Discontinued operations only affects Translation differences for the period and Defined-benefit plans in Other comprehensive income.

In the first half of 2015, income of SEK 181m (7,419) after tax was reported in other comprehensive income. This decrease in income was mainly due to the effects of revaluation of cash flow hedges, the period's translation difference and revaluation of pension liabilities. In individual periods, the results of all items within other comprehensive income may be volatile, due to changes in interest rates, exchange rates and inflation.

The pension liability for the defined benefit pension plans has increased and this had a negative impact on other comprehensive income amounting to SEK 993m after tax, compared with the period of comparison when there was a positive effect of SEK 548m after tax. The main reason for this year's change is a lower discount rate compared to the year-end.

Most of the Group's long-term funding is hedged using derivatives, where all cash flows are matched until maturity. Cash flow hedging manages the risk of variations in the cash flows related to changes in variable interest rates and currencies on lending and funding. The underlying funding and the asset which is being funded are valued at

amortised cost, while the derivatives which are hedging these items are valued at market value. The impact on profit/loss of the market valuation is reported under Cash flow hedges. Over time, these values become zero at maturity for each individual hedge, but lead to volatility in other comprehensive income during their term. During the first half of the year, these value changes on hedge derivatives in cash flow hedges were SEK -1,250m (3,052) after tax. The value changes derived partly from exchange rate movements, but above all from changes in the market rates of the respective currency.

During the first half of the year, unrealised changes in the value of financial assets classified as available for sale had a positive effect on other comprehensive income of SEK 1,361m (79) after tax.

Unrealised exchange rate effects related to the restatement of foreign branches and subsidiaries to the Group's presentation currency and the effect of hedging of net investments in foreign operations had a positive effect on other comprehensive income of SEK 1,063m (3,740) after tax during the first half of the year.

## QUARTERLY PERFORMANCE – GROUP

SEK m	Q2 2015	Q1 2015	Q4 2014	Q3 2014	Q2 2014
Interest income	10,646	11,430	12,512	12,591	12,926
Interest expense	-3,627	-4,514	-5,629	-5,587	-6,222
Net interest income	7,019	6,916	6,883	7,004	6,704
Net fee and commission income	2,359	2,310	2,228	2,133	2,135
Net gains/losses on financial transactions	451	428	264	389	466
Risk result - insurance	55	26	34	46	43
Other dividend income	275	3	2	0	245
Share of profit of associates	9	1	22	2	5
Other income	53	61	123	56	49
<b>Total income</b>	<b>10,221</b>	<b>9,745</b>	<b>9,556</b>	<b>9,630</b>	<b>9,647</b>
Staff costs	-3,149	-3,126	-3,026	-2,943	-2,910
Other administrative expenses	-1,336	-1,228	-1,418	-1,166	-1,267
Depreciation, amortisation and impairments of property, equipment and intangible assets	-122	-127	-108	-121	-122
<b>Total expenses</b>	<b>-4,607</b>	<b>-4,481</b>	<b>-4,552</b>	<b>-4,230</b>	<b>-4,299</b>
<b>Profit before loan losses</b>	<b>5,614</b>	<b>5,264</b>	<b>5,004</b>	<b>5,400</b>	<b>5,348</b>
Net loan losses	-359	-305	-697	-497	-272
Gains/losses on disposal of property, equipment and intangible assets	1	-4	4	1	1
<b>Operating profit</b>	<b>5,256</b>	<b>4,955</b>	<b>4,311</b>	<b>4,904</b>	<b>5,077</b>
Taxes	-1,110	-1,063	-935	-1,022	-1,074
<b>Profit for the period from continuing operations</b>	<b>4,146</b>	<b>3,892</b>	<b>3,376</b>	<b>3,882</b>	<b>4,003</b>
Profit for the period pertaining to discontinued operations, after tax	27	19	-34	17	31
<b>Profit for the period</b>	<b>4,173</b>	<b>3,911</b>	<b>3,342</b>	<b>3,899</b>	<b>4,034</b>
Earnings per share, continuing operations, SEK	2.18	2.04	1.77	2.03	2.10
- after dilution	2.13	2.00	1.75	1.99	2.07
Earnings per share, discontinued operations, SEK	0.01	0.01	-0.02	0.01	0.02
- after dilution	0.01	0.01	-0.02	0.01	0.02
Earnings per share, total operations, SEK	2.19	2.05	1.75	2.04	2.12
- after dilution	2.14	2.01	1.73	2.00	2.09

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

## BALANCE SHEET – GROUP

SEK m		30 Jun 2015	31 Mar 2015	31 Dec 2014	30 Sep 2014	30 Jun 2014
<b>Assets</b>						
Cash and balances with central banks		447,289	498,865	454,532	399,457	417,306
Other loans to central banks	Note 8	106,646	31,529	51,047	37,394	59,780
Interest-bearing securities eligible as collateral with central banks		73,071	68,064	78,219	74,287	56,610
Loans to other credit institutions	Note 8	87,250	79,633	70,339	70,959	76,519
Loans to the public	Note 8	1,851,432	1,826,323	1,807,836	1,781,421	1,765,160
Value change of interest-hedged item in portfolio hedge		42	42	70	82	90
Bonds and other interest-bearing securities		56,502	64,830	63,725	63,563	53,057
Shares		73,395	66,793	46,546	37,655	41,870
Investments in associates		303	300	286	268	263
Assets where the customer bears the value change risk		105,786	106,851	94,763	90,569	88,879
Derivative instruments	Note 9	91,099	127,267	116,124	94,379	78,068
Reinsurance assets		6	6	6	4	4
Intangible assets	Note 10	8,192	8,145	8,132	8,001	7,968
Property and equipment		2,179	2,171	2,239	2,208	2,266
Current tax assets		558	100	115	1,316	692
Deferred tax assets		921	396	389	330	309
Net pension assets		-	-	-	-	2,385
Assets held for sale		1,393	1,291	1,196	1,238	1,166
Other assets		23,664	29,284	14,321	31,381	21,800
Prepaid expenses and accrued income		6,081	7,129	6,791	6,299	6,099
<b>Total assets</b>		<b>2,935,809</b>	<b>2,919,019</b>	<b>2,816,676</b>	<b>2,700,811</b>	<b>2,680,291</b>
<b>Liabilities and equity</b>						
Due to credit institutions	Note 11	218,571	220,675	200,074	201,737	205,649
Deposits and borrowing from the public	Note 11	1,093,551	1,055,140	1,022,267	933,952	943,151
Liabilities where the customer bears the value change risk		105,848	106,896	94,864	90,611	88,942
Issued securities	Note 12	1,214,721	1,206,189	1,212,613	1,183,993	1,174,512
Derivative instruments	Note 9	54,533	73,441	62,878	61,171	52,253
Short positions		20,421	21,338	20,648	16,854	19,644
Insurance liabilities		628	675	663	656	646
Current tax liabilities		842	764	957	1,005	648
Deferred tax liabilities		9,191	9,930	9,209	8,822	8,903
Provisions		98	91	68	64	112
Net pension liabilities		2,899	337	1,480	595	-
Liabilities related to assets held for sale		713	682	580	567	589
Other liabilities		30,962	37,615	14,578	28,262	18,710
Accrued expenses and deferred income		19,149	20,442	18,681	22,729	20,143
Subordinated liabilities		39,711	40,312	30,289	29,544	29,575
<b>Total liabilities</b>		<b>2,811,838</b>	<b>2,794,527</b>	<b>2,689,849</b>	<b>2,580,562</b>	<b>2,563,477</b>
Minority interest		4	4	3	3	3
Share capital		2,956	2,956	2,956	2,956	2,956
Share premium		3,204	3,204	3,203	3,203	3,444
Reserves		12,401	17,095	12,220	8,984	9,256
Retained earnings		97,322	97,322	93,262	93,262	93,213
Profit for the period, attributable to shareholders in Svenska Handelsbanken AB		8,084	3,911	15,183	11,841	7,942
<b>Total equity</b>		<b>123,971</b>	<b>124,492</b>	<b>126,827</b>	<b>120,249</b>	<b>116,814</b>
<b>Total liabilities and equity</b>		<b>2,935,809</b>	<b>2,919,019</b>	<b>2,816,676</b>	<b>2,700,811</b>	<b>2,680,291</b>



## STATEMENT OF CHANGES IN EQUITY – GROUP

January - June 2015 SEK m	Share capital	Share premium	Defined benefit plans	Hedge reserve	Fair value reserve	Translation reserve	Retained earnings	Minority	Total
<b>Opening equity</b>	<b>2,956</b>	<b>3,203</b>	<b>1,003</b>	<b>5,331</b>	<b>1,324</b>	<b>4,562</b>	<b>108,445</b>	<b>3</b>	<b>126,827</b>
Profit for the period							8,084	0	8,084
Other comprehensive income			-993	-1,250	1,361	1,063			181
<b>Total comprehensive income for the period</b>			<b>-993</b>	<b>-1,250</b>	<b>1,361</b>	<b>1,063</b>	<b>8,084</b>	<b>0</b>	<b>8,265</b>
Dividend							-11,124		-11,124
Effects of convertible subordinated loans	0	1					1		2
Change of minority interests							0	1	1
<b>Closing equity</b>	<b>2,956</b>	<b>3,204</b>	<b>10</b>	<b>4,081</b>	<b>2,685</b>	<b>5,625</b>	<b>105,406</b>	<b>4</b>	<b>123,971</b>

January - December 2014 SEK m	Share capital	Share premium	Defined benefit plans	Hedge reserve	Fair value reserve	Translation reserve	Retained earnings	Minority	Total
<b>Opening equity</b>	<b>2,956</b>	<b>2,843</b>	<b>3,110</b>	<b>-1,517</b>	<b>1,043</b>	<b>-799</b>	<b>103,701</b>	<b>2</b>	<b>111,339</b>
Profit for the period							15,183	1	15,184
Other comprehensive income			-2,107	6,848	281	5,361		0	10,383
<b>Total comprehensive income for the period</b>			<b>-2,107</b>	<b>6,848</b>	<b>281</b>	<b>5,361</b>	<b>15,183</b>	<b>1</b>	<b>25,567</b>
Dividend							-10,488		-10,488
Effects of convertible subordinated loans	0	360					49		409
Change of minority interests							0	0	0
<b>Closing equity</b>	<b>2,956</b>	<b>3,203</b>	<b>1,003</b>	<b>5,331</b>	<b>1,324</b>	<b>4,562</b>	<b>108,445</b>	<b>3</b>	<b>126,827</b>

During the period January to June 2015, convertibles for a nominal value of SEK 1m (4) relating to the 2008 subordinated convertible bond were converted into 15,311 class A shares (65,643). At the end of the period, the number of Handelsbanken shares in the trading book was 0 (0).

## CASH FLOW STATEMENT, CONDENSED – GROUP

SEK m	Jan-Jun 2015	Jan-Jun 2014	Full year 2014
Cash flow from operating activities	-26,000	63,691	52,798
Cash flow from investing activities	-358	1,024	787
Cash flow from financing activities	-1,216	2,625	3,219
<b>Cash flow for the period</b>	<b>-27,574</b>	<b>67,340</b>	<b>56,804</b>
<b>Liquid funds at beginning of the period</b>	<b>454,532</b>	<b>334,794</b>	<b>334,794</b>
Cash flow for the period	-27,574	67,340	56,804
Exchange rate differences on liquid funds	20,331	15,171	62,934
<b>Liquid funds at end of period</b>	<b>447,289</b>	<b>417,305</b>	<b>454,532</b>

## NOTES

## Note 1 Accounting policies

## Accounting policies

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting. The consolidated accounts have been prepared in accordance with international financial reporting standards (IFRS) and interpretations of these standards as adopted by the EU. The accounting policies also follow the Swedish Annual Accounts Act for Credit Institutions and Securities Companies (1995:1559), and the regulations and general guidelines issued by the Swedish Financial Supervisory Authority, FFFS 2008:25 Annual reports in credit institutions and securities companies. RFR 1 Supplementary accounting rules for groups as well as statements from the Swedish Financial Reporting Board are also applied in the consolidated accounts.

The interim report for the parent company has been prepared in accordance with the Swedish Annual Accounts Act for Credit Institutions and Securities Companies, and the regulations and general guidelines issued by the Swedish Financial Supervisory Authority, FFFS 2008:25 Annual reports in credit institutions and securities companies. The parent company also applies RFR 2 Accounting for legal entities, as well as statements issued by the Swedish Financial Reporting Board.

On 1 January 2015, the interpretative communication IFRIC 21 Levies came into effect for application within the EU. This regulatory change has not had a material impact on the Group's financial position and earnings, nor has it had an impact on the capital adequacy.

In other respects, the interim report of the Group and the parent company has been prepared in accordance with the same accounting policies and calculation methods that were applied in the annual report for 2014.

## Future amendments to regulations

IFRS 9 Financial Instruments, which is to replace IAS 39 Financial Instruments: Recognition and Measurement, was adopted by the IASB in July 2014. Assuming that IFRS 9 is adopted by the EU, and the date of implementation proposed by the IASB is not changed, this standard will be applied as of the 2018 financial year. The standard encompasses three areas: classification and measurement, impairment, and general hedge accounting. The Bank is currently analysing the financial effects of the new standard in more detail.

IFRS 15 Revenue from contracts with customers has also been adopted by the IASB. Assuming that IFRS 15 is adopted by the EU, and the date of implementation proposed by the IASB is not changed, this standard will be applied as of the 2018 financial year. The Bank is currently analysing the financial effects of the new standard in more detail.

None of the other changes in the accounting regulations issued for application are expected to have a material impact on Handelsbanken's financial reports, capital adequacy, large exposures or other circumstances according to the applicable operating rules.

## Note 2 Net interest income

SEK m	Q2 2015	Q1 2015	Change	Q2 2014	Change	Jan-Jun 2015	Jan-Jun 2014	Change	Full year 2014
<b>Interest income</b>									
Loans to credit institutions and central banks	323	370	-13%	447	-28%	693	854	-19%	1,642
Loans to the public	10,616	11,102	-4%	12,623	-16%	21,718	25,215	-14%	49,280
Interest-bearing securities eligible as collateral with central banks	217	116	87%	208	4%	333	370	-10%	719
Interest-bearing securities	363	194	87%	292	24%	557	554	1%	1,016
Derivative instruments	-878	-610	-44%	-771	-14%	-1,488	-1,545	4%	-2,484
Other interest income	358	339	6%	353	1%	697	734	-5%	1,359
<b>Total interest income</b>	<b>10,999</b>	<b>11,511</b>	<b>-4%</b>	<b>13,152</b>	<b>-16%</b>	<b>22,510</b>	<b>26,182</b>	<b>-14%</b>	<b>51,532</b>
Of which interest income reported in Net gains/losses on financial transactions	353	81	336%	226	56%	434	386	12%	633
<b>Interest income according to income statement</b>	<b>10,646</b>	<b>11,430</b>	<b>-7%</b>	<b>12,926</b>	<b>-18%</b>	<b>22,076</b>	<b>25,796</b>	<b>-14%</b>	<b>50,899</b>
<b>Interest expense</b>									
Due to credit institutions and central banks	-237	-241	-2%	-264	-10%	-478	-491	-3%	-1,033
Deposits and borrowing from the general public	-484	-595	-19%	-1,082	-55%	-1,079	-2,112	-49%	-3,686
Issued securities	-4,408	-4,835	-9%	-5,447	-19%	-9,243	-11,006	-16%	-21,233
Derivative instruments	2,268	1,831	24%	1,177	93%	4,099	2,388	72%	4,838
Subordinated liabilities	-438	-375	17%	-293	49%	-813	-624	30%	-1,283
Other interest expense	-566	-355	59%	-394	44%	-921	-762	21%	-1,523
<b>Total interest expense</b>	<b>-3,865</b>	<b>-4,570</b>	<b>-15%</b>	<b>-6,303</b>	<b>-39%</b>	<b>-8,435</b>	<b>-12,607</b>	<b>-33%</b>	<b>-23,920</b>
Of which interest expense reported in Net gains/losses on financial transactions	-238	-56	325%	-81	194%	-294	-168	75%	-265
<b>Interest expense according to income statement</b>	<b>-3,627</b>	<b>-4,514</b>	<b>-20%</b>	<b>-6,222</b>	<b>-42%</b>	<b>-8,141</b>	<b>-12,439</b>	<b>-35%</b>	<b>-23,655</b>
<b>Net interest income</b>	<b>7,019</b>	<b>6,916</b>	<b>1%</b>	<b>6,704</b>	<b>5%</b>	<b>13,935</b>	<b>13,357</b>	<b>4%</b>	<b>27,244</b>

## Note 3 Net fee and commission income

SEK m	Q2 2015	Q1 2015	Change	Q2 2014	Change	Jan-Jun 2015	Jan-Jun 2014	Change	Full year 2014
Brokerage and other securities commissions	271	322	-16%	293	-8%	593	621	-5%	1,104
Mutual funds	775	726	7%	605	28%	1,501	1,159	30%	2,475
Custody and other asset management fees	156	147	6%	130	20%	303	265	14%	540
Advisory services	91	50	82%	62	47%	141	111	27%	235
Insurance	145	181	-20%	163	-11%	326	321	2%	637
Payments	848	774	10%	784	8%	1,622	1,492	9%	3,133
Loans and deposits	266	277	-4%	289	-8%	543	568	-4%	1,131
Guarantees	103	108	-5%	101	2%	211	209	1%	424
Other	118	114	4%	113	4%	232	219	6%	464
<b>Commission income</b>	<b>2,773</b>	<b>2,699</b>	<b>3%</b>	<b>2,540</b>	<b>9%</b>	<b>5,472</b>	<b>4,965</b>	<b>10%</b>	<b>10,143</b>
Securities	-69	-65	6%	-60	15%	-134	-129	4%	-225
Payments	-326	-305	7%	-323	1%	-631	-602	5%	-1,278
Other	-19	-19	0%	-22	-14%	-38	-39	-3%	-84
<b>Commission expense</b>	<b>-414</b>	<b>-389</b>	<b>6%</b>	<b>-405</b>	<b>2%</b>	<b>-803</b>	<b>-770</b>	<b>4%</b>	<b>-1,587</b>
<b>Net fee and commission income</b>	<b>2,359</b>	<b>2,310</b>	<b>2%</b>	<b>2,135</b>	<b>10%</b>	<b>4,669</b>	<b>4,195</b>	<b>11%</b>	<b>8,556</b>

## Note 4 Net gains/losses on financial transactions

SEK m	Q2 2015	Q1 2015	Change	Q2 2014	Change	Jan-Jun 2015	Jan-Jun 2014	Change	Full year 2014
Trading, derivatives, FX effect etc	1,212	2		-302		1,214	-459		-955
Other financial instruments at fair value in profit/loss	-775	469		627		-306	1,160		2,277
<i>of which interest-bearing securities</i>	-773	477		638		-296	1,174		2,259
<i>of which loans</i>	-2	-8	75%	-11	82%	-10	-14	29%	18
Financial instruments at amortised cost	47	-9		159	-70%	38	175	-78%	160
<i>of which loans</i>	135	99	36%	209	-35%	234	304	-23%	611
<i>of which liabilities</i>	-88	-108	19%	-50	-76%	-196	-129	-52%	-451
Financial instruments available for sale	-5	16		-3	-67%	11	310	-96%	369
Hedge accounting	-16	-50	68%	-16	0%	-66	-61	-8%	-71
<i>of which net gains/losses on fair value hedges</i>	-20	-56	64%	-21	5%	-76	-58	-31%	-81
<i>of which hedge ineffectiveness</i>	4	6	-33%	5	-20%	10	-3		10
Gains/losses on unbundled insurance contracts	-12	0		1		-12	-1		-3
<b>Total</b>	<b>451</b>	<b>428</b>	<b>5%</b>	<b>466</b>	<b>-3%</b>	<b>879</b>	<b>1,124</b>	<b>-22%</b>	<b>1,777</b>

## Note 5 Other administrative expenses

SEK m	Q2 2015	Q1 2015	Change	Q2 2014	Change	Jan-Jun 2015	Jan-Jun 2014	Change	Full year 2014
Property and premises	-314	-305	3%	-299	5%	-619	-586	6%	-1,174
External IT costs	-421	-391	8%	-398	6%	-812	-808	0%	-1,623
Communication	-83	-88	-6%	-82	1%	-171	-179	-4%	-349
Travel and marketing	-93	-72	29%	-91	2%	-165	-169	-2%	-339
Purchased services	-249	-235	6%	-247	1%	-484	-485	0%	-995
Supplies	-43	-47	-9%	-39	10%	-90	-92	-2%	-207
Other expenses	-133	-90	48%	-111	20%	-223	-196	14%	-412
<b>Other administrative expenses</b>	<b>-1,336</b>	<b>-1,228</b>	<b>9%</b>	<b>-1,267</b>	<b>5%</b>	<b>-2,564</b>	<b>-2,515</b>	<b>2%</b>	<b>-5,099</b>

## Note 6 Loan losses and impaired loans

## Loan losses

SEK m	Q2 2015	Q1 2015	Change	Q2 2014	Change	Jan-Jun 2015	Jan-Jun 2014	Change	Full year 2014
<b>Specific provision for individually assessed loans</b>									
Provision for the period	-430	-409	5%	-238	81%	-839	-807	4%	-1,982
Reversal of previous provisions	61	95	-36%	-34		156	202	-23%	305
<b>Total</b>	<b>-369</b>	<b>-314</b>	<b>18%</b>	<b>-272</b>	<b>36%</b>	<b>-683</b>	<b>-605</b>	<b>13%</b>	<b>-1,677</b>
<b>Collective provisions</b>									
Net provision for the period for individually assessed loans	15	38	-61%	-4		53	-3		76
Net provision for the period for homogeneous loans	0	-2		1	-100%	-2	5		3
<b>Total</b>	<b>15</b>	<b>36</b>	<b>-58%</b>	<b>-3</b>		<b>51</b>	<b>2</b>		<b>79</b>
<b>Off-balance sheet items</b>									
Losses on off-balance sheet items	0	0	0%	0	0%	0	-6		-2
Reversal of previous losses on off-balance-sheet items	-	-		0		-	1		1
Change in collective provision for off-balance-sheet items	1	-25		7	-86%	-24	15		16
<b>Total</b>	<b>1</b>	<b>-25</b>		<b>7</b>	<b>-86%</b>	<b>-24</b>	<b>10</b>		<b>15</b>
<b>Write-offs</b>									
Actual loan losses for the period	-228	-205	11%	-709	-68%	-433	-1,191	-64%	-1,998
Utilised share of previous provisions	153	161	-5%	662	-77%	314	1,100	-71%	1,515
Recoveries	69	42	64%	43	60%	111	97	14%	285
<b>Total</b>	<b>-6</b>	<b>-2</b>	<b>200%</b>	<b>-4</b>	<b>50%</b>	<b>-8</b>	<b>6</b>		<b>-198</b>
<b>Net loan losses</b>	<b>-359</b>	<b>-305</b>	<b>18%</b>	<b>-272</b>	<b>32%</b>	<b>-664</b>	<b>-587</b>	<b>13%</b>	<b>-1,781</b>

## Impaired loans

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

SEK m	30 Jun 2015	31 Mar 2015	31 Dec 2014	30 Sep 2014	30 Jun 2014
Impaired loans	8,979	8,903	8,702	7,156	5,824
Specific provision for individually assessed loans	-4,077	-3,888	-3,734	-3,405	-2,980
Provision for collectively assessed homogeneous groups of loans with limited value	-93	-93	-93	-88	-88
Collective provisions for individually assessed loans	-230	-246	-284	-339	-364
<b>Impaired loans, net</b>	<b>4,579</b>	<b>4,676</b>	<b>4,591</b>	<b>3,324</b>	<b>2,392</b>
Total impaired loans reserve ratio	49.0%	47.5%	47.2%	53.5%	58.9%
Proportion of impaired loans, %	0.24%	0.25%	0.25%	0.18%	0.13%
Impaired loans reserve ratio excl. collective provisions	46.4%	44.7%	44.0%	48.8%	52.7%
Loan loss ratio as a % of loans	0.07%	0.07%	0.10%	0.08%	0.07%
Loans past due > 60 days	5,737	6,389	6,676	6,024	5,665
Loans past due > 60 days, which are not impaired	1,853	1,989	2,133	2,058	1,675

## Impaired loans and loans which are overdue by more than 60 days, by sector

30 June 2015		Impaired loans			Loans past due > 60 days, which are not impaired
SEK m	Gross	Provisions	Net*	Of which past due >60 days	
Private individuals	1,536	-775	761	603	1,019
Housing co-operative associations	52	-21	31	16	4
Property management	2,049	-686	1,363	495	282
Manufacturing	2,061	-1,353	708	34	21
Retail	483	-283	200	133	13
Hotel and restaurant	62	-23	39	34	317
Passenger and goods transport by sea	1,690	-390	1,300	1	-
Other transport and communication	100	-80	20	18	10
Construction	245	-153	92	55	63
Electricity, gas and water	79	-29	50	8	-
Agriculture, hunting and forestry	14	-10	4	4	4
Other services	124	-78	46	35	58
Holding, investment and insurance companies, funds etc.	299	-199	100	99	26
Other corporate lending	185	-90	95	85	36
Credit institutions	-	-	-	-	-
<b>Total</b>	<b>8,979</b>	<b>-4,170</b>	<b>4,809</b>	<b>1,620</b>	<b>1,853</b>

\* Book value after deduction of specific provisions.

31 December 2014		Impaired loans			Loans past due > 60 days, which are not impaired
SEK m	Gross	Provisions	Net*	Of which past due >60 days	
Private individuals	1,569	-813	756	575	1,148
Housing co-operative associations	49	-21	28	14	25
Property management	1,759	-589	1,170	885	397
Manufacturing	1,639	-726	913	70	113
Retail	596	-343	253	167	14
Hotel and restaurant	45	-25	20	11	260
Passenger and goods transport by sea	1,615	-405	1,210	-	-
Other transport and communication	49	-39	10	9	41
Construction	188	-114	74	42	56
Electricity, gas and water	32	-24	8	8	0
Agriculture, hunting and forestry	23	-16	7	1	2
Other services	73	-42	31	25	56
Holding, investment and insurance companies, funds etc.	316	-187	129	34	2
Other corporate lending	749	-483	266	266	19
Credit institutions	-	-	-	-	-
<b>Total</b>	<b>8,702</b>	<b>-3,827</b>	<b>4,875</b>	<b>2,107</b>	<b>2,133</b>

\* Book value after deduction of specific provisions.

## Note 7 Discontinued operations

Discontinued operations comprise the results from the Plastal Industri AB subsidiary, including the acquired parts of the Plastal Group. The Bank intends to divest Plastal Industri AB.

## Note 8 Loans and credit exposure

SEK m	30 Jun 2015	31 Mar 2015	31 Dec 2014	30 Sep 2014	30 Jun 2014
Loans to the public	1,851,432	1,826,323	1,807,836	1,781,421	1,765,160
of which reverse repos	16,428	20,799	23,858	14,372	19,418
Loans to other credit institutions	87,250	79,633	70,339	70,959	76,519
of which reverse repos	48,227	48,719	42,138	42,019	37,497
Other loans to central banks	106,646	31,529	51,047	37,394	59,780
of which reverse repos	1,288	0	1,245	1,216	994

## Loans to the public, by sector

SEK m	30 June 2015			31 December 2014		
	Loans gross	Provisions	Loans net	Loans gross	Provisions	Loans net
Private individuals	882,898	-775	882,123	852,466	-813	851,653
<i>of which mortgage loans</i>	708,170	-36	708,134	683,991	-30	683,961
<i>of which other loans with property mortgages</i>	105,964	-160	105,804	99,063	-101	98,962
<i>of which other loans to private individuals</i>	68,764	-579	68,185	69,412	-682	68,730
Housing co-operative associations	160,389	-21	160,368	153,058	-21	153,037
<i>of which mortgage loans</i>	141,534	-7	141,527	136,748	-9	136,739
Property management	496,709	-686	496,023	485,377	-589	484,788
Manufacturing	37,498	-1,353	36,145	38,508	-726	37,782
Retail	25,650	-283	25,367	27,736	-343	27,393
Hotels and restaurants	9,331	-23	9,308	8,299	-25	8,274
Passenger and goods transport by sea	11,354	-390	10,964	12,221	-405	11,816
Other transport and communication	15,254	-80	15,174	20,184	-39	20,145
Construction	15,477	-153	15,324	15,225	-114	15,111
Electricity, gas, water	25,449	-29	25,420	24,888	-24	24,864
Agriculture, hunting and forestry	11,397	-10	11,387	10,703	-16	10,687
Other services	20,051	-78	19,973	20,241	-42	20,199
Holding, investment, insurance, funds, etc.	72,549	-199	72,350	71,945	-187	71,758
Government and municipalities	34,601	-	34,601	35,627	-	35,627
Other corporate lending	37,225	-90	37,135	35,469	-483	34,986
<b>Total loans to the public, before collective provisions</b>	<b>1,855,832</b>	<b>-4,170</b>	<b>1,851,662</b>	<b>1,811,947</b>	<b>-3,827</b>	<b>1,808,120</b>
Collective provisions			-230			-284
<b>Total loans to the public</b>			<b>1,851,432</b>			<b>1,807,836</b>

## Specification of Loans to the public – Property management

SEK m	30 June 2015			31 December 2014		
	Loans gross	Provisions	Loans net	Loans gross	Provisions	Loans net
<b>Loans in Sweden</b>						
State-owned property companies	5,181	-	5,181	5,684	-	5,684
Municipal-owned property companies	14,589	-	14,589	16,926	-	16,926
Residential property companies	86,145	-28	86,117	87,797	-19	87,778
<i>of which mortgage loans</i>	70,181	-3	70,178	70,370	-3	70,367
Other property management	133,699	-71	133,628	131,710	-105	131,605
<i>of which mortgage loans</i>	66,576	-4	66,572	64,392	-5	64,387
<b>Total loans in Sweden</b>	<b>239,614</b>	<b>-99</b>	<b>239,515</b>	<b>242,117</b>	<b>-124</b>	<b>241,993</b>
<b>Loans outside Sweden</b>						
Denmark	14,013	-107	13,906	14,446	-127	14,319
Finland	27,533	-26	27,507	27,483	-28	27,455
Norway	81,646	-77	81,569	79,859	-43	79,816
UK	115,503	-365	115,138	102,152	-255	101,897
The Netherlands	11,854	-	11,854	11,423	-	11,423
Other countries	6,546	-12	6,534	7,897	-12	7,885
<b>Total loans outside Sweden</b>	<b>257,095</b>	<b>-587</b>	<b>256,508</b>	<b>243,260</b>	<b>-465</b>	<b>242,795</b>
<b>Total loans - Property management</b>	<b>496,709</b>	<b>-686</b>	<b>496,023</b>	<b>485,377</b>	<b>-589</b>	<b>484,788</b>

## Credit risk exposure

SEK m	30 Jun 2015	31 Mar 2015	31 Dec 2014	30 Sep 2014	30 Jun 2014
Loans to the public	1,851,432	1,826,323	1,807,836	1,781,421	1,765,160
<i>of which reverse repos</i>	16,428	20,799	23,858	14,372	19,418
Loans to other credit institutions	87,250	79,633	70,339	70,959	76,519
<i>of which reverse repos</i>	48,227	48,719	42,138	42,019	37,497
Unutilised part of granted overdraft facilities	107,218	101,604	102,778	106,122	91,754
Committed loan offers	279,578	268,801	271,001	263,807	263,690
Other commitments	23,201	23,472	14,134	6,761	11,696
Guarantees, credits	10,632	10,262	10,335	9,733	9,472
Guarantees, other	59,694	61,813	60,033	59,882	60,754
Letters of credit	6,815	7,474	5,369	5,453	5,260
Derivative instruments*	91,099	127,267	116,124	94,379	78,068
Interest-bearing securities eligible as collateral with central banks	73,071	68,064	78,219	74,287	56,610
Bonds and other interest-bearing securities	56,502	64,830	63,725	63,563	53,057
<b>Total</b>	<b>2,646,492</b>	<b>2,639,543</b>	<b>2,599,893</b>	<b>2,536,367</b>	<b>2,472,040</b>

\* Refers to the total of positive market values.

## Note 9 Derivatives

SEK m	30 Jun 2015	31 Mar 2015	31 Dec 2014	30 Sep 2014	30 Jun 2014
<b>Positive market values</b>					
Trading	57,358	87,567	75,789	69,371	55,453
Fair value hedges	20	68	69	144	215
Cash flow hedges	52,363	61,784	52,895	35,616	30,940
Amounts set off in the balance sheet	-18,642	-22,152	-12,629	-10,752	-8,540
<b>Total</b>	<b>91,099</b>	<b>127,267</b>	<b>116,124</b>	<b>94,379</b>	<b>78,068</b>
<b>Negative market values</b>					
Trading	63,039	85,214	67,069	62,160	51,337
Fair value hedges	68	86	196	388	653
Cash flow hedges	10,611	10,293	8,242	9,375	8,803
Amounts set off in the balance sheet	-19,185	-22,152	-12,629	-10,752	-8,540
<b>Total</b>	<b>54,533</b>	<b>73,441</b>	<b>62,878</b>	<b>61,171</b>	<b>52,253</b>
<b>Nominal value</b>					
Trading	4,987,375	5,693,338	5,548,273	5,494,991	5,669,267
Fair value hedges	12,055	14,566	22,471	32,969	44,946
Cash flow hedges	793,096	796,289	795,052	791,553	769,971
<b>Total</b>	<b>5,792,526</b>	<b>6,504,193</b>	<b>6,365,796</b>	<b>6,319,513</b>	<b>6,484,184</b>

Derivative contracts are presented gross in the note. Amounts offset in the balance sheet are detailed in Note 17 and consist of the offset market value of contracts for which the Bank has the legal right and intention to settle contractual cash flows net (including cleared contracts). These contracts are presented on a net basis in the balance sheet per counterparty and currency.



## Note 10 Goodwill and other intangible assets

SEK m	Goodwill			Other intangible assets			Total		
	Jan-Jun 2015	Jan-Jun 2014	Full year 2014	Jan-Jun 2015	Jan-Jun 2014	Full year 2014	Jan-Jun 2015	Jan-Jun 2014	Full year 2014
Opening residual value	6,597	6,431	6,431	1,535	1,404	1,404	8,132	7,835	7,835
Additional during the period	-	-	-	193	95	257	193	95	257
The period's amortisation	-	-	-	-91	-74	-158	-91	-74	-158
The period's impairments	-	-	-	-9	-6	-9	-9	-6	-9
Foreign exchange effect	-53	97	166	20	21	41	-33	118	207
<b>Closing residual value</b>	<b>6,544</b>	<b>6,528</b>	<b>6,597</b>	<b>1,648</b>	<b>1,440</b>	<b>1,535</b>	<b>8,192</b>	<b>7,968</b>	<b>8,132</b>

## Note 11 Due to credit institutions, deposits and borrowing from the public

SEK m	30 Jun 2015	31 Mar 2015	31 Dec 2014	30 Sep 2014	30 Jun 2014
Due to credit institutions	218,571	220,675	200,074	201,737	205,649
<i>of which repos</i>	<i>5,854</i>	<i>1,117</i>	<i>88</i>	<i>77</i>	<i>4,467</i>
Deposits and borrowing from the public	1,093,551	1,055,140	1,022,267	933,952	943,151
<i>of which repos</i>	<i>9,138</i>	<i>7,025</i>	<i>168</i>	<i>6,381</i>	<i>14,339</i>

## Note 12 Issued securities

SEK m	Jan-Jun 2015	Jan-Jun 2014
<b>Issued securities at beginning of year</b>	<b>1,212,613</b>	<b>1,150,641</b>
Issued	452,260	493,955
Repurchased	70,593	62,775
Matured	394,095	427,858
Foreign exchange effect etc	14,536	20,549
<b>Issued securities at end of period</b>	<b>1,214,721</b>	<b>1,174,512</b>

## Note 13 Assets pledged, contingent liabilities and other commitments

SEK m	30 Jun 2015	31 Mar 2015	31 Dec 2014	30 Sep 2014	30 Jun 2014
Assets pledged for own debt	789,837	778,077	789,652	790,203	780,047
Other pledged assets	49,463	55,452	35,757	33,016	32,924
Contingent liabilities	77,141	79,549	75,737	75,068	75,486
Other commitments	409,997	393,877	387,913	376,690	367,140

Total contingent liabilities consist mainly of guarantees.

## Note 14 Classification of financial assets and liabilities

The tables show valuation categories for financial instruments in accordance with IAS 39.

30 June 2015	At fair value in income statement divided into		Derivatives identified as hedge instruments	Investments held to maturity	Loans and other receivables	Financial assets available for sale	Other financial assets/ liabilities	Total carrying amount	Fair value
	Trading	Other							
SEK m									
<b>Assets</b>									
Cash and balances with central banks					446,909		380	<b>447,289</b>	447,289
Other loans to central banks					106,646			<b>106,646</b>	106,646
Interest-bearing securities eligible as collateral with central banks	41,001	30,156		752		1,162		<b>73,071</b>	73,074
Loans to other credit institutions					87,250			<b>87,250</b>	87,008
Loans to the public		2,038			1,849,394			<b>1,851,432</b>	1,865,058
Value change of interest hedged item in portfolio hedge					42			<b>42</b>	
Bonds and other interest-bearing securities	19,164	33,825		252		3,261		<b>56,502</b>	56,500
Shares	62,396	1,197				9,802		<b>73,395</b>	73,395
Investments in associates							303	<b>303</b>	303
Assets where the customer bears the value change risk		105,685			101			<b>105,786</b>	105,786
Derivative instruments	38,983		52,116					<b>91,099</b>	91,099
Other assets	31				23,232		401	<b>23,664</b>	23,664
Prepaid expenses and accrued income	549	528		0	3,050	2	1,952	<b>6,081</b>	6,081
<b>Total financial assets</b>	<b>162,124</b>	<b>173,429</b>	<b>52,116</b>	<b>1,004</b>	<b>2,516,624</b>	<b>14,227</b>	<b>3,036</b>	<b>2,922,560</b>	<b>2,935,903</b>
Other non-financial assets								13,249	
<b>Total assets</b>								<b>2,935,809</b>	
<b>Liabilities</b>									
Due to credit institutions							218,571	<b>218,571</b>	220,520
Deposits and borrowing from the public							1,093,551	<b>1,093,551</b>	1,093,530
Liabilities where the customer bears the value change risk		105,747					101	<b>105,848</b>	105,848
Issued securities	11,287						1,203,434	<b>1,214,721</b>	1,240,689
Derivative instruments	44,091		10,442					<b>54,533</b>	54,533
Short positions	20,421							<b>20,421</b>	20,421
Other liabilities	30						30,932	<b>30,962</b>	30,962
Accrued expenses and deferred income	408						18,741	<b>19,149</b>	19,149
Subordinated liabilities							39,711	<b>39,711</b>	42,758
<b>Total financial liabilities</b>	<b>76,237</b>	<b>105,747</b>	<b>10,442</b>				<b>2,605,041</b>	<b>2,797,467</b>	<b>2,828,410</b>
Other non-financial liabilities								14,371	
<b>Total liabilities</b>								<b>2,811,838</b>	

31 December 2014	At fair value in income statement divided into		Derivatives identified as hedge instruments	Investments held to maturity	Loans and other receivables	Financial assets available for sale	Other financial assets/liabilities	Total carrying amount	Fair value
	Trading	Other							
SEK m									
<b>Assets</b>									
Cash and balances with central banks					454,040		492	454,532	454,532
Other loans to central banks					51,047			51,047	51,047
Interest-bearing securities eligible as collateral with central banks	42,095	34,377		749		998		78,219	78,223
Loans to other credit institutions					70,339			70,339	70,061
Loans to the public		2,181			1,805,655			1,807,836	1,823,256
Value change of interest hedged item in portfolio hedge					70			70	
Bonds and other interest-bearing securities	26,235	34,915		253		2,322		63,725	63,722
Shares	36,628	1,551				8,367		46,546	46,546
Investments in associates							286	286	286
Assets where the customer bears the value change risk		94,674			89			94,763	94,763
Derivative instruments	63,450		52,674					116,124	116,124
Other assets	35				13,892		394	14,321	14,321
Prepaid expenses and accrued income	408	654		1	3,546	2	2,180	6,791	6,791
<b>Total financial assets</b>	<b>168,851</b>	<b>168,352</b>	<b>52,674</b>	<b>1,003</b>	<b>2,398,678</b>	<b>11,689</b>	<b>3,352</b>	<b>2,804,599</b>	<b>2,819,672</b>
Other non-financial assets								12,077	
<b>Total assets</b>								<b>2,816,676</b>	
<b>Liabilities</b>									
Due to credit institutions							200,074	200,074	202,411
Deposits and borrowing from the public							1,022,267	1,022,267	1,022,274
Liabilities where the customer bears the value change risk		94,775					89	94,864	94,864
Issued securities	12,423						1,200,190	1,212,613	1,243,804
Derivative instruments	54,780		8,098					62,878	62,878
Short positions	20,648							20,648	20,648
Other liabilities	16						14,562	14,578	14,578
Accrued expenses and deferred income	315						18,366	18,681	18,681
Subordinated liabilities							30,289	30,289	34,411
<b>Total financial liabilities</b>	<b>88,182</b>	<b>94,775</b>	<b>8,098</b>				<b>2,485,837</b>	<b>2,676,892</b>	<b>2,714,549</b>
Other non-financial liabilities								12,957	
<b>Total liabilities</b>								<b>2,689,849</b>	

## Note 15 Fair value measurement of financial instruments

30 June 2015 SEK m	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Interest-bearing securities eligible as collateral with central banks	70,111	2,208	-	72,319
Loans to the public	-	2,027	11	2,038
Bonds and other interest-bearing securities	44,313	11,937	-	56,250
Shares	65,438	6,496	1,461	73,395
Assets where the customer bears the value change risk	104,955	-	730	105,685
Derivative instruments	258	90,841	-	91,099
<b>Total financial assets at fair value</b>	<b>285,075</b>	<b>113,509</b>	<b>2,202</b>	<b>400,786</b>
<b>Liabilities</b>				
Liabilities where the customer bears the value change risk	105,017	-	730	105,747
Issued securities	-	11,197	90	11,287
Derivative instruments	864	53,669	-	54,533
Short positions	19,914	507	-	20,421
<b>Total financial liabilities at fair value</b>	<b>125,795</b>	<b>65,373</b>	<b>820</b>	<b>191,988</b>

31 December 2014 SEK m	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Interest-bearing securities eligible as collateral with central banks	75,814	1,656	-	77,470
Loans to the public	-	2,168	13	2,181
Bonds and other interest-bearing securities	57,320	6,152	-	63,472
Shares	40,965	4,176	1,405	46,546
Assets where the customer bears the value change risk	93,976	-	698	94,674
Derivative instruments	630	115,494	-	116,124
<b>Total financial assets at fair value</b>	<b>268,705</b>	<b>129,646</b>	<b>2,116</b>	<b>400,467</b>
<b>Liabilities</b>				
Liabilities where the customer bears the value change risk	94,077	-	698	94,775
Issued securities	-	12,329	94	12,423
Derivative instruments	1,566	61,312	-	62,878
Short positions	20,560	88	-	20,648
<b>Total financial liabilities at fair value</b>	<b>116,203</b>	<b>73,729</b>	<b>792</b>	<b>190,724</b>

**Valuation process**

Handelsbanken's independent risk control function is responsible for checking and validating the fair value measurement of financial instruments. In general, the valuations are based on externally generated data as far as is possible, considering the circumstances in each case.

Financial instruments for which price information is easily available, and which are representative of real and frequently occurring transactions, are valued at their current market price. The current bid price is used for financial assets and the current ask price is used for financial liabilities. For groups of financial instruments which are managed on the basis of the Bank's net exposure to market risk, the current market price is presumed to be the price which would be received or paid if the net position were divested.

For financial instruments where there is no reliable information about market prices, fair value is established using valuation models. These models can be based on price comparisons, present value calculations, option valuation theory, etc., depending on the nature of the instrument.

**Valuation hierarchy**

In the tables, financial instruments at fair value have been categorised in terms of how the valuations have been carried out and the extent of market data used in the valuation. The categorisation is shown as levels 1–3 in the tables. Financial instruments which are valued at the current market price are categorised as level 1. These financial instruments mainly comprise government instruments and other interest-bearing securities that are traded actively, listed equities and short-term positions in corresponding assets. Level 1 also includes the majority of shares in mutual funds and other assets which are related to unit-linked insurance contracts and similar agreements and the corresponding liabilities. Financial instruments which are valued using valuation models which are substantially based on market data are categorised as level 2. Level 2 mainly includes interest rate-related and currency-related derivatives. Financial instruments, the value of which to a material extent is affected by input data that cannot be verified using external market information, are categorised as level 3.

The categorisation is based on the valuation method used on the balance sheet date. If the category for a specific instrument has changed since the previous balance sheet date (31 December 2014), the instrument has been moved between the levels in the table.

During the period January–June, some of the volumes have been moved between level 1 and level 2, as a result of a new assessment of market activity. On the assets side, interest-bearing securities worth SEK 215m were transferred from level 1 to level 2. On the liabilities side, derivatives worth SEK 85m were transferred from level 1 to level 2, and short-term positions worth SEK 6m were moved from level 2 to level 1. Changes in level 3 holdings are reported in a separate table.

The holdings in level 3 mainly comprise unlisted shares and holdings in private equity funds. Holdings in private equity funds are valued using valuation models based mainly on a relative valuation of comparable listed companies in the same sector. The performance measurements used in the comparison are adjusted for factors which distort the comparison between the investment and the company used for comparison. Subsequently, the valuation is based on earnings multiples, e.g. P/E ratios. Most of these holdings represent investment assets in the Group's insurance operations. Value changes on the investment assets are included in the basis for calculating the yield split in the insurance operations and are therefore not reported directly in the income statement.

The Group's holdings of unlisted equities consist mainly of the Bank's participating interests in various types of jointly owned operations which are related to the Bank's business. For example, these may be participating interests in clearing organisations or infrastructure collaboration on Handelsbanken's home markets. In general, such holdings are valued at the Bank's share of the company's net asset value, or alternatively at the price of the last completed transaction.

#### Reconciliation of financial instruments in level 3

January - June 2015 SEK m	Shares	Loans to the public	Assets where the customer bears the value change risk	Liabilities where the customer bears the value change risk	Issued securities
Carrying amount at beginning of year	1,405	13	698	-698	-94
Acquisitions/issues	228	-	-	-	3
Repurchases/sales	-334	-	-	-	-
Matured during the period	-	-2	-	-	-
Unrealised value change in income statement	147	0	32	-32	1
Unrealised value change in other comprehensive income	18	0	-	-	-
Transfer from level 1 or 2	-	-	-	-	-
Transfer to level 1 or 2	-3	-	-	-	-
<b>Carrying amount at end of period</b>	<b>1,461</b>	<b>11</b>	<b>730</b>	<b>-730</b>	<b>-90</b>

January - December 2014 SEK m	Shares	Loans to the public	Assets where the customer bears the value change risk	Liabilities where the customer bears the value change risk	Issued securities
Carrying amount at beginning of year	1,388	18	490	-490	-84
Acquisitions/issues	56	-	-	-	-10
Repurchases/sales	-56	-	-	-	-
Matured during the period	-	-7	-	-	-
Unrealised value change in income statement	-62	-	208	-208	-
Unrealised value change in other comprehensive income	79	1	-	-	-
Transfer from level 1 or 2	-	1	-	-	-
Transfer to level 1 or 2	-	-	-	-	-
<b>Carrying amount at end of period</b>	<b>1,405</b>	<b>13</b>	<b>698</b>	<b>-698</b>	<b>-94</b>

#### Note 16 Related-party transactions

There have been no business transactions of material importance with related parties during the period. All business transactions with associated companies are made on market terms.

In all material respects, unlisted shares are classified as available for sale. Value changes for these holdings are thus reported in other comprehensive income.

#### Differences between the transaction price and the value produced using a valuation model

The models use input data in the form of market prices and other variables that are deemed to affect pricing. The models and input data which form the basis of the valuations are regularly validated to ensure that they are consistent with market practice and established financial theory. In cases where there are material positive differences between the value calculated with the help of valuation techniques at initial recognition and the transaction price (day -1 effect), the difference is distributed over the maturity period of the financial instrument. Such differences occur when the applied valuation model does not capture all the components which affect the value of the instrument.

As a consequence of the application of this principle, SEK 61m (45) has been amortised in net gains/losses on financial transactions during the January–June 2015 period. At the end of the period, non-amortised day -1 gains amounted to SEK 526m (465).

The Bank regularly conducts separate valuations of the total credit risk component (own credit risk as well as counterparty risk) in outstanding model-valued derivatives. Changes in fair value due to changed credit risk are recognised in profit/loss to the extent that the overall effect exceeds non-recognised day -1 effects.

## Note 17 Offsetting of financial instruments

30 June 2015 SEK m	Derivatives	Repurchase agreements, securities borrowing and similar agreements	Total
<b>Financial assets subject to offsetting, enforceable master netting arrangements and similar agreements</b>			
Gross amounts of recognised financial assets	109,741	67,091	176,832
Gross amounts of recognised financial liabilities set off in the balance sheet	-18,642	-	-18,642
<b>Net amounts of financial assets presented in the balance sheet</b>	<b>91,099</b>	<b>67,091</b>	<b>158,190</b>
<b>Related amounts not set off in the balance sheet</b>			
Financial instruments not set off in the balance sheet	-37,869	-	-37,869
Collateral received	-31,043	-67,075	-98,118
<b>Net amount</b>	<b>22,187</b>	<b>16</b>	<b>22,203</b>
<b>Financial liabilities subject to offsetting, enforceable master netting agreements and similar agreements</b>			
Gross amounts of recognised financial liabilities	73,718	14,992	88,710
Gross amounts of recognised financial assets set off in the balance sheet	-19,185	-	-19,185
<b>Net amounts of financial liabilities presented in the balance sheet</b>	<b>54,533</b>	<b>14,992</b>	<b>69,525</b>
<b>Related amounts not set off in the balance sheet</b>			
Financial instruments not set off in the balance sheet	-37,869	-	-37,869
Assets pledged	-6,189	-14,992	-21,181
<b>Net amount</b>	<b>10,475</b>	<b>-</b>	<b>10,475</b>

31 December 2014 SEK m	Derivatives	Repurchase agreements, securities borrowing and similar agreements	Total
<b>Financial assets subject to offsetting, enforceable master netting arrangements and similar agreements</b>			
Gross amounts of recognised financial assets	128,753	68,887	197,640
Gross amounts of recognised financial liabilities set off in the balance sheet	-12,629	-	-12,629
<b>Net amounts of financial assets presented in the balance sheet</b>	<b>116,124</b>	<b>68,887</b>	<b>185,011</b>
<b>Related amounts not set off in the balance sheet</b>			
Financial instruments not set off in the balance sheet	-45,652	-	-45,652
Collateral received	-38,191	-68,857	-107,048
<b>Net amount</b>	<b>32,281</b>	<b>30</b>	<b>32,311</b>
<b>Financial liabilities subject to offsetting, enforceable master netting agreements and similar agreements</b>			
Gross amounts of recognised financial liabilities	75,507	256	75,763
Gross amounts of recognised financial assets set off in the balance sheet	-12,629	-	-12,629
<b>Net amounts of financial liabilities presented in the balance sheet</b>	<b>62,878</b>	<b>256</b>	<b>63,134</b>
<b>Related amounts not set off in the balance sheet</b>			
Financial instruments not set off in the balance sheet	-45,652	-	-45,652
Assets pledged	-9,674	-256	-9,930
<b>Net amount</b>	<b>7,552</b>	<b>0</b>	<b>7,552</b>

Derivative instruments are set off in the balance sheet when the settlement of two or more derivatives reflects the Bank's anticipated cash flows. This occurs when the Bank has both a contractual right and intention to settle the agreed cash flows with a net amount. The remaining counterparty risk in derivatives is reduced through netting agreements if payments are suspended, i.e. netting positive values against negative values in all derivative transactions with the same counterparty in a bankruptcy situation. Handelsbanken's policy is to sign netting agreements with all bank counterparties. Netting agreements are supplemented with agreements for issuing collateral for the net exposure. The collateral used is mainly cash, but government securities are also used. Collateral for repurchase agreements and borrowing and lending of securities is normally in the form of cash or other securities.

The amounts set off for derivative liabilities include cash collateral offsets of SEK 543m.

## Note 18 Assets and liabilities by currency

30 June 2015								
SEK m	SEK	EUR	NOK	DKK	GBP	USD	Other currencies	Total
<b>Assets</b>								
Cash and balances with central banks	160	65,548	2,056	63	47,164	330,883	1,415	447,289
Other loans to central banks	58,611	-	18,950	28,703	383	-	-1	106,646
Loans to other credit institutions	11,184	7,612	9,999	186	1,123	52,444	4,702	87,250
Loans to the public	1,179,324	168,164	192,704	77,675	191,139	30,005	12,421	1,851,432
<i>of which corporates</i>	489,942	118,678	106,927	32,738	129,223	29,817	11,327	918,652
<i>of which households</i>	689,382	49,486	85,777	44,937	61,916	188	1,094	932,780
Interest-bearing securities eligible as collateral with central banks	33,474	6,517	-	6	-	31,917	1,157	73,071
Bonds and other interest-bearing securities	47,602	3,138	4,383	2	1,342	35	-	56,502
Other items not broken down by currency	313,619							313,619
<b>Total assets</b>	<b>1,643,974</b>	<b>250,979</b>	<b>228,092</b>	<b>106,635</b>	<b>241,151</b>	<b>445,284</b>	<b>19,694</b>	<b>2,935,809</b>
<b>Liabilities</b>								
Due to credit institutions	60,313	56,720	23,294	11,506	4,654	53,950	8,134	218,571
Deposits and borrowing from the public	477,018	92,898	56,194	37,756	116,707	304,559	8,419	1,093,551
<i>of which corporates</i>	202,479	77,981	36,856	23,554	93,424	301,937	8,097	744,328
<i>of which households</i>	274,539	14,917	19,338	14,202	23,283	2,622	322	349,223
Issued securities	459,515	227,458	21,336	346	97,441	375,819	32,806	1,214,721
Subordinated liabilities	10,411	18,401	-	-	-	9,886	1,013	39,711
Other items not broken down by currency, incl. equity	369,255							369,255
<b>Total liabilities and equity</b>	<b>1,376,512</b>	<b>395,477</b>	<b>100,824</b>	<b>49,608</b>	<b>218,802</b>	<b>744,214</b>	<b>50,372</b>	<b>2,935,809</b>
Other assets and liabilities broken down by currency (net)		144,439	-127,213	-56,951	-22,307	298,925	30,713	
<b>Net foreign currency position</b>		<b>-59</b>	<b>55</b>	<b>76</b>	<b>42</b>	<b>-5</b>	<b>35</b>	<b>144</b>

31 December 2014								
SEK m	SEK	EUR	NOK	DKK	GBP	USD	Other currencies	Total
<b>Assets</b>								
Cash and balances with central banks	223	81,932	2,342	97	55,782	312,782	1,374	454,532
Other loans to central banks	6,926	-	15,758	28,021	342	-	0	51,047
Loans to other credit institutions	1,719	10,075	275	288	874	54,871	2,237	70,339
Loans to the public	1,164,777	178,002	184,912	72,787	167,719	26,642	12,997	1,807,836
<i>of which corporates</i>	500,444	129,197	101,176	28,326	114,555	26,490	11,750	911,938
<i>of which households</i>	664,333	48,805	83,736	44,461	53,164	152	1,247	895,898
Interest-bearing securities eligible as collateral with central banks	40,967	6,576	1,080	6	-	28,597	993	78,219
Bonds and other interest-bearing securities	54,997	3,976	3,890	-	828	34	-	63,725
Other items not broken down by currency	290,978							290,978
<b>Total assets</b>	<b>1,560,587</b>	<b>280,561</b>	<b>208,257</b>	<b>101,199</b>	<b>225,545</b>	<b>422,926</b>	<b>17,601</b>	<b>2,816,676</b>
<b>Liabilities</b>								
Due to credit institutions	32,440	71,353	10,855	13,728	3,804	56,412	11,482	200,074
Deposits and borrowing from the public	444,033	120,068	61,616	30,218	106,728	249,885	9,719	1,022,267
<i>of which corporates</i>	191,628	105,379	44,311	17,550	87,548	247,678	9,423	703,517
<i>of which households</i>	252,405	14,689	17,305	12,668	19,180	2,207	296	318,750
Issued securities	459,264	236,831	22,625	342	89,923	371,593	32,035	1,212,613
Subordinated liabilities	10,308	18,887	-	-	-	117	977	30,289
Other items not broken down by currency, incl. equity	351,433							351,433
<b>Total liabilities and equity</b>	<b>1,297,478</b>	<b>447,139</b>	<b>95,096</b>	<b>44,288</b>	<b>200,455</b>	<b>678,007</b>	<b>54,213</b>	<b>2,816,676</b>
Other assets and liabilities broken down by currency (net)		166,635	-113,117	-56,885	-24,996	254,804	36,690	
<b>Net foreign currency position</b>		<b>57</b>	<b>44</b>	<b>26</b>	<b>94</b>	<b>-277</b>	<b>78</b>	<b>22</b>

## Note 19 Own funds and capital requirements in the consolidated situation

Figures reported in this section refer to the minimum capital requirements under Pillar 1, according to the capital adequacy regulations applying at any time. On 1 January 2014, the European Capital Requirements Regulation (CRR) came into force. Own funds and capital requirement as of 2014 are calculated in accordance with the new EU regulations. All references to CRD IV in this interim report refer to the new regulations in their entirety regardless of legislative form (regulation, directive, executive decree or national implementation).

### Own funds

SEK m	30 Jun 2015	31 Mar 2015	31 Dec 2014	30 Sep 2014	30 Jun 2014
<b>TIER 1 CAPITAL</b>					
Equity, Group	123,971	124,492	126,827	120,249	116,814
Accrued unpaid dividend last year	-	-	-	-	-
Accrued dividend current year	-6,084	-2,718	-11,124	-6,059	-4,085
Result from unconsolidated entities	-433	-202	-733	-556	-335
Equity not part of the consolidated situation	97	58	598	570	421
Minority interests	-4	-4	-3	-3	-3
<b>Equity (consolidated entities)</b>	<b>117,547</b>	<b>121,626</b>	<b>115,565</b>	<b>114,201</b>	<b>112,812</b>
Deducted items					
Goodwill and other intangible assets	-8,184	-8,136	-8,123	-7,991	-7,958
Value adjustments (fair value)	-430	-351	-1	-1	-1
Special deduction for IRB institutions	-1,668	-2,132	-2,103	-2,226	-2,228
Positions in securitisation	-	-	-	-	-
Net pension assets	-	-	-	-	-13
Own shares	-462	-500	-466	-	-
Adjustments in accordance with stability filter	-	-	-	-	-
Cash flow hedges	-4,082	-6,306	-5,331	-2,626	-1,535
Unrealised accumulated gains, shares	-	-	-1,457	-1,070	-1,280
<b>Common equity tier 1 capital, gross</b>	<b>102,721</b>	<b>104,201</b>	<b>98,084</b>	<b>100,287</b>	<b>99,797</b>
Threshold deductions					
Capital contributions to unconsolidated financial entities >10% CET1	-	-	-	-	-
Deferred tax assets >10% CET1	-	-	-	-	-
Amount of capital contributions and deferred tax assets >15%	-	-	-	-	-
<b>Common equity tier 1 capital</b>	<b>102,721</b>	<b>104,201</b>	<b>98,084</b>	<b>100,287</b>	<b>99,797</b>
Additional tier 1 instruments	17,766	18,317	8,043	7,874	7,896
<b>Total tier 1 capital</b>	<b>120,487</b>	<b>122,518</b>	<b>106,127</b>	<b>108,161</b>	<b>107,693</b>
<b>TIER 2 CAPITAL</b>					
Subordinated loans	17,275	17,455	17,860	17,427	17,588
Deducted items					
Tier 2 contribution in unconsolidated financial entities	-1,129	-1,129	-1,129	-1,129	-1,129
<b>Total tier 2 capital</b>	<b>16,146</b>	<b>16,326</b>	<b>16,731</b>	<b>16,298</b>	<b>16,459</b>
<b>Total own funds</b>	<b>136,633</b>	<b>138,844</b>	<b>122,858</b>	<b>124,459</b>	<b>124,152</b>



## Capital ratios and buffers

	30 Jun 2015	31 Mar 2015	31 Dec 2014	30 Sep 2014	30 Jun 2014
Common equity tier 1 ratio, CRD IV	21.3%	21.1%	20.4%	20.7%	20.1%
Tier 1 ratio, CRD IV	25.0%	24.9%	22.1%	22.3%	21.7%
Total capital ratio, CRD IV	28.4%	28.2%	25.6%	25.6%	25.0%
Risk exposure amount CRD IV, SEK m	481,134	492,968	480,388	485,263	497,050
Own funds in relation to capital requirement according to Basel I floor	149%	153%	138%	141%	143%
Institution-specific buffer requirements*	5.6%	5.5%	2.5%	2.5%	
<i>of which capital conservation buffer requirement</i>	2.5%	2.5%	2.5%	2.5%	
<i>of which countercyclical capital buffer requirement</i>	0.1%				
<i>of which systemic risk buffer requirement</i>	3.0%	3.0%			
Common equity tier 1 capital available for use as a buffer	16.8%	16.6%	15.9%	16.2%	

\* Information is only provided regarding the buffer requirements which have come into force.

## Capital requirement

	30 Jun 2015	31 Mar 2015	31 Dec 2014	30 Sep 2014	30 Jun 2014
SEK m					
Credit risk according to standardised approach	5,906	5,960	5,575	5,632	5,992
Credit risk according to IRB approach	26,394	27,152	26,944	27,261	28,161
Market risks	968	1,054	939	1,027	696
Credit value adjustment risk (CVA)	567	617	534	462	476
Operational risk	4,655	4,655	4,439	4,439	4,439
<b>Total capital requirement</b>	<b>38,490</b>	<b>39,438</b>	<b>38,431</b>	<b>38,821</b>	<b>39,764</b>
Adjustment according to Basel I floor	54,309	52,771	51,975	51,218	48,893
<b>Capital requirement, Basel I floor</b>	<b>92,799</b>	<b>92,209</b>	<b>90,406</b>	<b>90,039</b>	<b>88,657</b>
Total own funds, Basel I floor	138,301	140,976	124,961	126,686	126,380

## Capital requirement credit risks standardised approach\*\*

SEK m	Exposure after credit risk protection (EAD)		Average risk weight, %		Capital requirement	
	30 Jun 2015	31 Dec 2014	30 Jun 2015	31 Dec 2014	30 Jun 2015	31 Dec 2014
Sovereign and central banks	598,981	558,624	0.0	0.0	3	4
Municipalities	62,552	64,086	0.0	0.0	2	2
Public sector entities	2		0.0		0	
Multilateral development banks	662	762	0.0	0.0	0	0
International organisations	5		0.0		0	
Institutions	3,539	2,277	18.8	25.2	53	46
Corporates	9,983	12,771	84.6	81.3	676	831
Households	21,922	19,212	74.8	74.7	1,312	1,147
Collateral in real estate	65,273	57,765	36.0	36.3	1,880	1,680
Past due items	265	144	142.0	129.9	30	15
Equities	8,157	7,110	214.4	230.6	1,399	1,311
Other items	7,423	7,409	92.8	90.9	551	539
<b>Total</b>	<b>778,764</b>	<b>730,160</b>	<b>9.5</b>	<b>9.5</b>	<b>5,906</b>	<b>5,575</b>

\*\* Information about capital requirements for the exposure classes where there are exposures.

## Credit risks IRB

SEK m	Exposure after credit risk protection (EAD)		Average risk weight, %		Capital requirement	
	30 Jun 2015	31 Dec 2014	30 Jun 2015	31 Dec 2014	30 Jun 2015	31 Dec 2014
Corporates	973,460	958,861	21.8	24.1	17,003	18,459
of which repos and securities loans	12,214	14,060	1.5	0.4	14	5
of which other lending IRB Approach without own estimates of LGD and CF	137,583	142,047	30.7	32.8	3,377	3,728
of which other lending IRB Approach with own estimates of LGD and CF	823,663	802,754	20.7	22.9	13,612	14,726
of which large companies	144,899	149,446	43.6	48.6	5,050	5,806
of which medium-sized companies	76,664	74,041	44.9	45.5	2,753	2,698
of which property companies	443,397	428,314	15.1	16.8	5,349	5,773
of which housing co-operative associations	158,703	150,952	3.6	3.7	460	449
Households	895,842	867,447	7.5	8.0	5,371	5,521
Private individuals	868,620	839,719	6.9	7.3	4,781	4,910
of which property loans	785,267	756,225	5.5	5.6	3,483	3,364
of which other loans	83,353	83,494	19.5	23.2	1,298	1,546
Small companies	27,222	27,728	27.1	27.5	590	611
of which property loans	7,497	7,535	22.4	20.3	134	122
of which other loans	19,725	20,193	28.9	30.2	456	489
Institutions	150,101	134,409	15.7	12.4	1,883	1,334
of which repos and securities loans	57,694	51,433	1.3	1.3	62	53
of which other loans	92,407	82,976	24.6	19.3	1,821	1,281
Equity exposures	8,176	6,102	300.1	296.8	1,963	1,449
of which listed shares	7,139	5,584	290.0	290.0	1,656	1,296
of which other shares	1,037	518	370.0	370.0	307	153
Exposures without a counterparty	2,179	2,239	100.0	100.0	174	179
Securitisation positions	34	269	7.4	8.8	0	2
of which Traditional securitisation	34	269	7.4	8.8	0	2
of which Synthetic securitisation	-	-	-	-	-	-
<b>Total IRB approach</b>	<b>2,029,792</b>	<b>1,969,327</b>	<b>16.3</b>	<b>17.1</b>	<b>26,394</b>	<b>26,944</b>
of which repos and securities loans	69,908	65,493	1.4	1.1	76	57
of which other lending IRB Approach without own estimates of LGD and CF	240,379	233,633	38.1	35.5	7,335	6,639
of which other lending IRB Approach with own estimates of LGD and CF	1,719,505	1,670,201	13.8	15.2	18,983	20,247

The capital requirement for credit risk is calculated according to the standardised approach and the IRB Approach according to CRR. Two different methods are used in the IRB Approach: the IRB Approach without own estimates of loss given default (LGD) and conversion factors (CF), corresponding to the foundation approach in the previous regulations, and the IRB Approach with own estimates of LGD and CF, corresponding to the advanced approach in the previous regulations.

In the IRB Approach without own estimates of LGD and CF, the Bank uses its own method to determine the probability of the customer defaulting within one year (PD), while the other parameters are set out in CRR rules. In the IRB Approach with own estimates of LGD and CF, the Bank uses its own methods to calculate the loss in the case of default (LGD) and the exposure amount.

Handelsbanken uses the IRB approach without own estimates of LGD and CF for exposures to institutions and for certain product and collateral types for corporate exposures in the whole of the regional banking operations and in the following subsidiaries: Stadshypotek AB, Handelsbanken Finans AB, Handelsbanken Finans (Shanghai) Financial Leasing Co. Ltd and Rahoitus Oy.

The IRB Approach with own estimates of LGD and CF is applied to the majority of exposures to large corporates, medium-sized companies, property companies and housing co-operative associations in regional bank operations (excluding the Netherlands),

Handelsbanken Capital Markets, Stadshypotek AB and Handelsbanken Finans AB, and retail exposures in Sweden, Norway, Finland and Denmark, as well as in the subsidiaries Stadshypotek AB, Handelsbanken Finans AB and Rahoitus Oy.

At the end of the quarter, the IRB Approach was applied to 82% of the total risk-weighted exposure amount for credit risk. For the remaining credit risk exposures, the capital requirement is calculated using the standardised approach.

Repos and securities loans are reported separately in the table illustrating the capital requirement according to the IRB Approach, since they give rise to very low capital requirements, while the volumes vary considerably over time. The low capital requirement is due to the exposure being reported gross and being secured.

The total average risk weight for exposures approved for the IRB Approach decreased during the quarter and amounted to 16.3% as at 30 June 2015. The average risk weight has fallen mainly because the credit volume to counterparties with relatively lower risk weights has increased, while the volume to counterparties with relatively higher risk weights has decreased.

Credit quality is good. Of Handelsbanken's corporate exposures, 96% were to customers with a repayment capacity assessed as normal or better than normal, i.e. with a rating grade between one and five on the Bank's ten-point rating scale. The IRB Approach is based on historical losses from both the financial crisis of recent years and the

Swedish banking crisis in the early 1990s. These risk weights reflect the fact that Handelsbanken has reported low loan losses over a long period. The risk measurements applied contain safety margins to ensure that the risk is not underestimated.

The level of the risk weight in the corporate exposures reflects the portfolio composition and how various loans are classified in the different exposure classes. Handelsbanken has classified its lending to housing co-operative associations as corporate, while some other banks have opted to classify this as retail lending.

The capital requirement for equity exposures in the IRB Approach is calculated according to a simplified risk weight method.

Other aspects of the Bank's risk and capital planning are described in Handelsbanken's Annual Report and in Handelsbanken's Risk and Capital Management – Information according to Pillar 3. No material changes have occurred since the publication of these documents that are not presented in this interim report.

## Capital requirement market risks

SEK m	30 Jun 2015	31 Mar 2015	31 Dec 2014	30 Sep 2014	30 Jun 2014
Position risk in the trading book	963	1,045	927	1,018	686
Interest rate risk	946	1,033	908	1,003	667
of which general risk	603	704	566	644	459
of which specific risk	341	327	338	354	202
of which positions in securitisation instruments	-	0	0	0	0
of which non-delta risk	2	2	4	5	6
Equity price risk	17	12	19	15	19
of which general risk	2	2	3	2	3
of which specific risk	5	5	7	4	8
of which mutual funds	1	0	1	1	1
of which non-delta risk	9	5	8	8	7
Exchange rate risk	-	-	-	-	-
of which non-delta risk	-	-	-	-	-
Commodities risk	5	8	8	9	10
of which non-delta risk	0	0	0	0	0
Settlement risk	0	1	4	0	0
<b>Total capital requirement for market risks</b>	<b>968</b>	<b>1,054</b>	<b>939</b>	<b>1,027</b>	<b>696</b>

The capital requirement for market risks is calculated for the Bank's consolidated situation. The capital requirement for interest rate risks and equity price risks is, however, only calculated for positions in the trading book. When calculating the capital requirement for market risks, the standardised approach is applied.

## Capital requirement operational risks

Handelsbanken uses the standardised approach according to which calculation of the capital requirement is based on the Bank's income in various business segments.

## Leverage Ratio

Effective as of 2015, the provisions of CRD IV include a reporting requirement regarding a non risk-based leverage ratio. The measurement is to undergo evaluation and no decision regarding a binding requirement has yet been taken.

Leverage ratio

SEK m	30 Jun 2015	31 Mar 2015	31 Dec 2014
Balance sheet according to accounting regulations	2,935,809	2,919,019	2,816,676
Deduction for assets not included in the banking group	-105,213	-106,940	-95,097
Adjustment for differences between carrying amount and leverage ratio exposure - derivatives	-29,412	-49,167	-43,931
Adjustment for differences between carrying amount and leverage ratio exposure - repos and securities loans	5,300	8,502	3,312
<i>Assets reported off the balance sheet, gross (before adjustment for conversion factor)</i>	<i>474,213</i>	<i>456,981</i>	<i>457,641</i>
<i>Deduction from assets off the balance sheet after application of conversion factor</i>	<i>-297,692</i>	<i>-285,498</i>	<i>-284,089</i>
Assets reported off the balance sheet, net	176,521	171,483	173,552
Additional adjustment	-15,987	-18,489	-18,489
<b>Assets on which the leverage ratio is calculated</b>	<b>2,967,018</b>	<b>2,924,408</b>	<b>2,836,023</b>
<b>Capital on which the leverage ratio can be calculated</b>			
Tier 1 capital	120,487	122,518	106,127
<b>Leverage ratio</b>			
Leverage ratio calculated on tier 1 capital	4.1%	4.2%	3.7%

## Note 20 Risk and capital management

### Risks and uncertainty factors

Handelsbanken provides credit through its branch operations, exercising a low risk tolerance. The credit process is based on the conviction that a decentralised organisation with local presence ensures high quality in credit decisions. Handelsbanken's exposure to market risk is also low. Essentially, market risks in the banking operations are only taken as part of meeting customers' investment and risk management needs. During the past few years, the Bank has worked actively to reduce the market risks in its balance sheet. One result of this is that a much smaller part of the Bank's earnings comes from net gains/losses on financial transactions.

The situation with regard to regulatory developments continues to evolve rapidly. Handelsbanken's low tolerance of risk, sound capitalisation and strong liquidity situation mean that the Bank is well equipped to operate under the new, stricter regulations and also under substantially more difficult market conditions than those

experienced during the last few years. The Bank's liquidity situation is described in more detail below under the heading Liquidity and funding.

There is uncertainty surrounding future developments in the Greek economy. In line with Handelsbanken's low risk tolerance, the Bank's exposure related to Greece is very small. As at 30 June, it totalled SEK 20m.

The Bank's risk and capital planning is described in Handelsbanken's Annual Report and in Handelsbanken's Risk and Capital Management – Information according to Pillar 3. No material changes have occurred since the publication of these documents that are not presented in this interim report.

### Liquidity and funding

Handelsbanken has a strong liquidity situation. For a long time, the Bank has actively worked with liquidity measures and has adopted a conservative approach. Part of this work has involved centralising liquidity management with the purpose of strengthening control of the liquidity risks and of guaranteeing and optimising the Bank's funding in all scenarios.

The Bank has worked for a long time on extending the maturities of its funding by increasing bond issues and ensuring that liquidity risks are included in internal pricing. Handelsbanken's funding programme covers the maturities in all currencies that the Bank needs to fund its lending and enables the Bank to issue all currencies of relevance to the Bank.

### Funding programmes/limits as at 30 June 2015 - Group

Programme (in millions)	Programme size	Currency	Unutilised amount	Countervalue SEK m	Latest issue
ECP *	5,000	EUR	2,008	18,547	Jun-15
ECP (Stadshypotek) *	4,000	EUR	3,112	28,745	Apr-15
EMTCN (Stadshypotek) *	20,000	EUR	10,196	94,178	Nov-14
French Commercial Paper	7,500	EUR	6,890	63,642	Apr-15
MTN *	100,000	SEK	82,859	82,859	Jun-15
Swedish Commercial Paper	25,000	SEK	25,000	25,000	Mar-14
Swedish Commercial Paper (Stadshypotek)	90,000	SEK	90,000	90,000	Jun-13
EMTN *	50,000	USD	25,134	207,539	Feb-15
Extendible Notes	15,000	USD	8,481	70,030	May-14
Stadshypotek US 144A	15,000	USD	11,250	92,895	Apr-15
US 144A / 3(a)(2)	20,000	USD	10,600	87,527	Jun-14
USCP	15,000	USD	8,583	70,872	Jun-15
General funding >1 Y*	15,000	USD	13,332	110,086	Jun-15
AUD MTN	5,000	AUD	4,350	27,582	Apr-14
Stadshypotek AUD Covered Bond Programme	5,000	AUD	4,250	26,948	Oct-12
Samurai	400,000	JPY	274,500	18,544	Sep-14
<b>Total</b>				<b>1,114,994</b>	
Total programme (or limited) amounts, SEK m	1,716,020				
Unutilised amount, SEK m	1,114,994				
<b>Available amount</b>	<b>65%</b>				

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

As at 30 June 2015, total liquidity reserves exceeded SEK 800bn. Balances with central banks and banks, as well as securities that are eligible as collateral with central banks, totalled SEK 675bn (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 2015	31 Mar 2015	31 Dec 2014	30 Sep 2014	30 Jun 2014
Cash and balances with and other lending to central banks	552,266	529,972	503,842	435,189	475,622
Balances with banks and the National Debt Office, overnight	30,860	6,115	15,467	8,531	24,022
Securities issued by governments and public entities	41,209	46,398	66,273	56,729	39,647
Covered bonds	48,093	65,733	60,623	53,298	33,934
Securities issued by non-financial companies	1,727	1,866	1,855	566	1,376
Securities issued by financial companies	847	593	269	687	3,554
<b>Total</b>	<b>675,002</b>	<b>650,677</b>	<b>648,329</b>	<b>555,000</b>	<b>578,155</b>
<i>of which in SEK</i>	<i>124,675</i>	<i>77,482</i>	<i>104,832</i>	<i>75,411</i>	<i>80,252</i>
<i>of which in EUR</i>	<i>76,119</i>	<i>114,826</i>	<i>93,087</i>	<i>95,251</i>	<i>100,032</i>
<i>of which in USD</i>	<i>351,298</i>	<i>368,213</i>	<i>329,059</i>	<i>279,796</i>	<i>285,902</i>
<i>of which in other currencies</i>	<i>122,910</i>	<i>90,156</i>	<i>121,351</i>	<i>104,542</i>	<i>111,969</i>

30 June 2015					
Market value, SEK m	SEK	EUR	USD	Other	Total
Cash and balances with and other lending to central banks	57,323	65,476	330,870	98,597	552,266
Balances with other banks and the National Debt Office, overnight	18,770	212	120	11,758	30,860
Securities issued by governments	11,376	7,040	18,844	0	37,260
Securities issued by municipalities and other public entities	2,199	283	1,464	3	3,949
Covered bonds, external issuers	30,120	2,418	-	11,779	44,317
Own covered bonds	3,076	-	-	700	3,776
Securities issued by non-financial companies	1,318	401	-	8	1,727
Securities issued by financial companies	493	289	-	65	847
<b>Total</b>	<b>124,675</b>	<b>76,119</b>	<b>351,298</b>	<b>122,910</b>	<b>675,002</b>

## Maturities for financial assets and liabilities

30 June 2015 SEK m	Up to 1 mth	1 - 6 mths	6 - 12 mths	1 - 2 yrs	2 - 5 yrs	5 yrs -	Unspec. maturity	Total
Cash and balances with central banks	553,935	-	-	-	-	-	-	553,935
Interest bearing securities eligible as collateral with central banks	73,071	-	-	-	-	-	-	73,071
Bonds and other interest-bearing securities	56,502	-	-	-	-	-	-	56,502
Loans to credit institutions	44,764	36,687	1,056	236	552	3,955	-	87,250
-of which reverse repos	16,642	31,585	-	-	-	-	-	48,227
Loans to the public	81,554	231,932	152,709	198,364	328,984	857,889	0	1,851,432
-of which reverse repos	16,428	-	-	-	-	-	-	16,428
Other	92,634	-	-	-	-	-	220,985	313,619
-of which shares and participating interests	73,395	-	-	-	-	-	-	73,395
-of which claims on investment banking settlements	19,239	-	-	-	-	-	-	19,239
<b>Total</b>	<b>902,460</b>	<b>268,619</b>	<b>153,765</b>	<b>198,600</b>	<b>329,536</b>	<b>861,844</b>	<b>220,985</b>	<b>2,935,809</b>
Due to credit institutions	105,875	78,546	632	5,223	22	5,274	22,999	218,571
-of which repos	5,854	-	-	-	-	-	-	5,854
-of which deposits from central banks	32,333	63,282	-	-	-	-	2,011	97,626
Deposits and borrowing from the public	300,855	52,008	7,917	1,278	2,559	7,028	721,906	1,093,551
-of which repos	9,138	-	-	-	-	-	-	9,138
Issued securities	114,324	294,217	115,605	232,847	380,182	77,546	-	1,214,721
-of which covered bonds	-	67,108	35,232	166,686	257,998	28,095	-	555,119
-of which certificates and other securities with original maturity of less than one year	99,214	218,631	40,057	-	-	-	-	357,902
-of which senior bonds and other securities with original maturity of more than one year	15,110	8,478	40,316	66,161	122,184	49,451	-	301,700
Subordinated liabilities	-	4,535	-	2,467	21,984	10,725	-	39,711
Other	43,853	-	-	-	-	-	325,402	369,255
-of which short positions	20,421	-	-	-	-	-	-	20,421
-of which investment banking settlement debts	23,432	-	-	-	-	-	-	23,432
<b>Total</b>	<b>564,907</b>	<b>429,306</b>	<b>124,154</b>	<b>241,815</b>	<b>404,747</b>	<b>100,573</b>	<b>1,070,307</b>	<b>2,935,809</b>

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

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

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

For maturity tables in SEK, EUR and USD, see the Fact Book.

## Liquidity Coverage Ratio (LCR)

	30 Jun 2015	31 Mar 2015	31 Dec 2014	30 Sep 2014	30 Jun 2014
Liquidity Coverage Ratio (LCR), %					
EUR	151	177	154	143	190
USD	126	129	137	175	127
<b>Total*</b>	<b>117</b>	<b>127</b>	<b>140</b>	<b>133</b>	<b>149</b>

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

	30 Jun 2015	31 Mar 2015	31 Dec 2014	30 Sep 2014	30 Jun 2014
Liquidity Coverage Ratio (LCR) - decomposition, SEK m					
<b>Liquid assets</b>	<b>339,101</b>	<b>280,048</b>	<b>312,480</b>	<b>207,041</b>	<b>210,869</b>
Liquid assets level 1	301,163	231,947	270,364	165,896	182,489
Liquid assets level 2	37,938	48,101	42,116	41,145	28,380
<b>Cash outflows</b>	<b>657,509</b>	<b>638,440</b>	<b>595,043</b>	<b>622,737</b>	<b>567,759</b>
Deposits from customers	189,379	213,217	205,068	195,631	188,691
Market funding	431,453	378,791	351,164	296,280	326,056
Other cash flows	36,677	46,432	38,811	130,826	53,012
<b>Cash inflows</b>	<b>367,535</b>	<b>418,667</b>	<b>372,482</b>	<b>467,053</b>	<b>425,820</b>
Inflows from maturing lending to non-financial customers	20,669	23,917	25,437	13,425	16,372
Other cash inflows	346,866	394,750	347,045	453,628	409,448

The components are defined in accordance with the Swedish Financial Supervisory Authority's regulations and requirements for the liquidity coverage ratio and reporting of liquid assets and cash flows (FFFS 2012:6). Liquid assets level 1 corresponds to Chapter 3, Section 6. Liquid assets level 2 corresponds to Chapter 3, Section 7. Deposits from customers corresponds to Chapter 4, Sections 4-9. Market funding corresponds to Chapter 4, Sections 10-13. Other cash flows corresponds to Chapter 4, Sections 14-25. Loans to non-financial customers corresponds to Chapter 5, Section 4. Other cash inflows corresponds to Chapter 5, Sections 6-12.

In the area of liquidity, new regulations have been gradually introduced, with the purpose of strengthening financial stability in the market. The Swedish regulations implemented as of 2013 contain a measurement of banks' liquidity in the form of a short-term liquidity buffer – the Liquidity Coverage Ratio (LCR). This measure is based on the LCR measure proposed internationally, but it contains some deviations. In particular, the major changes to the ratio proposed by the Basel Committee in January 2013 have not yet been implemented in the Swedish regulations.

At the end of the first six months, Handelsbanken's LCR according to the Swedish Financial Supervisory Authority's regulation FFFS 2012:6 was 117%, which shows that the Bank has high resistance to short-term disruptions in the funding market. This also applies in US dollars and euros. LCR, as an average of daily observations according to the same regulation, was 124% during the second quarter.

The Bank's LCR, calculated according to the European Commission's delegated act, was 141%.

## Stress tests with liquidity-creating measures

The Bank's liquidity position is regularly subjected to stress tests. In these tests, the Bank's cash flows are stressed, based on certain defined assumptions. For example, in the stress test aimed at demonstrating resistance to more long-term market disruptions, it is assumed that the Bank is unable to obtain funding in the financial markets at the same time as it experiences a gradual disappearance of 10% of deposits from households and companies over the first month. It is further assumed that the Bank continues to conduct its core activities, i.e. loans to households and companies and that

committed loan offers and other credit facilities are partly utilised by customers. Account is also taken of the fact that holdings with central banks are utilised and that the Central Treasury liquidity portfolio can provide immediate additional liquidity. In addition, liquidity-creating measures – for example, unutilised facilities to issue covered bonds – are used in order to gradually provide liquidity to the Bank. The result of the stress test shows that the liquidity reserves, even in a stressed scenario, cover the Bank's liquidity requirement for over three years, even if access to new funding in the markets were to disappear.

## Non-encumbered assets, NEA

31 June 2015		
SEK bn	NEA	Accumulated coverage ratio in % of unsecured funding*
Holdings with central banks and securities in the liquidity portfolio	675	78%
Mortgage loans	432	128%
Other household lending	159	146%
Property company lending lowest risk class (1-3)	230	172%
Other corporate lending lowest risk class (1-3)	166	192%
Loans to credit institutions lowest risk class (1-3)	83	201%
Other corporate lending	224	227%
Other assets	128	242%
<b>Total non-encumbered assets (NEA)</b>	<b>2,097</b>	<b>242%</b>
<b>Encumbered assets without underlying liabilities**</b>	<b>56</b>	
Encumbered assets with underlying liabilities	783	
<b>Total assets, Group</b>	<b>2,936</b>	

31 December 2014		
SEK bn	NEA	Accumulated coverage ratio in % of unsecured funding*
Holdings with central banks and securities in the liquidity portfolio	648	77%
Mortgage loans	400	125%
Other household lending	151	142%
Property company lending lowest risk class (1-3)	221	169%
Other corporate lending lowest risk class (1-3)	169	189%
Loans to credit institutions lowest risk class (1-3)	63	196%
Other corporate lending	223	223%
Other assets	117	237%
<b>Total non-encumbered assets (NEA)</b>	<b>1,992</b>	<b>237%</b>
<b>Encumbered assets without underlying liabilities**</b>	<b>57</b>	
Encumbered assets with underlying liabilities	768	
<b>Total assets, Group</b>	<b>2,817</b>	

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

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



## Condensed set of financial statements – Parent company

### INCOME STATEMENT – PARENT COMPANY

SEK m	Q2 2015	Q1 2015	Change	Q2 2014	Change	Jan-Jun 2015	Jan-Jun 2014	Change	Full year 2014
Net interest income	3,841	3,833	0%	4,047	-5%	7,674	8,036	-5%	16,082
Dividends received	725	242	200%	549	32%	967	975	-1%	9,664
Net fee and commission income	1,723	1,675	3%	1,511	14%	3,398	2,982	14%	6,112
Net gains/losses on financial transactions	248	219	13%	114	118%	467	282	66%	1,117
Other operating income	384	460	-17%	520	-26%	844	1,069	-21%	2,188
<b>Total income</b>	<b>6,921</b>	<b>6,429</b>	<b>8%</b>	<b>6,741</b>	<b>3%</b>	<b>13,350</b>	<b>13,344</b>	<b>0%</b>	<b>35,163</b>
Staff costs	-2,855	-2,848	0%	-2,686	6%	-5,703	-5,367	6%	-10,441
Other administrative expenses	-1,290	-1,195	8%	-1,260	2%	-2,485	-2,495	0%	-5,006
Depreciation, amortisation and impairments of property, equipment and intangible assets	-128	-132	-3%	-125	2%	-260	-241	8%	-478
<b>Total expenses before loan losses</b>	<b>-4,273</b>	<b>-4,175</b>	<b>2%</b>	<b>-4,071</b>	<b>5%</b>	<b>-8,448</b>	<b>-8,103</b>	<b>4%</b>	<b>-15,925</b>
<b>Profit before loan losses</b>	<b>2,648</b>	<b>2,254</b>	<b>17%</b>	<b>2,670</b>	<b>-1%</b>	<b>4,902</b>	<b>5,241</b>	<b>-6%</b>	<b>19,238</b>
Net loan losses	-370	-307	21%	-274	35%	-677	-585	16%	-1,825
Impairments of financial assets	-15	-	-	-	-	-15	-	-	-
<b>Operating profit</b>	<b>2,263</b>	<b>1,947</b>	<b>16%</b>	<b>2,396</b>	<b>-6%</b>	<b>4,210</b>	<b>4,656</b>	<b>-10%</b>	<b>17,413</b>
Appropriations	29	29	0%	28	4%	58	55	5%	111
<b>Profit before tax</b>	<b>2,292</b>	<b>1,976</b>	<b>16%</b>	<b>2,424</b>	<b>-5%</b>	<b>4,268</b>	<b>4,711</b>	<b>-9%</b>	<b>17,524</b>
Taxes	-414	-440	-6%	-521	-21%	-854	-1,034	-17%	-3,823
<b>Profit for the period</b>	<b>1,878</b>	<b>1,536</b>	<b>22%</b>	<b>1,903</b>	<b>-1%</b>	<b>3,414</b>	<b>3,677</b>	<b>-7%</b>	<b>13,701</b>

### STATEMENT OF COMPREHENSIVE INCOME – PARENT COMPANY

SEK m	Q2 2015	Q1 2015	Change	Q2 2014	Change	Jan-Jun 2015	Jan-Jun 2014	Change	Full year 2014
<b>Profit for the period</b>	<b>1,878</b>	<b>1,536</b>	<b>22%</b>	<b>1,903</b>	<b>-1%</b>	<b>3,414</b>	<b>3,677</b>	<b>-7%</b>	<b>13,701</b>
<b>Other comprehensive income</b>									
<b>Items that may subsequently be reclassified to profit or loss</b>									
Cash flow hedges	-1,309	279		710		-1,030	731		3,249
Available-for-sale instruments	18	1,428	-99%	-57		1,446	91		295
Translation differences for the period	-506	1,926		2,295		1,420	4,090	-65%	5,634
of which hedging net investment in foreign operations	-284	872		1,248		588	2,633	-78%	2,675
Tax related to other comprehensive income	354	-328		-413		26	-745		-1,311
of which cash flow hedges	288	-61		-157		227	-155		-709
of which available-for-sale instruments	3	-75		18	-83%	-72	-11		-14
of which hedging net investment in foreign operations	63	-192		-274		-129	-579	78%	-588
<b>Total items that may subsequently be reclassified to profit or loss</b>	<b>-1,443</b>	<b>3,305</b>		<b>2,535</b>		<b>1,862</b>	<b>4,167</b>	<b>-55%</b>	<b>7,867</b>
<b>Total other comprehensive income for the period</b>	<b>-1,443</b>	<b>3,305</b>		<b>2,535</b>		<b>1,862</b>	<b>4,167</b>	<b>-55%</b>	<b>7,867</b>
<b>Total comprehensive income for the period</b>	<b>435</b>	<b>4,841</b>	<b>-91%</b>	<b>4,438</b>	<b>-90%</b>	<b>5,276</b>	<b>7,844</b>	<b>-33%</b>	<b>21,568</b>

Information for the parent company with comments concerning financial performance, significant events and risk is covered by the report provided for the whole of the Handelsbanken Group.

## BALANCE SHEET – PARENT COMPANY

SEK m	30 Jun 2015	31 Mar 2015	31 Dec 2014	30 Sep 2014	30 Jun 2014
<b>Assets</b>					
Cash and balances with central banks	447,289	498,865	454,532	399,457	417,306
Interest-bearing securities eligible as collateral with central banks	69,739	64,376	74,362	70,423	52,597
Loans to credit institutions	677,893	597,111	568,589	533,460	551,583
Loans to the public	754,302	746,347	737,483	724,035	718,613
Bonds and other interest-bearing securities	52,454	60,821	59,652	59,482	48,922
Shares	72,150	65,058	44,949	35,788	39,971
Shares in subsidiaries and investments in associates	45,797	45,803	45,764	45,746	46,037
Assets where the customer bears the value change risk	3,358	3,253	3,024	3,421	3,699
Derivative instruments	94,991	131,389	120,051	100,140	83,337
Intangible assets	1,855	1,814	1,805	1,737	1,745
Property and equipment	997	978	1,032	1,012	1,062
Current tax assets	442	-	-	1,178	524
Deferred tax assets	298	371	361	314	293
Other assets	16,893	25,206	19,195	24,157	15,816
Prepaid expenses and accrued income	4,599	5,433	4,996	4,406	4,483
<b>Total assets</b>	<b>2,243,057</b>	<b>2,246,825</b>	<b>2,135,795</b>	<b>2,004,756</b>	<b>1,985,988</b>
<b>Liabilities and equity</b>					
Due to credit institutions	229,639	234,167	210,099	219,205	256,005
Deposits and borrowing from the public	1,093,330	1,055,296	1,020,962	930,538	939,547
Liabilities where the customer bears the value change risk	3,420	3,297	3,125	3,463	3,762
Issued securities	640,400	646,022	633,128	595,621	549,612
Derivative instruments	76,581	100,481	87,718	80,549	68,540
Short positions	20,421	21,338	20,648	16,854	19,644
Current tax liabilities	-	174	829	-	-
Deferred tax liabilities	1,487	1,923	1,669	1,249	881
Provisions	102	104	87	132	92
Other liabilities	30,224	36,981	14,148	23,289	18,034
Accrued expenses and deferred income	10,377	9,768	9,809	11,875	10,504
Subordinated liabilities	39,711	40,312	30,289	29,544	29,575
<b>Total liabilities</b>	<b>2,145,692</b>	<b>2,149,863</b>	<b>2,032,511</b>	<b>1,912,319</b>	<b>1,896,196</b>
<b>Untaxed reserves</b>	<b>627</b>	<b>659</b>	<b>699</b>	<b>715</b>	<b>739</b>
Share capital	2,956	2,956	2,956	2,956	2,956
Share premium	3,204	3,204	3,203	3,203	3,444
Other funds	11,640	13,083	9,778	7,329	6,078
Retained earnings	75,524	75,524	72,947	72,947	72,898
Profit for the period	3,414	1,536	13,701	5,287	3,677
<b>Total equity</b>	<b>96,738</b>	<b>96,303</b>	<b>102,585</b>	<b>91,722</b>	<b>89,053</b>
<b>Total liabilities and equity</b>	<b>2,243,057</b>	<b>2,246,825</b>	<b>2,135,795</b>	<b>2,004,756</b>	<b>1,985,988</b>
<b>Memorandum items</b>					
Assets pledged for own debt	43,662	43,009	42,225	44,043	41,793
Other assets pledged	49,481	55,468	35,758	33,016	33,483
Contingent liabilities and commitments	120,988	125,649	80,471	88,634	120,753
Other commitments	497,076	514,492	487,070	488,569	491,209

## OWN FUNDS AND CAPITAL REQUIREMENT – PARENT COMPANY

Figures reported in this section refer to the minimum capital requirements under Pillar 1. On 1 January 2014, the European Capital Requirements Regulation (CRR) came into force. Own funds and capital requirement as of 2014 are calculated in accordance with the new EU regulations.

## Own funds and capital ratios – Parent company

SEK m	30 Jun 2015	31 Mar 2015	31 Dec 2014	30 Sep 2014	30 Jun 2014
Common equity tier 1 capital	90,291	89,864	85,142	84,788	83,085
Total tier 1 capital	108,057	108,181	93,185	92,662	90,981
Total tier 2 capital	16,146	16,326	16,731	16,298	16,459
Total own funds	124,203	124,507	109,916	108,960	107,440
<b>Capital ratios and buffers</b>					
Common equity tier 1 ratio, CRD IV	19.5%	19.0%	18.5%	18.2%	
Tier 1 ratio, CRD IV	23.4%	22.9%	20.2%	19.9%	
Total capital ratio, CRD IV	26.8%	26.3%	23.9%	23.4%	
Risk exposure amount, CRD IV	462,658	473,426	460,401	464,913	
Own funds in relation to capital requirement according to transitional rules	250%	250%	227%	225%	
Institution-specific buffer requirements	2.6%	2.5%	2.5%	2.5%	
<i>of which capital conservation buffer requirement</i>	2.5%	2.5%	2.5%	2.5%	
<i>of which countercyclical capital buffer requirement</i>	0.1%	-	-	-	
<i>of which systemic risk buffer requirement</i>	-	-	-	-	
Common equity tier 1 capital available for use as a buffer	15.0%	14.5%	14.0%	13.7%	

## Capital requirement – Parent company

SEK m	30 Jun 2015	31 Mar 2015	31 Dec 2014	30 Sep 2014
Credit risk according to standardised approach	10,562	10,572	10,221	10,338
Credit risk according to IRB approach	21,577	22,293	21,941	22,169
Market risk	968	1,054	939	1,027
Credit value adjustment risk (CVA)	567	617	534	462
Operational risk	3,338	3,338	3,197	3,197
<b>Total capital requirement</b>	<b>37,012</b>	<b>37,874</b>	<b>36,832</b>	<b>37,193</b>
Adjustment according to Basel I floor	13,157	12,579	12,317	12,065
<b>Capital requirement, Basel I floor</b>	<b>50,169</b>	<b>50,453</b>	<b>49,149</b>	<b>49,258</b>
Total own funds, Basel I floor	125,491	126,242	111,610	110,766

## Capital requirement credit risks standardised approach \* – Parent company

SEK m	30 Jun 2015	31 Mar 2015	31 Dec 2014	30 Sep 2014
Sovereign and central banks	3	2	4	4
Municipalities	2	2	1	1
Public sector entities	0			
Multilateral development banks	0	0	0	
International organisations	0	0		
Institutions	83	71	76	120
Corporates	638	757	798	770
Households	1,285	1,217	1,112	1,106
Collateral in real estate	1,880	1,799	1,686	1,533
Past due items	30	17	14	14
Equities	6,156	6,168	6,076	6,112
Other items	485	539	454	678
<b>Total</b>	<b>10,562</b>	<b>10,572</b>	<b>10,221</b>	<b>10,338</b>

\* Information about capital requirements for the exposure classes where there are exposures.

## Capital requirement credit risks IRB – Parent company

SEK m	30 Jun 2015	31 Mar 2015	31 Dec 2014	30 Sep 2014
Corporates	15,319	16,426	16,579	16,815
Households	2,178	2,252	2,290	2,305
Private individuals	1,672	1,739	1,770	1,785
<i>of which property loans</i>	765	706	698	558
<i>of which other loans</i>	907	1,033	1,072	1,227
Small companies	506	513	520	520
Institutions	1,882	1,480	1,334	1,347
Equity exposures	2,118	2,055	1,654	1,619
<i>of which listed shares</i>	1,656	1,678	1,296	1,283
<i>of which other shares</i>	462	377	358	336
Exposures without a counterparty	80	78	82	81
Securitisation positions	0	2	2	2
<b>Total IRB</b>	<b>21,577</b>	<b>22,293</b>	<b>21,941</b>	<b>22,169</b>

## Capital requirement market risks – Parent company

SEK m	30 Jun 2015	31 Mar 2015	31 Dec 2014	30 Sep 2014
Position risk in the trading book	963	1,045	927	1,018
Interest rate risk	946	1,033	908	1,003
<i>of which positions in securitisation instruments</i>	-	0	0	0
Equity price risk	17	12	19	15
Exchange rate risk	-	-	-	-
Commodities risk	5	8	8	9
Settlement risk	0	1	4	0
<b>Total capital requirement for market risks</b>	<b>968</b>	<b>1,054</b>	<b>939</b>	<b>1,027</b>

## Leverage ratio – Parent company

SEK m	30 Jun 2015	31 Mar 2015
Balance sheet according to accounting regulations	2,243,057	2,246,825
Adjustment for differences between carrying amount and leverage ratio exposure - derivatives	-22,719	-42,811
Adjustment for differences between carrying amount and leverage ratio exposure - repos and securities loans	5,300	8,501
<i>Assets reported off the balance sheet, gross (before adjustment for conversion factor)</i>	<i>519,612</i>	<i>505,993</i>
<i>Deduction from assets off the balance sheet after application of conversion factor</i>	<i>-331,422</i>	<i>-310,024</i>
Assets reported off the balance sheet, net	188,190	195,969
Additional adjustment	-4,733	-5,981
<b>Assets on which the leverage ratio is calculated</b>	<b>2,409,095</b>	<b>2,402,503</b>
<b>Capital on which the leverage ratio can be calculated</b>		
Tier 1 capital	108,058	108,182
<b>Leverage ratio</b>		
Leverage ratio calculated on tier 1 capital	4.5%	4.5%

We hereby confirm that this six-monthly report provides a true and fair overview of the Bank's and the Group's operations, financial position and results and describes material risks and uncertainty factors faced by the Bank and the companies that are part of the Group.

Stockholm, 21 July 2015

Pär Boman  
Chairman of the Board

Fredrik Lundberg  
Vice Chairman

Benthe Rathe  
Board Member

Lise Kaae  
Board Member

Jon Fredrik Baksaas  
Board Member

Tommy Bylund  
Board Member

Ole Johansson  
Board Member

Charlotte Skog  
Board Member

Frank Vang-Jensen  
Group Chief Executive

## PRESS AND TELEPHONE CONFERENCE

A press and analyst conference is being arranged at the Bank's head office on 21 July at 9.00 a.m. (CET).

A telephone conference will be held on 21 July at 11.00 a.m. (CET).

Press releases, presentations, a fact book and a recording of the telephone conference are available at [handelsbanken.se/ireng](http://handelsbanken.se/ireng)

The interim report for January – September 2015 will be published on 21 October 2015.

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## Auditors' report concerning review of interim report

*To the Board of Svenska Handelsbanken AB (publ), corporate identity number 502007-7862*

### INTRODUCTION

We have reviewed the interim report for Svenska Handelsbanken AB (publ) as at 30 June 2015 and for the six-month period ending as at this date. The Board and the Chief Executive are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act for Credit Institutions and Securities Companies. Our responsibility is to express a conclusion on this interim report based on our review.

### FOCUS AND SCOPE OF THE REVIEW

We have conducted our review in accordance with the International Standard on Review Engagements ISRE 2410 *Review of interim financial information performed by the auditors elected by the company*. A review consists of making inquiries, primarily to persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review differs from, and is substantially less in scope than, an audit conducted in accordance

with the International Standards on Auditing. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

### CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim report is not, in all material respects, in accordance with IAS 34 and the Annual Accounts Act for Credit Institutions and Securities Companies for the Group and in accordance with the Annual Accounts Act for Credit Institutions and Securities Companies for the parent company.

Stockholm, 21 July 2015

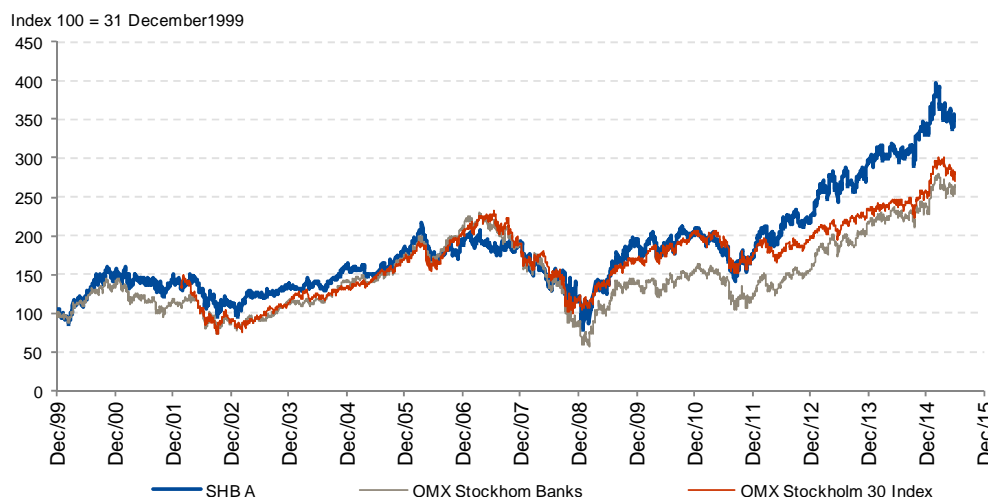
KPMG AB  
George Pettersson, Authorised Public Accountant

Ernst & Young AB  
Jesper Nilsson, Authorised Public Accountant

## Share price performance and other information

The Swedish stock market grew by 5% during the first six months of the year. The Stockholm stock exchange's bank index rose by 6%. Handelsbanken's class A shares closed at SEK 121.00, a decline of 1%, but including dividends paid amounting to SEK 5.83, the total return was 4%. Since 1 January 2000, Handelsbanken's share price has increased by 239%, excluding dividends, while the Stockholm stock exchange has risen by 29%.

### SHARE PRICE PERFORMANCE SINCE 31 DEC 1999



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# Handelsbanken