

Fact book

2009 Q1



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This is Handelsbanken

Founded in 1871, Handelsbanken is one of the leading banks in the Nordic region, with 700 branches in 22 countries.

HANDELSBANKEN'S GOAL

Handelsbanken's financial goal is to have higher profitability than the average of its competitors through the means of having more satisfied customers and lower costs (including loan losses) than its competitors. The goal has been reached for 37 consecutive years.

BUSINESS PHILOSOPHY

Decentralisation – The branch is the bank

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

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

Focus on customers, not on products

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

Not a mass market bank

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

No sales targets

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

No bonuses

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

Flat salaries apply to all employees in the group except for a limited number of staff in the investment banking and asset management operations.

No budgets

The bank abolished budgets in 1972. In a risk-taking organisation the focus on budgets or other longer term

plans risks creating unwanted incentives and behaviour. Instead, the bank's decentralised organisation is focused on being flexible and quick in adapting to changes in the business environment.

Credit policy

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

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

Low risk tolerance

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

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

Follow-up and business control

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

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

Income statement

Income statement - Svenska Handelsbanken Group

SEK m	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q3 2007	Q2 2007
Interest income	16,217	21,979	22,754	19,496	19,126	18,994	16,010	15,248
Interest expense	-10,824	-16,505	-17,898	-15,002	-14,727	-14,984	-12,043	-11,380
Net interest income	5,393	5,474	4,856	4,494	4,399	4,010	3,967	3,868
Net fee and commission income	1,739	1,694	1,656	1,706	1,739	1,956	1,945	2,000
Net gains/losses on financial items at fair value	1,141	2,229	483	634	-177	523	415	1,362
Risk result - insurance	57	50	55	71	39	10	34	74
Other dividend income	11	1	8	216	-	-	6	152
Share of profits of associated companies	3	5	21	27	26	25	24	18
Other income	42	59	45	51	29	92	36	74
Total income	8,386	9,512	7,124	7,199	6,055	6,616	6,427	7,548
Staff costs	-2,442	-2,170	-2,015	-1,946	-1,983	-1,995	-1,802	-2,021
Other administrative expenses	-1,122	-1,309	-1,011	-1,147	-1,221	-1,279	-1,002	-1,114
Depreciation, amortisation and impairments of property, equipment and intangible assets	-120	-121	-107	-102	-97	-75	-95	-93
Total expenses	-3,684	-3,600	-3,133	-3,195	-3,301	-3,349	-2,899	-3,228
Profit before loan losses	4,702	5,912	3,991	4,004	2,754	3,267	3,528	4,320
Net loan losses	-896	-696	-231	-571	-107	-166	4	65
Gains/losses on disposal of property, equipment and intangible assets	0	0	-2	0	272	-	-	-
Operating profit	3,806	5,216	3,758	3,433	2,919	3,101	3,532	4,385
Taxes	-1,052	-705	-999	-1,003	-675	-859	-933	-1,067
Profit for the period from continuing operations	2,754	4,511	2,759	2,430	2,244	2,242	2,599	3,318
Profit for the period from discontinued operations, after tax	11	44	51	48	44	72	-51	415
Capital gain from disposal of discontinued operations, after tax	-	-	-	-	-	4,082	-	-
Profit for the period	2,765	4,555	2,810	2,478	2,288	6,396	2,548	3,733
Attributable to								
Holders of ordinary shares	2,765	4,555	2,810	2,478	2,288	6,396	2,548	3,733
Minority interest	-	0.10	-	-	-	-	-	-

Earnings per share

SEK m	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q3 2007	Q2 2007
Earnings per share, continuing operations, SEK	4.42	7.24	4.43	3.90	3.61	3.61	4.19	5.33
- after dilution	4.28	7.09	4.36	3.89	3.61	3.61	4.19	5.33
Earnings per share, discontinued operations, SEK	0.01	0.07	0.08	0.08	0.07	6.68	-0.09	0.67
- after dilution	0.01	0.07	0.08	0.08	0.07	6.68	-0.09	0.67
Earnings per share, total operations, SEK	4.43	7.31	4.51	3.98	3.68	10.29	4.10	6.00
- after dilution	4.29	7.16	4.44	3.96	3.68	10.29	4.10	6.00

Consolidated statement of comprehensive income

SEK m	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q3 2007	Q2 2007
Profit for the period	2,765	4,555	2,810	2,478	2,288	6,396	2,548	3,733
Other comprehensive income								
Cash flow hedges	-246	-538	-58	169	-108	7	-70	84
Available for sale instruments	-276	-1,473	-1,771	-704	-1,191	-991	-952	358
Translation differences for the period	591	467	258	96	-215	152	23	-5
Tax related to other comprehensive income	140	599	514	160	355	290	264	-181
Total other comprehensive income	209	-945	-1,057	-279	-1,159	-542	-735	256
Total comprehensive income for the period	2,974	3,610	1,753	2,199	1,129	5,854	1,813	3,989
Total comprehensive income for the period to								
Holders of ordinary shares	2,974	3,610	1,753	2,199	1,129	5,854	1,813	3,989
Minority interest	0	0	-	-	-	-	-	-

One-offs and special items

SEK m	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q3 2007	Q2 2007
Liquidity portfolio	-40	-39	-24	-90	-962	-152	-316	-15
Available for sale, realised	-	716	-	-	0	2	220	487
Oktogonen (The Bank's profit-sharing system)	-163	-	0	-7	0	3	0	-125
Performance-related remuneration	-	-93	-96	-59	-29	-294	-75	-188
Repurchased bonds	3	3	3	-13	-16	-16	28	37
Property sale	-	-	-	0	272	-	-	-
Funding cost, SPP	-	-	-	-	0	-196	-193	-172
Separation of the management organisation following the sale of SPP	-	-	-	0	-93	-	-	-
Total one-offs and special items	-200	587	-117	-169	-828	-653	-336	24

Net fee and commission income

SEK m	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q3 2007	Q2 2007
Brokerage and other securities commissions	445	453	343	444	436	525	510	569
Mutual funds and custody	348	317	376	422	444	546	504	515
Advisory services	51	49	58	37	48	130	121	145
Insurance	131	122	125	137	136	111	119	139
Payments	585	564	586	554	553	565	559	519
Lending and deposits	251	248	238	203	205	192	224	220
Guarantees	134	124	106	101	99	95	103	93
Other	94	126	127	128	121	129	128	129
Commission income	2,039	2,003	1,959	2,026	2,042	2,293	2,268	2,329
Securities commissions	-59	-60	-58	-69	-71	-77	-73	-68
Payment commissions	-219	-232	-230	-230	-215	-238	-239	-226
Other commission expenses	-22	-17	-15	-21	-17	-22	-11	-35
Commission expense	-300	-309	-303	-320	-303	-337	-323	-329
Net fee and commission income	1,739	1,694	1,656	1,706	1,739	1,956	1,945	2,000

Net gains/losses on financial items at fair value

SEK m	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q3 2007	Q2 2007
Available for sale, realised	24	665	-3	7	-498	2	220	487
Hedge accounting								
Fair value hedges	57	-522	-142	123	22	-112	-16	81
Hedge ineffectiveness	-8	-27	1	0	0	0	0	0
Transferred from equity referring to cash flow hedges	-19	1	-	14	-	-	-	-
Instruments at fair value	223	1,277	322	-580	131	-16	-67	21
Loan receivables, valued at amortised cost	127	42	-20	9	10	1	9	0
Financial liabilities, valued at amortised cost	-237	38	15	38	-7	60	33	48
Gains/losses on unbundled insurance contracts	-143	139	-65	-92	-36	0	0	0
Trading	1,117	616	375	1,115	201	588	236	725
Net gains/losses on financial items at fair value	1,141	2,229	483	634	-177	523	415	1,362

Other administrative expenses

SEK m	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q3 2007	Q2 2007
Property and premises	-260	-290	-250	-254	-234	-289	-218	-240
External IT costs	-330	-348	-294	-329	-338	-381	-326	-350
Communication	-108	-105	-95	-102	-112	-111	-95	-99
Travel and marketing	-84	-124	-63	-99	-107	-150	-84	-106
Purchased services	-199	-212	-160	-221	-178	-208	-183	-185
Supplies	-59	-60	-51	-60	-64	-74	-54	-58
Other expenses	-82	-170	-98	-82	-188	-66	-42	-76
Other administrative expenses	-1,122	-1,309	-1,011	-1,147	-1,221	-1,279	-1,002	-1,114

Loan losses

SEK m	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q3 2007	Q2 2007
Specific provision for individually valued loan receivables								
Provision for the period	-911	-236	-217	-628	-181	-213	-56	-230
Write-back of previous provisions	45	50	27	76	36	19	26	263
Total	-866	-186	-190	-552	-145	-194	-30	33
Collective provision								
Provision for the period for individually valued receivables	32	-77	-34	-73	-5	-5	23	20
Provision for the period for homogenous loan receivables	-32	-29	-14	-13	-13	-28	1	-10
Total	0	-106	-48	-86	-18	-33	24	10
Provision for off-balance sheet items								
Allocations for guarantee commitments	-32	-24	-71	-	-	-	-	-
Write-back of previous provisions	-	-	-	-	-	-	-	-
Guarantees honoured	-	-	-	-	-	-43	-	-
Total	-32	-24	-71	-	-	-43	-	-
Write-offs								
Actual loan losses for the period	-114	-646	-70	-131	-116	-80	-75	-116
Utilised share of previous provisions	56	215	60	104	116	62	44	98
Recoveries	60	51	88	94	56	122	41	40
Total	2	-380	78	67	56	104	10	22
Change in value of repossessed property								
Value change for the period	-	-	-	-	-	-	-	-
Net loan losses	-896	-696	-231	-571	-107	-166	4	65

Bad debts

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

SEK m	31 Mar 2009	31 Dec 2008	30 Sep 2008	30 Jun 2008	31 Mar 2008
Bad debts	7,479	5,367	4,801	4,098	3,219
Specific provision for individually assessed loan receivables	-2,909	-2,102	-2,097	-1,915	-1,465
Provision for collectively assessed homogenous groups of loan receivables with limited value	-172	-161	-136	-132	-126
Collective provisions for individually assessed loan receivables	-461	-482	-405	-371	-298
Bad debts, net	3,937	2,622	2,163	1,680	1,330
Total bad debt reserve ratio	47.4%	51.1%	55.0%	59.0%	58.7%
Proportion of bad debts	0.24%	0.17%	0.14%	0.12%	0.09%
Bad debt reserve ratio excl. collective provisions	41.2%	42.2%	46.5%	50.0%	49.4%
Loan loss ratio	0.23%	0.11%	0.09%	0.10%	0.03%
Non-performing loans which are not bad debts	2,243	1,709	1,583	1,678	1,610
Book value of loan receivables restructured during the period, before restructure	21	36	41	38	37
Book value of loan receivables restructured during the period, after restructure	20	38	42	37	37
Bad debts which during the period have been reclassified as normal loans	36	127	30	23	22

Balance sheet

Balance sheet - Svenska Handelsbanken Group

SEK m	31 Mar 2009	31 Dec 2008	30 Sep 2008	30 Jun 2008	31 Mar 2008
Assets					
Cash and balances with central banks	58,818	66,894	7,077	7,823	14,163
Treasury bills and other eligible bills	152,036	84,781	34,842	30,609	32,489
Loans to credit institutions	198,460	164,981	174,299	184,882	173,302
Loans to the public	1,518,505	1,481,475	1,428,618	1,368,844	1,316,246
Value change of interest hedged item in portfolio hedge	442	144	-	-	-
Bonds and other interest-bearing securities	90,343	81,497	98,366	108,161	120,509
Shares and participating interests	17,507	15,773	21,678	27,891	35,448
Assets where the customer bears the value change risk	31,644	31,552	34,087	38,704	37,889
Derivative instruments	161,841	192,239	110,804	75,279	80,530
Reinsurance assets	17	13	16	20	20
Intangible assets	7,147	7,057	6,435	6,368	6,301
Property and equipment	3,420	3,416	3,202	3,185	3,141
Current tax assets	1,416	1,100	46	788	560
Deferred tax assets	403	405	159	171	55
Net pension assets	4,736	4,646	4,944	4,807	4,620
Other assets	19,516	12,937	29,769	30,153	40,700
Prepaid expenses and accrued income	9,030	9,874	9,745	9,249	9,913
Total assets	2,275,281	2,158,784	1,964,087	1,896,934	1,875,886
Liabilities and equity					
Due to credit institutions	365,750	319,113	323,554	282,640	270,397
Deposits and borrowing from the public	566,054	543,760	508,152	494,305	496,845
Liabilities where the customer bears the value change risk	31,744	31,654	34,172	38,809	37,984
Issued securities	907,731	895,709	828,580	782,937	751,187
Derivative instruments	158,209	169,640	88,032	79,594	96,151
Other trading liabilities	20,666	17,580	20,000	47,805	50,112
Insurance liabilities	1,556	865	881	910	1,658
Current tax liabilities	307	115	176	303	394
Deferred tax liabilities	7,995	7,933	7,059	7,064	6,959
Provisions	453	379	265	282	284
Other liabilities	53,406	15,951	6,856	16,073	17,694
Accrued expenses and deferred income	20,706	19,688	20,405	24,259	19,962
Subordinated liabilities	62,770	61,434	54,603	52,443	50,644
Total liabilities	2,197,347	2,083,821	1,892,735	1,827,424	1,800,271
Minority interest	1	1	-	-	-
Share capital	2,899	2,899	2,899	2,899	2,890
Reserves	-2,137	-2,346	-1,401	-344	-65
Retained earnings	74,406	62,278	62,278	62,189	70,502
Profit for the period	2,765	12,131	7,576	4,766	2,288
Total equity	77,934	74,963	71,352	69,510	75,615
Total liabilities and equity	2,275,281	2,158,784	1,964,087	1,896,934	1,875,886

Business volumes – Lending to the public

CREDIT POLICY

Credit responsibility

- Credit responsibility always at branch level
- Customer and credit responsibility closely related
- The branch holds full economic responsibility for granting the credit
- If necessary, the branch obtains support from the regional head office and central credit department

Basic guidelines

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

In 2008, new sub-divisions of business sectors were implemented. This has affected the sector categories.

Loans to the public by sector

Loans to the public by sector, after deduction of provisions						
SEK m, end of period	31 Mar 2009	31 Dec 2008	30 Sep 2008	30 Jun 2008	31 Mar 2008	31 Dec 2007
Private individuals	587,102	574,541			530,034	517,525
of which mortgage loans in Stadshypotek	440,989	433,881			372,125	362,857
of which other mortgage loans	82,462	76,939			93,489	91,135
of which other loans to private individuals	63,651	63,721			64,420	63,533
Housing co-operative associations	92,230	92,151			91,531	91,239
Property management, Note 1	351,782	342,834			312,293	304,065
Manufacturing	71,407	69,465			49,902	55,457
Retail	45,509	40,173			39,152	36,077
Hotels and restaurants	6,331	5,622			4,857	4,448
Shipping, passenger & goods transport by sea	15,814	13,385				
Other Transport and communication	27,852	23,284			21,326	17,965
Construction	10,787	13,546			11,258	10,942
Electricity, gas, water	25,523	21,439			11,886	13,310
Agriculture, hunting and forestry	4,702	6,432			4,547	4,858
Other service industry	19,165	16,686			10,494	12,252
Holding companies, insurance companies, funds	156,083	122,673			140,566	83,790
State & municipalities	9,922	16,638			16,706	10,948
Other corporate lending	94,757	123,088			71,992	130,405
Total loans to the public, before taking into account collective provisions	1,518,966	1,481,957			1,316,544	1,293,281
Collective provisions	-461	-482			-298	-293
Total loans to the public	1,518,505	1,481,475			1,316,246	1,292,988

Note 1: Specification of Loans to the public - Property management

Loans to the public by sector, after deduction of provisions						
SEK m, end of period	31 Mar 2009	31 Dec 2008	30 Sep 2008	30 Jun 2008	31 Mar 2008	31 Dec 2007
Lending in Sweden						
State-owned property companies	8,451	8,451			4,202	4,570
Municipal-owned property companies	17,815	18,596			20,091	20,505
Residential property companies	57,457	56,982			51,170	51,725
Other property companies	119,055	125,068			118,281	116,303
Total lending in Sweden	202,778	209,097			193,744	193,103
Lending outside Sweden						
Denmark	6,313	5,635			4,246	3,604
Finland	25,556	22,247			20,502	18,643
Norway	72,218	60,352			58,766	53,644
Great Britain	34,725	34,332			28,695	28,159
Other countries	10,192	11,171			6,340	6,912
Total lending outside Sweden	149,004	133,737			118,549	110,962
Total lending - Property management	351,782	342,834			312,293	304,065

Credit risk exposure

SEK m	31 Mar 2009	31 Dec 2008	30 Sep 2008	30 Jun 2008	31 Mar 2008
Loans to the public	1,518,505	1,481,475	1,428,618	1,368,844	1,316,246
of which reverse repos	14,238	4,781	4,367	16,549	24,028
Loans to credit institutions	198,460	164,981	174,299	184,882	173,302
of which reverse repos	78,099	48,870	73,934	100,794	94,242
Unutilised part of granted overdraft facilities	156,806	125,534	135,150	137,616	133,997
Credit commitments	215,801	246,281	262,992	252,932	230,655
Certificate programmes	30,062	25,469	29,634	25,367	24,092
Other commitments	1,316	249	99	86	86
Guarantees, credits	27,140	26,907	22,906	18,796	19,544
Guarantees, Other	50,309	51,656	49,176	44,773	44,746
Documentary credits	58,962	56,647	65,401	55,134	51,835
Derivatives	161,841	192,239	110,804	75,279	80,530
Treasury bills and other eligible bills	152,036	84,781	34,842	30,609	32,489
Bonds and other interest-bearing securities	90,343	81,497	98,366	108,161	120,509
Total	2,661,581	2,537,716	2,412,287	2,302,479	2,228,031

Credit risk exposure - by country

SEK m	31 Mar 2009	31 Dec 2008	30 Sep 2008	30 Jun 2008	31 Mar 2008
Sweden	1,910,893	1,778,053	1,690,175	1,628,142	1,593,053
Great Britain	90,239	85,159	89,397	71,238	65,982
Denmark	71,696	76,933	60,280	61,834	52,522
Finland	128,880	140,484	123,827	117,733	118,342
Norway	186,163	180,711	192,123	187,152	172,380
Germany	34,509	35,480	36,548	30,997	25,020
The Netherlands	7,765	8,199	9,443	6,367	3,850
Poland	7,113	7,400	8,014	7,817	6,091
Other	224,323	225,297	202,480	191,199	190,791
Total	2,661,581	2,537,716	2,412,287	2,302,479	2,228,031

Loans to the public - by country

SEK bn, end of period	31 Mar 2009	31 Dec 2008	30 Sep 2008	30 Jun 2008	31 Mar 2008	31 Dec 2007	30 Sep 2007	30 Jun 2007
Branch office operations in Sweden	983	983	961	934	915	895	870	851
Branch office operations outside Sweden	505	479	451	414	371	361	333	313
in Great Britain	64	59	62	55	51	51	48	44
in Denmark	59	58	45	43	40	39	36	37
in Finland	103	102	91	85	78	76	70	69
in Norway	185	166	175	167	152	148	138	128
in Germany	21	20	16	17	14	13	13	9
in the Netherlands	7	7	7	4	3	3	1	1
in Poland	3	3	3	3	2	2	2	1
Other	31	19	17	21	30	37	38	33
Total	1,519	1,481	1,429	1,369	1,316	1,293	1,241	1,197

Loans to households - by country

SEK bn, end of period	31 Mar 2009	31 Dec 2008	30 Sep 2008	30 Jun 2008	31 Mar 2008	31 Dec 2007	30 Sep 2007	30 Jun 2007
Branch office operations in Sweden	478	474	469	460	446	437	424	412
Branch office operations outside Sweden	137	131	124	115	110	109	104	100
in Great Britain	11	10	11	10	9	9	8	9
in Denmark	27	27	21	20	19	18	17	16
in Finland	33	33	30	29	28	27	26	25
in Norway	60	55	58	54	52	52	50	47
in Germany	1	1	1	1	1	1	1	1
in the Netherlands	0	0	0	0	0	0	0	0
in Poland	1	1	1	1	0	0	0	0
Other	4	4	4	4	3	4	4	4
Total	618	608	596	579	560	549	531	516

Corporate lending - by country

SEK bn, end of period	31 Mar 2009	31 Dec 2008	30 Sep 2008	30 Jun 2008	31 Mar 2008	31 Dec 2007	30 Sep 2007	30 Jun 2007
Branch office operations in Sweden	505	509	492	474	469	458	446	439
Branch office operations outside Sweden	368	348	327	299	261	252	229	213
in Great Britain	53	49	51	46	43	43	39	35
in Denmark	32	31	24	23	21	21	19	21
in Finland	70	69	61	56	50	49	44	44
in Norway	125	111	117	112	100	96	88	81
in Germany	20	19	15	16	13	12	12	8
in the Netherlands	7	7	7	4	3	3	1	1
in Poland	2	2	2	2	2	1	1	1
Other	27	16	14	17	26	34	34	29
Total	900	873	833	790	756	744	709	681

Business volumes, Branch office operations in Sweden

Average volumes, SEK bn	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q3 2007	Q2 2007
Deposits and borrowing from the public								
Household	162	157	147	141	135	130	126	119
Corporate	152	146	136	137	138	126	126	120
Total	314	303	283	278	273	256	252	239
Loans to the public*								
Household	476	472	465	453	442	431	418	406
of which mortgage loans	418	413	406	396	386	375	364	352
Corporate	494	488	473	468	461	445	437	426
of which mortgage loans	156	150	146	144	143	143	142	142
Total	970	960	938	921	903	876	855	832

* excl. loans to the National Debt Office

Business volumes, Branch office operations outside Sweden

Average volumes, SEK m	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q3 2007	Q2 2007
Deposits and borrowing from the public								
Household	46	41	38	37	34	33	32	31
Corporate	122	116	104	102	106	108	101	91
Total	168	157	142	139	140	141	133	123
Loans to the public								
Household	139	131	121	115	113	108	105	100
Corporate	381	358	326	295	275	252	235	219
Total	520	489	447	410	387	360	339	319

Business volumes, Great Britain

Average volumes, GBP m	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q3 2007	Q2 2007
Deposits and borrowing from the public								
Household	290	403	420	405	228	211	173	192
Corporate	862	858	854	1,058	1,191	1,308	1,057	1,152
Total	1,152	1,261	1,274	1,463	1,419	1,519	1,230	1,344
Loans to the public								
Household	944	896	848	759	697	645	619	629
Corporate	4,451	4,330	4,065	3,900	3,755	3,322	2,881	2,741
Total	5,395	5,226	4,913	4,659	4,452	3,967	3,500	3,370

Business volumes, Branch office operations in Denmark

Average volumes, DKK bn	31 Mar 2009	31 Dec 2008	30 Sep 2008	30 Jun 2008	31 Mar 2008	31 Dec 2007	30 Sep 2007	30 Jun 2007
Deposits and borrowing from the public								
Household	8.1	6.8	5.2	5.1	4.9	4.7	4.7	4.7
Corporate	13.0	14.0	15.8	16.0	16.6	19.8	16.9	13.7
Total	21.1	20.8	21.0	21.1	21.5	24.5	21.6	18.4
Loans to the public								
Household	18.3	17.4	15.7	15.0	14.4	13.5	13.2	12.9
Corporate	21.7	20.9	19.1	18.6	16.8	16.4	16.5	17.1
Total	40.0	38.3	34.8	33.6	31.2	29.9	29.7	30.0

Business volumes, Branch office operations in Finland

Average volumes, EUR m	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q3 2007	Q2 2007
Deposits and borrowing from the public								
Household	1,391	1,316	1,211	1,176	1,146	1,122	1,078	1,039
Corporate	1,619	1,249	1,028	1,019	1,043	1,032	1,015	1,018
Total	3,010	2,565	2,239	2,195	2,189	2,154	2,093	2,057
Loans to the public								
Household	3,025	3,063	3,055	2,973	2,911	2,851	2,759	2,658
Corporate	7,437	7,455	7,151	6,648	6,174	5,873	5,643	5,701
Total	10,462	10,518	10,206	9,621	9,085	8,724	8,402	8,359

Business volumes, Branch office operations in Norway

Average volumes, NOK bn	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q3 2007	Q2 2007
Deposits and borrowing from the public								
Household	7.9	7.8	8.9	8.5	8.4	8.4	8.3	7.9
Corporate	32.5	32.5	33.6	35.3	37.2	34.7	33.2	29.1
Total	40.4	40.3	42.5	43.8	45.6	43.1	41.5	37.0
Loans to the public								
Household	48.3	49.4	46.7	45.2	44.1	42.8	40.8	39.3
Corporate	105.0	104.2	102.4	94.7	88.7	80.4	75.0	69.8
Total	153.3	153.6	149.1	139.9	132.8	123.2	115.8	109.1

Business volumes, Handelsbanken International

Average volumes, SEK bn	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q3 2007	Q2 2007
Deposits and borrowing from the public								
Household	5.2	4.6	4.5	4.3	4.3	4.3	4.2	4.2
Corporate	34.8	35.9	24.2	19.2	16.6	15.5	16.7	15.8
Total	40.0	40.5	28.7	23.5	20.9	19.8	20.9	20.0
Loans to the public								
Household	4.7	4.4	3.6	3.0	2.9	2.8	2.7	2.6
Corporate	89.4	84.6	68.4	54.7	47.2	41.0	37.9	30.8
Total	94.1	89.0	72.0	57.7	50.1	43.8	40.6	33.4

Business volumes – Savings and deposits

Savings with Handelsbanken - Volumes

SEK bn, end of period	31 Mar 2009	31 Dec 2008	30 Sep 2008	30 Jun 2008	31 Mar 2008	31 Dec 2007	30 Sep 2007	30 Jun 2007
Household deposits	165	164	154	148	138	137	133	127
Traditional insurance	26	27	26	27	27	28	28	28
Unit-linked and custody insurance	28	27	29	32	32	35	36	36
Mutual funds, incl. PPM	82	82	95	107	118	138	146	150
Capital-protected investments etc	30	28	27	29	27	26	25	26
Sub-Total	331	328	331	343	342	364	368	367
Directly owned shares in custody	73	90	105	127	146	159	168	177
Total private savings in Sweden	404	418	436	470	488	523	536	544
Other securities in custody	21	35	27	27	27	26	25	23
Other Asset Management	74	76	79	86	88	97	106	92
Total	499	529	542	583	603	646	667	659

Deposits from the public -by country

SEK bn, end of period	31 Mar 2009	31 Dec 2008	30 Sep 2008	30 Jun 2008	31 Mar 2008	31 Dec 2007	30 Sep 2007	30 Jun 2007
Branch office operations in Sweden	313	320	293	283	275	275	255	251
Branch office operations outside Sweden	181	158	148	133	136	143	133	122
in Great Britain	13	14	16	15	18	19	16	16
in Denmark	30	28	24	24	25	28	27	23
in Finland	35	31	22	21	21	21	19	19
in Norway	52	43	49	51	51	55	48	44
Handelsbanken International	51	41	38	21	23	20	23	20
Other	72	66	67	78	86	95	105	200
Total	566	544	508	494	497	513	494	572

Deposits from households -by country

SEK bn, end of period	31 Mar 2009	31 Dec 2008	30 Sep 2008	30 Jun 2008	31 Mar 2008	31 Dec 2007	30 Sep 2007	30 Jun 2007
Branch office operations in Sweden	165	164	154	148	138	137	133	127
Branch office operations outside Sweden	46	44	39	38	34	34	33	34
in Great Britain	3	4	5	5	3	3	3	3
in Denmark	12	12	7	7	6	6	6	6
in Finland	15	15	12	12	11	11	10	10
in Norway	10	9	10	11	10	10	10	10
Handelsbanken International	6	5	5	4	4	5	5	4
Other	14	15	14	14	15	15	16	21
Total	225	208	193	186	172	171	167	161

Deposits from corporates -by country

SEK bn, end of period	31 Mar 2009	31 Dec 2008	30 Sep 2008	30 Jun 2008	31 Mar 2008	31 Dec 2007	30 Sep 2007	30 Jun 2007
Branch office operations in Sweden	148	156	139	135	137	138	122	124
Branch office operations outside Sweden	135	113	110	95	102	109	100	88
in Great Britain	10	10	11	10	15	17	14	13
in Denmark	17	17	17	17	18	21	21	17
in Finland	19	16	10	9	10	11	9	9
in Norway	43	35	39	41	41	45	38	34
Handelsbanken International	46	36	33	17	18	15	18	15
Other	58	52	53	64	71	80	90	179
Total	341	321	301	293	310	326	311	390

Capital base and capital requirement

Capital base

SEK m	31 Mar 2009	31 Dec 2008	30 Sep 2008	30 Jun 2008	31 Mar 2008
TIER 1 CAPITAL					
Equity *	70,685		65,600		64,697
Equity **	72,468	70,488	67,060	66,567	65,610
Tier 1 capital contribution (hybrid loans) *	14,833		9,224		6,735
Tier 1 capital contribution (hybrid loans) **	15,146	11,579	9,224	8,850	6,735
Minority interests	1	1	0	0	0
Deducted items					
Goodwill and other intangible assets	-7,080	-6,990	-6,367	-6,300	-6,234
Revaluation reserve	-135	-137	-139	-141	-143
Deferred tax assets	-403	-405	-59	-71	-55
Special deduction for IRB institutions	-1,168	-903	-596	-627	-688
Capital contribution in insurance companies	-233	-233	-8	-8	-8
Positions in securitisation	-148	-140.0			
Adjustments in accordance with stability filter					
Cash flow hedges	433	252	-141	-183	-61
Unrealised accumulated gains/losses, shares	0	0	0	-64	-622
Unrealised accumulated gains/losses, fixed income instruments	2,505	2,342	1,806	877	935
Total tier 1 capital *	79,290		69,320		64,557
Total tier 1 capital **	81,386	75,854	70,780	68,900	65,469
TIER 2 CAPITAL					
Perpetual subordinated loans *	19,857		22,855		21,724
Dated subordinated loans	26,367	25,912	23,075	22,717	22,476
Additional items					
Unrealised accumulated gain/loss, shares	0	0	0	64	622
Revaluation reserve	135	137	139	141	143
Deducted items					
Special deduction for IRB institutions	-1,168	-903	-596	-627	-688
Capital contribution in insurance companies	-233	-233	-8	-8	-8
Positions in securitisation	-148	-140			
Total tier 2 capital *	44,810		45,465		44,269
Total tier 2 capital **	44,495	47,689	45,465	44,320	44,269
Total tier 1 and tier 2 capital *	124,100		114,786		108,825
Total tier 1 and tier 2 capital **	125,881	123,543	116,245	113,220	109,738
Deductible items from total capital base					
Capital contribution in insurance companies	-6,317	-6,317	-6,317	-6,317	-6,317
Surplus value pension assets *	-2,380		-2,050		-2,405
Surplus value pension assets **	-2,081	-1,721	-1,910	-1,952	-2,064
Total capital base for capital adequacy purposes *	115,403		106,418		100,103
Total capital base for capital adequacy purposes **	117,483	115,505	108,018	104,951	101,357

* As the interim report has not been examined by the Bank's auditors, the profit generated during the profit and the accrued right to recover pension costs are excluded.

** Including the profit generated in the quarter and the accrued right to recover pension costs.

Capital requirement

SEK m	31 Mar 2009	31 Dec 2008	30 Sep 2008	30 Jun 2008	31 Mar 2008
Credit risk according to standardised approach	8,156	7,884	19,458	16,879	14,772
Credit risk according to IRB approach	43,371	44,864	30,751	29,944	29,280
Interest rate risk	1,235	1,690	2,995	1,806	2,420
Equity price risk	24	20	33	57	73
Exchange rate risk	-	-	189	174	142
Commodities risk	19	12	43	34	20
Settlement risk	-	-	1	0	0
Operational risk	3,484	3,292	3,257	3,257	3,257
Total capital requirement according to Basel II	56,289	57,762	56,727	52,151	49,964
Adjustment according to transitional rules	22,036	29,332	27,509	25,953	27,497
Capital requirement according to Basel II, transitional rules	78,325	87,094	84,236	78,104	77,461
Risk-weighted assets Basel I	1,260,327	1,234,713	1,186,511	1,102,189	1,094,960
Risk-weighted assets Basel II	703,612	722,002	709,091	651,874	624,555
Capital requirement according to Basel I (8% of risk-weighted assets)	100,826	98,777	94,921	88,175	87,597
Lowest permitted capital requirement according to transitional rules	78,325	87,094	84,236	78,104	77,461

Capital adequacy analysis *

	31 Mar 2009	31 Dec 2008	30 Sep 2008	30 Jun 2008	31 Mar 2008
Capital requirement in Basel II compared to Basel I	56%	58%	60%	59%	57%
Capital requirement in Basel II compared to transitional rules	72%	66%	67%	67%	65%
Capital ratio according to Basel II	16.7%	16.0%	15.2%	16.1%	16.2%
Capital ratio according to Basel I	9.5%	9.5%	9.2%	9.6%	9.4%
Capital ratio according to transitional rules	12.0%	10.6%	10.3%	10.7%	10.5%
Tier 1 ratio according to Basel II	11.6%	10.5%	10.0%	10.6%	10.5%
Tier 1 ratio according to Basel I	6.6%	6.2%	6.0%	6.3%	6.0%
Tier 1 ratio according to transitional rules	8.3%	7.0%	6.7%	7.1%	6.8%
Basel II	209%	200%	190%	201%	203%
Basel I	119%	119%	115%	120%	117%
Capital base in relation to capital requirement according to transitional rules	150%	133%	128%	134%	131%

* Capital adequacy ratios and Tier 1 ratios include the profit for the period.

Credit risks IRB

Exposure after credit risk protection (EAD)

SEK m	31 Mar 2009	31 Dec 2008	30 Sep 2008	30 Jun 2008	31 Mar 2008
Corporates	1,012,374	961,710	747,747	733,670	733,202
of which repos	35,495	4,209	17,146	26,712	41,100.0
of which other lending	976,879	957,501	730,601	706,958	692,102
Households	577,032	565,725	558,929	550,610	531,570
Small companies	30,905	32,677	32,942	33,389	33,217
Institutions	165,313	147,002	88,584	106,798	103,325.0
of which repos	77,248	46,524	32,252	48,874	56,142.0
of which other lending	88,065	100,478	56,332	57,924	47,183.0
Other	15,089	15,649	5,422	5,843	6,593
Total IRB	1,800,713	1,722,763	1,433,624	1,430,310	1,407,907

Average risk weight, %

SEK m	31 Mar 2009	31 Dec 2008	30 Sep 2008	30 Jun 2008	31 Mar 2008
Corporates	43.9	49.1	40.7	40.0	39.9
of which repos	0.4	0.3	0.2	0.1	0.2
of which other lending	45.4	49.3	0.0	0.0	0.0
Households	9.5	8.8	8.6	8.9	8.2
Small companies	44.2	43.8	44.1	43.5	40.8
Institutions	14.0	11.6	13.4	10.5	9.1
of which repos	0.5	0.2	0.2	0.2	0.1
of which other lending	25.8	16.9	21.0	19.2	19.8
Other	45.3	46.2	102.4	100.2	100.2
Total IRB	30.1	32.6	26.8	26.2	26.0

Capital requirement

SEK m	31 Mar 2009	31 Dec 2008	30 Sep 2008	30 Jun 2008	31 Mar 2008
Corporates	35,511	37,797	24,368	23,484	23,425
of which repos	12	1	3	2	4.9
of which other lending	35,499	37,796	24,368	23,483	23,420
Households	4,375	3,980	3,826	3,932	3,490
Small companies	1,093	1,145	1,162	1,162	1,084
Institutions	1,845	1,364	951	898	752.2
of which repos	30	6	5	7	5.8
of which other lending	1,815	1,358	946	891	745.6
Other	547	578	444	468	528
Total IRB	43,371	44,864	30,751	29,944	29,279

Segment information

Operating profit per segment

SEK m	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q3 2007	Q2 2007
Branch office operations in Sweden	2,196	2,635	2,466	2,439	2,404	2,314	2,496	2,572
Branch office operations outside Sweden	623	525	704	599	585	497	636	849
Handelsbanken Capital Markets	1,276	1,136	685	75	-526	66	53	361
Handelsbanken Asset Management	-64	330	68	122	47	207	294	261
Other operations	-299	535	-187	88	183	17	53	342
Operating profit, Group	3,806	5,216	3,758	3,433	2,919	3,101	3,532	4,385

Branch office operations in Sweden

SEK m	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q3 2007	Q2 2007
Net interest income	3,453	3,781	3,380	3,205	3,062	2,905	2,854	2,888
Net fee and commission income	785	774	811	847	843	927	923	887
Net gains/losses on financial items at fair value	131	72	-96	387	96	182	128	385
Other income	21	16	7	9	18	49	37	40
Total income	4,390	4,643	4,102	4,448	4,019	4,063	3,942	4,200
Staff costs	-755	-749	-746	-765	-765	-712	-695	-666
Other administrative expenses	-246	-297	-242	-276	-264	-943	-750	-859
Internal purchased and sold services	-601	-554	-554	-575	-566	-	-	-
Depreciation, amortisation and impairments of property, equipment and intangible assets	-20	-21	-24	-18	-18	-26	-23	-22
Total expenses	-1,622	-1,621	-1,566	-1,634	-1,613	-1,681	-1,468	-1,547
Profit before loan losses	2,768	3,022	2,536	2,814	2,406	2,382	2,474	2,653
Net loan losses	-572	-387	-70	-375	-2	-67	22	-81
Gains/losses on disposal of property, equipment and intangible assets	-	-	-	-	-	-1	-	-
Operating profit	2,196	2,635	2,466	2,439	2,404	2,314	2,496	2,572
Profit allocation	116	236	119	85	119	-	-	-
Operating profit after profit distribution	2,312	2,871	2,585	2,524	2,523	2,314	2,496	2,572
Allocated capital	38,289	35,872	36,968	37,845	40,816	32,486	30,899	32,968
Return on allocated capital, %	17.8	23.0	20.1	19.2	17.8	20.5	22.9	22.1
Cost/income ratio, %	36.9	34.9	38.2	36.7	40.1	41.4	37.2	36.8
Loan loss ratio, %	0.23	0.17	0.03	0.16				
Average number of employees	4,536	4,624	4,856	4,627	4,631	4,595	4,841	4,578
Number of branches	461	461	461	461	461	461	459	459

Segmented operating profit in Branch office operations outside Sweden

SEK m	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q3 2007	Q2 2007
Great Britain	7	-87	34	-39	31	-25	50	63
Denmark	40	13	66	154	80	63	102	357
Finland	105	92	139	138	129	102	153	123
Norway	312	390	424	380	371	360	296	256
Handelsbanken International	159	116	43	-33	-33	33	77	77
Eliminations & other	0	1	-2	-1	7	-36	-42	-27
Operating profit	623	525	704	599	585	497	636	849

Branch office operations outside Sweden

SEK m	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q3 2007	Q2 2007
Net interest income	1,694	1,666	1,512	1,284	1,238	1,128	1,102	997
Net fee and commission income	359	345	319	322	322	324	288	324
Net gains/losses on financial items at fair value	95	65	25	141	64	73	84	167
Other income	-	5	5	8	-	39	50	50
Total income	2,150	2,081	1,861	1,755	1,624	1,564	1,524	1,538
Staff costs	-710	-648	-575	-558	-544	-462	-491	-451
Other administrative expenses	-282	-357	-239	-236	-233	-495	-368	-372
Internal purchased and sold services	-190	-216	-164	-150	-145	-	-	-
Depreciation, amortisation and impairments of property, equipment and intangible assets	-21	-26	-17	-16	-12	-12	-11	-12
Total expenses	-1,203	-1,247	-995	-960	-934	-969	-870	-835
Profit before loan losses	947	834	866	795	690	595	654	703
Net loan losses	-324	-309	-161	-196	-105	-99	-18	146
Gains/losses on disposal of property, equipment and intangible assets	0	0	-1	-	-	1	-	-
Operating profit	623	525	704	599	585	497	636	849
Profit allocation	44	113	38	37	36	-	-	-
Operating profit after profit distribution	667	638	742	636	621	497	636	849
Allocated capital	26,350	23,120	20,436	18,909	18,720	14,951	14,546	14,708
Return on allocated capital, %	7.5	7.9	10.5	9.7	9.6	9.7	12.5	16.6
Cost/income ratio, %	56.0	59.9	53.5	54.7	57.5	62.0	57.1	54.3
Loan loss ratio, %	0.24	0.33	0.17	0.21	0.11			
Average number of employees	3,023	3,024	2,778	2,708	2,616	2,516	2,461	2,316
Number of branches	245	241	219	214	204	199	177	171

Branch office operations in Great Britain

SEK m	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q3 2007	Q2 2007
Net interest income	167	123	160	146	157	148	163	148
Net fee and commission income	20	21	22	20	23	26	25	25
Net gains/losses on financial items at fair value	10	-3	10	12	2	7	3	15
Other income	0	3	2	-1	0	9	5	8
Total income	197	144	194	177	182	190	196	196
Staff costs	-117	-119	-111	-108	-106	-103	-94	-77
Other administrative expenses	-30	-37	-32	-30	-26	-64	-46	-53
Internal purchased and sold services	-23	-15	-14	-18	-16			
Depreciation, amortisation and impairments of property, equipment and intangible assets	-3	-3	-4	-2	-3	-3	-3	-3
Total expenses	-173	-174	-161	-158	-151	-170	-143	-133
Profit before loan losses	24	-30	33	19	31	20	53	63
Net loan losses	-17	-57	1	-58	0	-45	-3	-
Operating profit	7	-87	34	-39	31	-25	50	63
Profit allocation	13	22	10	2	1	-	-	-
Operating profit after profit distribution	20	-65	44	-37	32	-25	50	63

Branch office operations in Denmark

SEK m	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q3 2007	Q2 2007
Net interest income	291	261	214	199	196	190	194	173
Net fee and commission income	73	63	40	52	47	54	51	58
Net gains/losses on financial items at fair value	26	-22	-19	56	4	10	2	53
Other income	-1	0	-2	3	-2	2	2	6
Total income	389	302	233	310	245	256	249	290
Staff costs	-154	-136	-99	-93	-93	-93	-87	-80
Other administrative expenses	-70	-73	-33	-30	-35	-78	-58	-59
Internal purchased and sold services	-43	-46	-35	-30	-35			
Depreciation, amortisation and impairments of property, equipment and intangible assets	-5	-3	-1	-2	-2	-1	-2	-1
Total expenses	-272	-258	-168	-155	-165	-172	-147	-140
Profit before loan losses	117	44	65	155	80	84	102	150
Net loan losses	-77	-31	1	-1	0	-21	-	207
Operating profit	40	13	66	154	80	63	102	357
Profit allocation	0	2	0	0	1	-	-	-
Operating profit after profit distribution	40	15	66	154	81	63	102	357

Branch office operations in Finland

SEK m	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q3 2007	Q2 2007
Net interest income	256	321	274	240	223	225	229	226
Net fee and commission income	74	54	65	69	71	73	66	76
Net gains/losses on financial items at air value	5	5	21	18	17	17	25	27
Other income	-1	-2	0	-1	0	4	5	11
Total income	334	378	360	326	311	319	325	340
Staff costs	-101	-105	-84	-84	-81	-88	-78	-77
Other administrative expenses	-56	-53	-50	-56	-57	-112	-84	-101
Internal purchased and sold services	-40	-42	-37	-34	-38			
Depreciation, amortisation and impairments of property, equipment and intangible assets	-5	-6	-4	-5	-1	-2	-1	-1
Total expenses	-202	-206	-175	-179	-177	-202	-163	-179
Profit before loan losses	132	172	185	147	134	117	162	161
Net loan losses	-27	-80	-46	-9	-5	-15	-9	-38
Operating profit	105	92	139	138	129	102	153	123
Profit allocation	4	14	9	8	3	-	-	-
Operating profit after profit distribution	109	106	148	146	132	102	153	123

Branch office operations in Norway

SEK m	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q3 2007	Q2 2007
Net interest income	645	623	569	508	497	444	411	353
Net fee and commission income	65	78	81	85	85	75	64	63
Net gains/losses on financial items at air value	24	22	27	24	22	19	39	63
Other income	1	0	3	4	0	4	3	4
Total income	735	723	680	621	604	542	517	483
Staff costs	-151	-119	-137	-129	-127	-53	-127	-113
Other administrative expenses	-63	-74	-61	-60	-62	-117	-95	-87
Internal purchased and sold services	-38	-47	-43	-38	-33			
Depreciation, amortisation and impairments of property, equipment and intangible assets	-4	-4	-4	-4	-4	-4	-4	-3
Total expenses	-256	-244	-245	-231	-226	-174	-226	-203
Profit before loan losses	479	479	435	390	378	368	291	280
Net loan losses	-167	-89	-11	-10	-7	-8	5	-24
Operating profit	312	390	424	380	371	360	296	256
Profit allocation	24	54	13	24	21	-	-	-
Operating profit after profit distribution	336	444	437	404	392	360	296	256

Handelsbanken International

SEK m	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q3 2007	Q2 2007
Net interest income	335	338	295	191	165	148	129	124
Net fee and commission income	127	129	111	96	96	93	86	100
Net gains/losses on financial items at fair value	30	63	-14	31	19	20	16	8
Other income	3	4	2	3	2	41	42	36
Total income	495	534	394	321	282	302	273	268
Staff costs	-187	-169	-144	-144	-137	-126	-105	-104
Other administrative expenses	-63	-120	-63	-60	-53	-141	-90	-85
Internal purchased and sold services	-46	-66	-35	-30	-23			
Depreciation, amortisation and impairments of property, equipment and intangible assets	-4	-10	-4	-3	-2	-2	-3	-2
Total expenses	-300	-365	-246	-237	-215	-269	-198	-191
Profit before loan losses	195	169	148	84	67	33	75	77
Net loan losses	-36	-53	-105	-117	-100	0	2	0
Operating profit	159	116	43	-33	-33	33	77	77
Profit distribution	3	21	6	3	10	-	-	-
Operating profit after profit distribution	162	137	49	-30	-23	33	77	77

Handelsbanken Capital Markets

SEK m	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q3 2007	Q2 2007
Net interest income	145	137	138	147	162	109	147	114
Net fee and commission income	342	291	227	258	252	375	402	497
Net gains/losses on financial items at fair value	1,337	1,304	830	137	-343	245	-23	370
Risk result - insurance	-	-	-	-	-	-	-	-
Other income	9	14	4	5	1	309	227	211
Total income	1,833	1,746	1,199	547	72	1,038	753	1,192
Staff costs	-422	-454	-418	-353	-429	-532	-340	-472
Other administrative expenses	-129	-143	-124	-147	-167	-438	-357	-357
Internal purchased and sold services	2	10	33	31	1	-	-	-
Depreciation, amortisation and impairments of property, equipment and intangible assets	-8	-23	-5	-3	-3	-2	-3	-2
Total expenses	-557	-610	-514	-472	-598	-972	-700	-831
Profit before loan losses	1,276	1,136	685	75	-526	66	53	361
Net loan losses	-	-	-	-	-	-	-	-
Operating profit	1,276	1,136	685	75	-526	66	53	361
Profit allocation	-102	-293	-79	-83	-95	-	-	-
Operating profit after profit distribution	1,174	843	606	-8	-621	66	53	361
Allocated capital	3,787	4,774	3,577	4,458	5,029	4,826	5,692	6,002
Return on allocated capital, %	91.3	50.9	48.8	-	-	4.0	2.7	17.3
Cost/income ratio, %	30.4	34.9	42.9	86.3	830.6	93.6	93.0	69.7
Average number of employees	1,052	1,050	1,074	1,083	1,066	1,047	1,024	979

Handelsbanken Asset Management

SEK m	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q3 2007	Q2 2007
Net interest income	43	84	98	110	87	82	67	57
Net fee and commission income	249	246	252	292	297	361	352	342
Net gains/losses on financial items at fair value	-175	177	-130	-116	-47	29	14	4
Risk result - insurance	57	50	55	71	39	10	34	74
Other income	1	1	11	7	9	57	121	90
Total income	175	558	286	364	385	539	588	567
Staff costs	-124	-117	-127	-121	-109	-119	-90	-88
Other administrative expenses	-58	-65	-51	-68	-167	-211	-202	-216
Internal purchased and sold services	-50	-42	-35	-50	-59	-	-	-
Depreciation, amortisation and impairments of property, equipment and intangible assets	-7	-4	-5	-3	-3	-2	-2	-2
Total expenses	-239	-228	-218	-242	-338	-332	-294	-306
Profit before loan losses	-64	330	68	122	47	207	294	261
Net loan losses	-	-	-	-	-	-	-	-
Gains/losses on disposal of property, equipment and intangible assets	-	-	-	-	-	-	-	-
Operating profit	-64	330	68	122	47	207	294	261
Profit allocation	-58	-57	-78	-39	-60	-	-	-
Operating profit after profit distribution	-122	273	-10	83	-13	207	294	261
Allocated capital	4,937	3,803	3,243	3,641	4,154	4,798	4,274	3,981
Return on allocated capital, %	-	20.7	-	6.6	-	12.4	19.8	18.9
Cost/income ratio, %	136.6	40.9	76.2	66.5	87.8	61.6	50.0	54.0
Loan loss ratio, %	-	-	-	-	-	-	-	-
Average number of employees	542	546	563	557	534	494	517	471
Assets under management	0	167	180	199	209	236	249	238

Asset Management excl Handelsbanken Liv

SEK m	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q3 2007	Q2 2007
Net interest income	10	24	20	42	41	41	32	41
Net fee and commission income	163	162	168	187	197	266	244	235
Net gains/losses on financial items at fair value	0	1	-1	-3	-2	8	4	7
Other income	0	1	7	0	7	28	30	27
Total income	173	188	194	226	243	343	310	310
Staff costs	-87	-87	-94	-87	-74	-90	-72	-69
Other administrative expenses	-24	-34	-28	-28	-129	-110	-78	-89
Internal purchased and sold services	-29	-32	-27	-34	-41	-	-	-
Depreciation, amortisation and impairments of property, equipment and intangible assets	-1	-1	-1	0	-1	-1	0	0
Total expenses	-141	-154	-150	-149	-245	-201	-150	-158
Profit before loan losses	32	34	44	77	-2	142	160	152
Net loan losses	-	-	-	-	-	-	-	-
Operating profit	32	34	44	77	-2	142	160	152

Handelsbanken Liv

SEK m	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q3 2007	Q2 2007
Administration result	-12	8	18	20	7	-8	67	35
Risk result	57	50	55	71	39	10	36	72
Financial result	-152	166	-50	-88	-30	-26	11	-6
Other	11	72	2	42	33	82	1	36
Operating profit	-96	296	25	45	49	58	115	137
Total yield, %, from the beginning of the year	-2.56	-1.22	-5.56	-5.27	-3.37	1.18	2.49	2.55
AUM, SEK bn, end of period	54	54	56	59	59	63	64	64
of which unit-linked and custody insurance	28	27	29	32	32	35	38	36
Solvency ratio, end of period	2.3	1.3	1.9	2.2	1.6	1.7	1.6	1.3
Asset allocation end of period, %								
Listed shares	8	10	13	20	27	36	42	37
Fixed income securities	82	77	75	69	62	55	51	55
Properties	6	6	6	6	6	5	5	6
Alternative investments	4	7	6	5	5	4	2	2
Total	100	100	100	100	100	100	100	100

Other operations

SEK m	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q3 2007	Q2 2007
Net interest income	68	-185	-263	-244	-143	-210	-201	-186
Net fee and commission income	4	38	47	-13	25	-31	-20	-50
Net gains/losses on financial items at fair value	-247	725	10	96	7	-6	212	436
Share of profits of associated companies	3	5	21	27	26	-	-	-
Other income	20	27	27	369	1	981	788	1,013
Total income	-152	610	-158	235	-84	734	779	1,213
Staff costs	-518	-386	-337	-410	-323	-	-188	-
Other administrative expenses	-407	-446	-356	-421	-391	-717	-482	-871
Internal purchased and sold services	839	802	720	744	769			
Depreciation, amortisation and impairments of property, equipment and intangible assets	-61	-45	-55	-60	-60	-	-56	-
Total expenses	-147	-75	-28	-147	-5	-717	-726	-871
Profit before loan losses	-299	535	-186	88	-89	17	53	342
Net loan losses	-	-	-	-	-	-	-	-
Gains/losses on disposal of property, equipment and intangible assets	0	-	-1	-	272	-	-	-
Operating profit	-299	535	-187	88	183	17	53	342
Profit allocation	-	1	-	-	-	-	-	-
Operating profit after profit distribution	-299	536	-187	88	183	17	53	342
Average number of employees	1,779	1,727	1,748	1,751	1,767	1,734	1,691	1,685

Eliminations

SEK m	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q3 2007	Q2 2007
Net interest income	-10	-9	-9	-8	-7	-4	-2	-2
Net fee and commission income	-	-	-	-	-	-	-	-
Net gains/losses on financial items at fair value	-	-114	-156	-11	46	-	-	-
Risk result - insurance	-	-	-	-	-	-	-	-
Other income	-	-3	-1	-131	-	-1,318	-1,157	-1,160
Total income	-10	-126	-166	-150	39	-1,322	-1,159	-1,162
Staff costs	87	184	188	261	187	4	2	2
Other administrative expenses	-	-1	1	1	1	1,318	1,157	1,160
Depreciation, amortisation and impairments of property, equipment and intangible assets	-3	-2	-1	-2	-1	-	-	-
Total expenses	84	181	188	260	187	1,322	1,159	1,162
Profit before loan losses	74	55	22	110	226	-	-	-
Net loan losses	-	-	-	-	-	-	-	-
Gains/losses on disposal of property, equipment and intangible assets	-	-	-	-	-	-	-	-
Operating profit	74	55	22	110	226	-	-	-

Funding

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

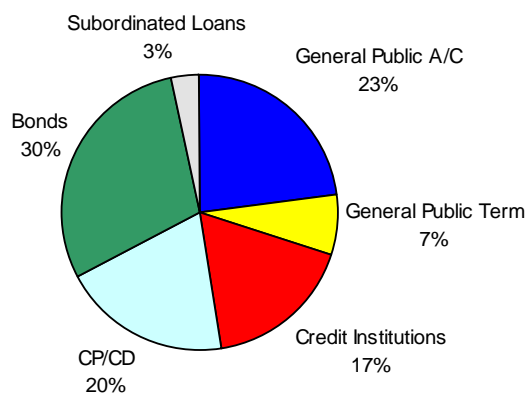
Short-term funding is mainly raised through commercial paper programmes in Sweden, Europe and the United States, both in the name of Svenska Handelsbanken and Stadshypotek. These programmes are supplemented by borrowing in the international interbank market. Long-term funding is for the most part raised through issuance of covered bonds in Swedish kronor in the domestic market and utilisation of other funding programmes.

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

Funding programmes

	Programme size (in millions)	Currency
Medium Term Notes	80,000	SEK
Euro Medium Term Notes	35,000	USD
US Commercial Paper	7,000	USD
US Commercial Paper (Stadshypotek)	5,000	USD
Euro Commercial Paper	5,000	EUR
Euro Commercial Paper (Stadshypotek)	4,000	EUR
Swedish Commercial Paper	25,000	SEK
Swedish Commercial Paper (Stadshypotek)	90,000	SEK
French Certificates of Deposit	5,000	EUR
US Extendible Notes	15,000	USD
Domestic covered bonds (Säkerställda Obligationer, Stadshypotek)	No limit	SEK
Euro Medium Term Covered Notes (Stadshypotek)	15,000	EUR
US Medium Term Notes, 144A	15,000	USD
US Certificates of Deposit	No limit	USD

Breakdown of funding December 31, 2008

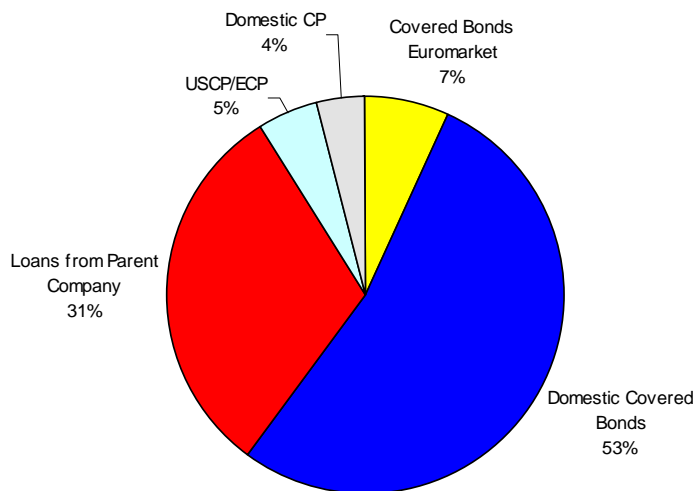


Selection of international issues during last 12 months

April 2008	SEK 2.1bn 18m FRN + 25bps
April 2008	USD 1.75bn Extendible notes
May-June 2008	EUR 2.5 bn 2y FRN + 45bps
July 2008	EUR 500m 3y FRN + 60bps
August 2008	USD 200m 3y FRN + 70bps
August 2008	CHF 125m 3y FRN + 50bps
September 2008	SEK 1bn 3y FXD + 73bps
September 2008	EUR 1.75bn 3y FXD + 80bps
September 2008	EUR 150m 2y Covered bond +25bps
March 2009	EUR 1.25bn 5Y FXD +210bps
April 2009	EUR 1 bn 18M FRN +120bps

Mortgage lending accounts for around 40% the bank’s lending to the public. Of this, 97% constitute residential exposures. The mortgage business of Handelsbanken is to a large extent funded by covered bonds, issued in the name of Stadshypotek. More than 50% of Stadshypotek’s funding consists of covered bonds issued in the Swedish domestic covered bond market. This market is the core funding source for Stadshypotek. The Swedish market is the 4th largest covered bond market in Europe. Bonds are issued on-tap on a continuous basis in a few benchmarks per issuer. Stadshypotek has 11 outstanding benchmark loans, which matures between 2009 and 2017. These loans are arranged by five market makers and are non-callable bullet bonds with a fixed annual coupon.

**Stadshypotek funding structure (SEK 622 bn)
December 31, 2008**



Covered bonds constitute one of the most secure funding sources available, since covered bonds can, if needed, be used as collateral for funding at the Swedish Riksbank.

Share & shareholders

Handelsbanken's shares

	31 Mar 2009	31 Dec 2008	30 Sep 2008	30 Jun 2008	31 Mar 2008	31 Dec 2007	30 Sep 2007	30 Jun 2007
Share price ordinary class A, SEK	116.50	126.00	152.00	143.50	173.00	207.00	200.00	192.50
Market capitalisation, SEK bn	73	79	95	89	108	129	125	119
Number of repurchased shares, million	-	-	-	-	4.8	4.8	4.8	4.8
Number of outstanding shares, million	623.4	623.5	623.5	622.9	623.4	623.4	623.4	620.5

Share information

Name	SHB A
ISIN	SE0000193120
Currency	SEK
Market name	OMX STO Equities
Reuters	SHBa.ST
Bloomberg	SHBA SS

The largest Swedish shareholders

The largest Swedish shareholders			
as at 31 March 2009	Number of shares	% of votes	% of capital
Oktogonen Foundation	65,800,000	10.7	10.6
Industrivärden	64,985,709	10.6	10.4
Swedbank Robur funds	19,110,002	3.1	3.1
Alecta	18,058,000	3.0	2.9
AMF and funds	14,812,833	2.4	2.4
Handelsbanken funds	14,081,049	2.3	2.3
Lundbergs, etc	13,432,000	2.2	2.2
AFA Försäkring	10,752,271	1.8	1.7
Nordea funds	9,600,171	1.6	1.5
SEB funds	9,015,602	1.5	1.5
2nd National Swedish Pension Fund	8,128,076	1.3	1.3
4th National Swedish Pension Fund	6,997,600	1.1	1.1
Folksam / KPA / Förenade Liv	5,125,335	0.8	0.8
1st National Swedish Pension Fund	5,091,517	0.8	0.8
Didner & Gerge Aktiefond	4,425,000	0.7	0.7

Contacts & Financial calendar

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Financial calendar:

The Bank's reports will be published at 7.30 a.m. A press conference will be held at 9 a.m. and an international phone conference at 3 p.m. All times are Central European Time.

2009

10 February 2009	Highlights of Annual report 2008
28 April 2009	Interim report January – March 2009
29 April 2009	Annual General Meeting
21 July 2009	Interim report January – June 2009
28 October 2009	Interim report January – September 2009

2010

18 February 2010	Highlights of Annual report 2009
28 April 2010	Interim report January – March 2010
29 April 2010	Annual General Meeting
20 July 2010	Interim report January – June 2010
20 October 2010	Interim report January – September 2010

Handelsbanken

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