

Fact book

2009 Q2



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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	Q2 2009	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q3 2007
Interest income	13,160	16,217	21,979	22,754	19,496	19,126	18,994	16,010
Interest expense	-7,522	-10,824	-16,505	-17,898	-15,002	-14,727	-14,984	-12,043
Net interest income	5,638	5,393	5,474	4,856	4,494	4,399	4,010	3,967
Net fee and commission income	1,856	1,739	1,694	1,656	1,706	1,739	1,956	1,945
Net gains/losses on financial items at fair value	541	1,141	2,229	483	634	-177	523	415
Risk result - insurance	36	57	50	55	71	39	10	34
Other dividend income	124	11	1	8	216	-	-	6
Share of profits of associated companies	1	3	5	21	27	26	25	24
Other income	24	42	59	45	51	29	92	36
Total income	8,220	8,386	9,512	7,124	7,199	6,055	6,616	6,427
Staff costs	-2,539	-2,442	-2,170	-2,015	-1,946	-1,983	-1,995	-1,802
Other administrative expenses	-1,178	-1,122	-1,309	-1,011	-1,147	-1,221	-1,279	-1,002
Depreciation, amortisation and impairments of property, equipment and intangible assets	-119	-120	-121	-107	-102	-97	-75	-95
Total expenses	-3,836	-3,684	-3,600	-3,133	-3,195	-3,301	-3,349	-2,899
Profit before loan losses	4,384	4,702	5,912	3,991	4,004	2,754	3,267	3,528
Net loan losses	-939	-896	-696	-231	-571	-107	-166	4
Gains/losses on disposal of property, equipment and intangible assets	0	0	0	-2	0	272	-	-
Operating profit	3,445	3,806	5,216	3,758	3,433	2,919	3,101	3,532
Taxes	-916	-1,052	-705	-999	-1,003	-675	-859	-933
Profit for the period from continuing operations	2,529	2,754	4,511	2,759	2,430	2,244	2,242	2,599
Profit for the period from discontinued operations, after tax	0	11	44	51	48	44	72	-51
Capital gain from disposal of discontinued operations, after tax	-	-	-	-	-	-	4,082	-
Profit for the period	2,529	2,765	4,555	2,810	2,478	2,288	6,396	2,548
Attributable to								
Holders of ordinary shares	2,529	2,765	4,555	2,810	2,478	2,288	6,396	2,548
Minority interest	0	0	0	-	-	-	-	-

Earnings per share

SEK m	Q2 2009	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q3 2007
Earnings per share, continuing operations, SEK	4.06	4.42	7.24	4.43	3.90	3.61	3.61	4.19
- after dilution	3.96	4.28	7.09	4.36	3.89	3.61	3.61	4.19
Earnings per share, discontinued operations, SEK	0.00	0.01	0.07	0.08	0.08	0.07	6.68	-0.09
- after dilution	0.00	0.01	0.07	0.08	0.08	0.07	6.68	-0.09
Earnings per share, total operations, SEK	4.06	4.43	7.31	4.51	3.98	3.68	10.29	4.10
- after dilution	3.96	4.29	7.16	4.44	3.96	3.68	10.29	4.10

Handelsbanken Group - Key figures

SEK m	Q2 2009	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q3 2007
Return on equity, total operations, after actual tax *	12.4%	13.8%	24.0%	15.4%	13.3%	12.3%	37.4%	15.7%
Return on equity, total operations, after standard tax *	12.5%	14.1%	20.0%	15.1%	13.5%	11.5%	31.0%	15.4%
Return on equity, continuing operations, after standard tax *	12.5%	14.0%	19.8%	14.8%	13.3%	11.3%	13.1%	15.4%
C/I ratio, total operations	46.7%	44.0%	37.8%	43.7%	44.2%	54.3%	31.9%	46.8%
C/I ratio, total operations, incl. loan losses	58.1%	54.6%	45.0%	46.9%	52.1%	56.0%	33.4%	4670.0%
Adjusted equity per share, SEK	124.28	125.70	120.64	114.20	111.31	121.20	119.27	109.89
Capital ratio according to Basel II **	18.4%	16.7%	16.0%	15.2%	16.1%	16.2%	16.9%	0.0%
Tier 1 ratio according to Basel II **	12.6%	11.6%	10.5%	10.0%	10.6%	10.5%	10.6%	0.0%
Average number of employees	10,800	10,932	10,971	11,019	10,726	10,614	10,898	11,108
Number of branches in Sweden	461	461	461	461	461	461	461	459
Number of branches outside Sweden	245	245	241	219	214	204	199	177

* When calculating return on equity, shareholders' 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.

** Including profit generated during the period.

Consolidated statement of comprehensive income

SEK m	Q2 2009	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q3 2007
Profit for the period	2,529	2,765	4,555	2,810	2,478	2,288	6,396	2,548
Other comprehensive income								
Cash flow hedges	147	-246	-538	-58	169	-108	7	-70
Available for sale instruments	1,513	-276	-1,473	-1,771	-704	-1,191	-991	-952
Translation differences for the period	-217	591	467	258	96	-215	152	23
Tax related to other comprehensive income	-383	140	599	514	160	355	290	264
Total other comprehensive income	1,060	209	-945	-1,057	-279	-1,159	-542	-735
Total comprehensive income for the period	3,589	2,974	3,610	1,753	2,199	1,129	5,854	1,813
Total comprehensive income for the period to								
Holders of ordinary shares	3,589	2,974	3,610	1,753	2,199	1,129	5,854	1,813
Minority interest	0	0	0	-	-	-	-	-

One-offs and special items

SEK m	Q2 2009	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q3 2007
Liquidity portfolio	-23	-40	-39	-24	-90	-962	-152	-316
Available for sale, realised			716				2	220
Oktogonen (The Bank's profit-sharing system)	-163	-163			-7		3	
Performance-related remuneration	-195		-93	-96	-59	-29	-294	-75
Repurchased bonds	5	3	3	3	-13	-16	-16	28
Property sale						272		
Funding cost, SPP							-196	-193
Separation of the management organisation following the sale of SPP						-93		
Total one-offs and special items	-376	-200	587	-117	-169	-828	-653	-336

Net fee and commission income

SEK m	Q2 2009	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q3 2007
Brokerage and other securities commissions	504	445	453	343	444	436	525	510
Mutual funds and custody	359	348	317	376	422	444	546	504
Advisory services	58	51	49	58	37	48	130	121
Insurance	132	131	122	125	137	136	111	119
Payments	584	585	564	586	554	553	565	559
Lending and deposits	269	251	248	238	203	205	192	224
Guarantees	134	134	124	106	101	99	95	103
Other	131	94	126	127	128	121	129	128
Commission income	2,171	2,039	2,003	1,959	2,026	2,042	2,293	2,268
Securities commissions	-51	-59	-60	-58	-69	-71	-77	-73
Payment commissions	-242	-219	-232	-230	-230	-215	-238	-239
Other commission expenses	-22	-22	-17	-15	-21	-17	-22	-11
Commission expense	-315	-300	-309	-303	-320	-303	-337	-323
Net fee and commission income	1,856	1,739	1,694	1,656	1,706	1,739	1,956	1,945

Net gains/losses on financial items at fair value

SEK m	Q2 2009	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q3 2007
Available for sale, realised	17	24	665	-3	7	-498	2	220
Hedge accounting								
Fair value hedges	371	57	-522	-142	123	22	-112	-16
Hedge ineffectiveness	-2	-8	-27	1	-	-	-	-
Transferred from equity referring to cash flow hedges	0	-19	1	-	14	0	-	-
Instruments at fair value	-289	223	1,277	322	-580	131	-16	-67
Loan receivables, valued at amortised cost	108	127	42	-20	9	10	1	9
Financial liabilities, valued at amortised cost	-581	-237	38	15	38	-7	60	33
Gains/losses on unbundled insurance contracts	-134	-143	139	-60	-94	-36	-	-
Trading / Other	1,051	1,117	616	370	1,117	201	588	236
Net gains/losses on financial items at fair value	541	1,141	2,229	483	634	-177	523	415

Other administrative expenses

SEK m	Q2 2009	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q3 2007
Property and premises	-276	-260	-290	-250	-254	-234	-289	-218
External IT costs	-337	-330	-348	-294	-329	-338	-381	-326
Communication	-99	-108	-105	-95	-102	-112	-111	-95
Travel and marketing	-99	-84	-124	-63	-99	-107	-150	-84
Purchased services	-216	-199	-212	-160	-221	-178	-208	-183
Supplies	-68	-59	-60	-51	-60	-64	-74	-54
Other expenses	-83	-82	-170	-98	-82	-188	-66	-42
Other administrative expenses	-1,178	-1,122	-1,309	-1,011	-1,147	-1,221	-1,279	-1,002

Loan losses

SEK m	Q2 2009	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q3 2007
Specific provision for individually valued loan receivables								
Provision for the period	-912	-911	-236	-217	-628	-181	-213	-56
Write-back of previous provisions	85	45	50	27	76	36	19	26
Total	-827	-866	-186	-190	-552	-145	-194	-30
Collective provisions								
Provision for the period for individually valued receivables	6	32	-77	-34	-73	-5	-5	23
Provision for the period for homogenous loan receivables	-22	-32	-29	-14	-13	-13	-28	1
Total	-16	0	-106	-48	-86	-18	-33	24
Provision for off-balance sheet items								
Allocations for guarantee commitments	2	-32	-24	-71	-	-	-	-
Write-back of previous provisions	-	-	-	-	-	-	-	-
Guarantees honoured	-	-	-	-	-	-	-43	-
Total	2	-32	-24	-71	-	-	-43	-
Write-offs								
Actual loan losses for the period	-172	-114	-646	-70	-131	-116	-80	-75
Utilised share of previous provisions	35	56	215	60	104	116	62	44
Recoveries	39	60	51	88	94	56	122	41
Total	-98	2	-380	78	67	56	104	10
Change in value of repossessed property								
Value change for the period	-	-	-	-	-	-	-	-
Net loan losses	-939	-896	-696	-231	-571	-107	-166	4

Bad debts

Bad debts include all receivables for which not all the contracted cash flows will probably be fulfilled. The full amount of all receivables which give rise to a specific provision is included in 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	30 Jun 2009	31 Mar 2009	31 Dec 2008	30 Sep 2008	30 Jun 2008	31 Mar 2008
Bad debts	8,711	7,479	5,367	4,801	4,098	3,219
Specific provision for individually assessed loan receivables	-3,684	-2,909	-2,102	-2,097	-1,915	-1,465
Provision for collectively assessed homogenous groups of loan receivables with limited value	-192	-172	-161	-136	-132	-126
Collective provisions for individually assessed loan receivables	-450	-461	-482	-405	-371	-298
Bad debts, net	4,385	3,937	2,622	2,163	1,680	1,330
Total bad debt reserve ratio	49.7%	47.4%	51.1%	55.0%	59.0%	58.7%
Proportion of bad debts, %	0.28%	0.24%	0.17%	0.14%	0.12%	0.09%
Bad debt reserve ratio excl. collective provisions	44.5%	41.2%	42.2%	46.5%	50.0%	49.4%
Loan loss ratio as a % of loans	0.23%	0.23%	0.20%	0.07%	0.16%	0.03%
Non-performing loans which are not bad debts	2,262	2,243	1,709	1,583	1,678	1,610
Book value of loan receivables restructured during the period, before restructuring	22	21	36	41	38	37
Book value of loan receivables restructured during the period, after restructuring	20	20	38	42	37	37
Bad debts which during the period have been reclassified as normal loans	53	36	127	30	23	22

Balance sheet

Balance sheet - Svenska Handelsbanken Group

SEK m	30 Jun 2009	31 Mar 2009	31 Dec 2008	30 Sep 2008	30 Jun 2008	31 Mar 2008
Assets						
Cash and balances with central banks	73,004	58,818	66,894	7,077	7,823	14,163
Treasury bills and other eligible bills	33,326	152,036	84,781	34,842	30,609	32,489
Loans to credit institutions	221,289	198,460	164,981	174,299	184,882	173,302
Loans to the public	1,498,730	1,518,505	1,481,475	1,428,618	1,368,844	1,316,246
Value change of interest hedged item in portfolio hedge	2,134	442	144	-	-	-
Bonds and other interest-bearing securities	81,442	90,343	81,497	98,366	108,161	120,509
Shares and participating interests	16,167	17,507	15,773	21,678	27,891	35,448
Assets where the customer bears the value change risk	38,311	31,644	31,552	34,087	38,704	37,889
Derivative instruments	130,133	161,841	192,239	110,804	75,279	80,530
Reinsurance assets	17	17	13	16	20	20
Intangible assets	7,433	7,147	7,057	6,435	6,368	6,301
Property and equipment	3,412	3,420	3,416	3,202	3,185	3,141
Current tax assets	899	1,416	1,100	46	788	560
Deferred tax assets	436	403	405	59	71	55
Net pension assets	4,817	4,736	4,646	4,944	4,807	4,620
Other assets	37,711	19,516	12,937	29,869	30,253	40,700
Prepaid expenses and accrued income	5,956	9,030	9,874	9,745	9,249	9,913
Total assets	2,155,217	2,275,281	2,158,784	1,964,087	1,896,934	1,875,886
Liabilities and equity						
Due to credit institutions	208,649	365,750	319,113	323,554	282,640	270,397
Deposits and borrowing from the public	566,266	566,054	543,760	508,152	494,305	496,845
Liabilities where the customer bears the value change	38,398	31,744	31,654	34,172	38,809	37,984
Issued securities	1,006,473	907,731	895,709	828,580	782,937	751,187
Derivative instruments	117,240	158,209	169,640	88,032	79,594	96,151
Other trading liabilities	24,275	20,666	17,580	20,000	47,805	50,112
Insurance liabilities	967	1,556	865	881	910	1,658
Current tax liabilities	194	307	115	176	303	394
Deferred tax liabilities	8,079	7,995	7,933	7,059	7,064	6,959
Provisions	380	453	379	265	282	284
Other liabilities	25,484	53,406	15,951	6,856	16,073	17,694
Accrued expenses and deferred income	18,794	20,706	19,688	20,405	24,259	19,962
Subordinated liabilities	62,856	62,770	61,434	54,603	52,443	50,644
Total liabilities	2,078,055	2,197,347	2,083,821	1,892,735	1,827,424	1,800,271
Minority interest	1	1	1	0	0	0
Share capital	2,899	2,899	2,899	2,899	2,899	2,890
Reserves	-1,077	-2,137	-2,346	-1,401	-344	-65
Retained earnings	70,045	74,406	62,278	62,278	62,189	70,502
Profit for the period	5,294	2,765	12,131	7,576	4,766	2,288
Total equity	77,162	77,934	74,963	71,352	69,510	75,615
Total liabilities and equity	2,155,217	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	30 Jun 2009	31 Mar 2009	31 Dec 2008	30 Sep 2008	30 Jun 2008	31 Mar 2008	31 Dec 2007
Private individuals	597,091	587,102	574,541	-	549,296	530,034	517,525
of which mortgage loans in Stadshypotek	448,462	440,989	433,881	-	383,332	372,125	362,857
of which other mortgage loans	82,359	82,462	76,939	-	101,700	93,489	91,135
of which other loans to private individuals	66,270	63,651	63,721	-	64,264	64,420	63,533
Housing co-operative associations	94,073	92,230	92,151	-	91,795	91,531	91,239
Property management, Note 1	360,341	351,782	342,834	-	331,059	312,293	304,065
Manufacturing	75,970	71,407	69,465	-	56,773	49,902	55,457
Retail	40,370	45,509	40,173	-	40,693	39,152	36,077
Hotels and restaurants	7,768	6,331	5,622	-	5,905	4,857	4,448
Shipping, passenger & goods transport by sea	17,522	15,814	13,385	-	-	-	-
Other Transport and communication	37,201	27,852	23,284	-	37,614	21,326	17,965
Construction	14,879	10,787	13,546	-	12,510	11,258	10,942
Electricity, gas, water	24,163	25,523	21,439	-	16,790	11,886	13,310
Agriculture, hunting and forestry	4,759	4,702	6,432	-	6,112	4,547	4,858
Other service industry	18,534	19,165	16,686	-	14,799	10,494	12,252
Holding companies, insurance companies, funds etc.	117,630	156,083	122,673	-	111,326	140,566	83,790
State & municipalities	13,133	9,922	16,638	-	17,062	16,706	10,948
Other corporate lending	75,746	94,757	123,088	-	77,481	71,992	130,405
Total loans to the public, before taking into account collective provisions	1,499,180	1,518,966	1,481,957	-	1,369,215	1,316,544	1,293,281
Collective provisions	-450	-461	-482	-	-371	-298	-293
Total loans to the public	1,498,730	1,518,505	1,481,475	-	1,368,844	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	30 Jun 2009	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	8,501	8,451	8,451	-	6,127	4,202	4,570
Municipal-owned property companies	18,119	17,815	18,596	-	19,313	20,091	20,505
Residential property companies	57,510	57,457	56,982	-	51,725	51,170	51,725
Other property companies	122,113	119,055	125,068	-	124,072	118,281	116,303
Total lending in Sweden	206,243	202,778	209,097	-	201,237	193,744	193,103
Lending outside Sweden							
Denmark	5,841	6,313	5,635	-	4,186	4,246	3,604
Finland	23,052	25,556	22,247	-	21,373	20,502	18,643
Norway	70,966	72,218	60,352	-	64,629	58,766	53,644
Great Britain	43,101	34,725	34,332	-	32,317	28,695	28,159
Other countries	11,138	10,192	11,171	-	7,317	6,340	6,912
Total lending outside Sweden	154,098	149,004	133,737	-	129,822	118,549	110,962
Total lending - Property management	360,341	351,782	342,834	-	331,059	312,293	304,065

Credit risk exposure

Svenska Handelsbanken Group	Q2 2009	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008
Loans to the public	1,498,730	1,518,505	1,481,475	1,428,618	1,368,844	1,316,246
of which reverse repos	3,835	14,238	4,781	4,367	16,549	24,028
Loans to credit institutions	221,289	198,460	164,981	174,299	184,882	173,302
of which reverse repos	62,763	78,099	48,870	73,934	100,794	94,242
Unutilised part of granted overdraft facilities	168,335	156,806	125,534	135,150	137,616	133,997
Credit commitments	216,776	215,801	246,281	262,992	252,932	230,655
Certificate programmes	27,631	30,062	25,469	29,634	25,367	24,092
Other commitments	1,086	1,316	249	99	86	86
Guarantees, credits	26,119	27,140	26,907	22,906	18,796	19,544
Guarantees, other	47,623	50,309	51,656	49,176	44,773	44,746
Documentary credits	53,490	58,962	56,647	65,401	55,134	51,835
Derivatives *	130,133	161,841	192,239	110,804	75,279	80,530
Treasury bills and other eligible bills	33,326	152,036	84,781	34,842	30,609	32,489
Bonds and other interest-bearing securities	81,442	90,343	81,497	98,366	108,161	120,509
Total	2,505,980	2,661,581	2,537,716	2,412,287	2,302,479	2,228,031

Credit risk exposure - by country

SEK m	30 Jun 2009	31 Mar 2009	31 Dec 2008	30 Sep 2008	30 Jun 2008	31 Mar 2008
Sweden	1,760,883	1,910,893	1,778,053	1,690,175	1,628,142	1,593,053
Great Britain	101,254	90,239	85,159	89,397	71,238	65,982
Denmark	72,285	71,696	76,933	60,280	61,834	52,522
Finland	135,555	128,880	140,484	123,827	117,733	118,342
Norway	198,713	186,163	180,711	192,123	187,152	172,380
Germany	36,384	34,509	35,480	36,548	30,997	25,020
The Netherlands	7,856	7,765	8,199	9,443	6,367	3,850
Poland	7,435	7,113	7,400	8,014	7,817	6,091
Other	185,615	224,323	225,297	202,480	191,199	190,791
Total	2,505,980	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	30 Jun 2009	31 Mar 2009	31 Dec 2008	30 Sep 2008	30 Jun 2008	31 Mar 2008	31 Dec 2007	30 Sep 2007
Branch office operations in Sweden	991	983	983	961	934	915	895	870
Branch office operations outside Sweden	492	505	479	451	414	371	361	333
in Great Britain	69	64	59	62	55	51	51	48
in Denmark	59	59	58	45	43	40	39	36
in Finland	98	103	102	91	85	78	76	70
in Norway	182	185	166	175	167	152	148	138
in Germany	21	21	20	16	17	14	13	13
in the Netherlands	7	7	7	7	4	3	3	1
in Poland	3	3	3	3	3	2	2	2
Other	16	31	19	17	21	30	37	38
Total	1,499	1,519	1,481	1,429	1,369	1,316	1,293	1,241

Loans to households - by country

SEK bn, end of period	30 Jun 2009	31 Mar 2009	31 Dec 2008	30 Sep 2008	30 Jun 2008	31 Mar 2008	31 Dec 2007	30 Sep 2007
Branch office operations in Sweden	492	478	514	509	501	485	475	462
Branch office operations outside Sweden	138	137	131	124	115	110	109	104
in Great Britain	13	11	10	11	10	9	9	8
in Denmark	27	27	27	21	20	19	18	17
in Finland	33	33	33	30	29	28	27	26
in Norway	60	60	55	58	54	52	52	50
in Germany	1	1	1	1	1	1	1	1
in the Netherlands	0	-	0	0	0	0	0	0
in Poland	1	1	1	1	1	0	0	0
Other	0	4	-36	-37	-37	-35	-35	-35
Total	630	618	608	596	579	560	549	531

Corporate lending - by country

SEK bn, end of period	30 Jun 2009	31 Mar 2009	31 Dec 2008	30 Sep 2008	30 Jun 2008	31 Mar 2008	31 Dec 2007	30 Sep 2007
Branch office operations in Sweden	499	505	469	452	433	430	420	408
Branch office operations outside Sweden	353	368	348	327	299	261	252	229
in Great Britain	56	53	49	51	46	43	43	39
in Denmark	32	32	31	24	23	21	21	19
in Finland	65	70	69	61	56	50	49	44
in Norway	122	125	111	117	112	100	96	88
in Germany	20	20	19	15	16	13	12	12
in the Netherlands	7	7	7	7	4	3	3	1
in Poland	2	2	2	2	2	2	1	1
Other	16	27	56	54	58	65	72	73
Total	868	900	873	833	790	756	744	709

Business volumes, Branch office operations in Sweden

Average volumes, SEK bn	Q2 2009	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q3 2007
Deposits and borrowing from the public								
Household	165	162	157	147	141	135	130	126
Corporate	148	152	146	136	137	138	126	126
Total	313	314	303	283	278	273	256	252
Loans to the public*								
Household	483	476	472	465	453	441	431	418
of which mortgage loans	426	418	413	406	396	386	375	364
Corporate	488	494	488	473	468	461	445	437
of which mortgage loans	162	156	150	146	144	143	143	142
Total	971	970	960	938	921	902	876	855

* excl. loans to the National Debt Office

Business volumes, Branch office operations outside Sweden

Average volumes, SEK bn	Q2 2009	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q3 2007
Deposits and borrowing from the public								
Household	46	46	41	38	37	34	33	32
Corporate	128	122	116	104	102	106	108	101
Total	174	168	157	142	139	140	141	133
Loans to the public								
Household	140	139	131	121	115	112	108	105
Corporate	373	381	358	326	295	275	252	235
Total	513	520	489	447	410	387	360	339

Business volumes, Great Britain

Average volumes, GBP m	Q2 2009	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q3 2007
Deposits and borrowing from the public								
Household	294	290	403	420	405	228	211	173
Corporate	862	862	858	854	1,058	1,181	1,308	1,057
Total	1,156	1,152	1,261	1,274	1,463	1,409	1,519	1,230
Loans to the public								
Household	990	944	896	848	759	697	645	619
Corporate	4,399	4,451	4,330	4,065	3,900	3,753	3,322	2,881
Total	5,389	5,395	5,226	4,913	4,659	4,450	3,967	3,500

Business volumes, Branch office operations in Denmark

Average volumes, DKK bn	30 Jun 2009	31 Mar 2009	31 Dec 2008	30 Sep 2008	30 Jun 2008	31 Mar 2008	31 Dec 2007	30 Sep 2007
Deposits and borrowing from the public								
Household	8.3	8.1	6.8	5.2	5.1	4.9	4.7	4.7
Corporate	13.0	13.0	14.0	15.8	16.0	16.6	19.8	16.9
Total	21.3	21.1	20.8	21.0	21.1	21.5	24.5	21.6
Loans to the public								
Household	18.4	18.3	17.4	15.7	15.0	14.4	13.5	13.2
Corporate	21.4	21.7	20.9	19.1	18.6	16.8	16.4	16.5
Total	39.8	40.0	38.3	34.8	33.6	31.2	29.9	29.7

Business volumes, Branch office operations in Finland

Average volumes, EUR m	Q2 2009	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q3 2007
Deposits and borrowing from the public								
Household	1,436	1,391	1,316	1,211	1,176	1,146	1,122	1,078
Corporate	1,837	1,619	1,249	1,028	1,019	1,043	1,032	1,015
Total	3,273	3,010	2,565	2,239	2,195	2,189	2,154	2,093
Loans to the public								
Household	3,037	3,025	3,063	3,055	2,972	2,911	2,851	2,759
Corporate	7,426	7,437	7,455	7,151	6,647	6,174	5,873	5,643
Total	10,463	10,462	10,518	10,206	9,619	9,085	8,724	8,402

Business volumes, Branch office operations in Norway

Average volumes, NOK bn	Q2 2009	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q3 2007
Deposits and borrowing from the public								
Household	8.6	7.9	7.8	8.9	8.5	8.4	8.4	8.3
Corporate	35.8	32.5	32.5	33.6	35.3	37.2	34.7	33.2
Total	44.4	40.4	40.3	42.5	43.8	45.6	43.1	41.5
Loans to the public								
Household	49.4	48.3	49.4	46.7	45.2	44.1	42.8	40.8
Corporate	106.2	105.0	104.2	102.4	94.7	88.7	80.4	75.0
Total	155.6	153.3	153.6	149.1	139.9	132.8	123.2	115.8

Business volumes, Handelsbanken International

Average volumes, SEK bn	Q2 2009	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q3 2007
Deposits and borrowing from the public								
Household	4.7	5.2	4.6	4.5	4.3	4.4	4.3	4.2
Corporate	34.9	34.8	35.9	24.2	19.2	16.7	15.5	16.7
Total	39.6	40.0	40.5	28.7	23.5	21.1	19.8	20.9
Loans to the public								
Household	4.2	4.7	4.4	3.6	3.0	2.9	2.8	2.7
Corporate	82.6	89.4	84.6	68.4	55.4	48.1	41.0	37.9
Total	86.8	94.1	89.0	72.0	58.4	51.0	43.8	40.6

Business volumes – Savings and deposits

Savings with Handelsbanken - Volumes

SEK bn, end of period	30 Jun 2009	31 Mar 2009	31 Dec 2008	30 Sep 2008	30 Jun 2008	31 Mar 2008	31 Dec 2007	30 Sep 2007
Household deposits	172	165	164	154	148	138	137	133
Traditional insurance	26	26	27	26	27	27	28	28
Unit-linked and custody insurance	34	28	27	29	32	32	35	36
Mutual funds, incl. PPM	94	82	82	95	107	118	138	146
Capital-protected investments etc	31	30	28	27	29	27	26	25
Sub-Total	357	331	328	331	343	342	364	368
Directly owned shares in custody	114	73	90	105	127	146	159	168
Total private savings in Sweden	471	404	418	436	470	488	523	536
Other securities in custody	19	21	35	27	27	27	26	25
Other Asset Management	82	74	76	79	86	88	97	106
Total	572	499	529	542	583	603	646	667

Deposits from the public -by country

SEK bn, end of period	30 Jun 2009	31 Mar 2009	31 Dec 2008	30 Sep 2008	30 Jun 2008	31 Mar 2008	31 Dec 2007	30 Sep 2007
Branch office operations in Sweden	320	313	320	293	283	275	275	255
Branch office operations outside Sweden	176	181	158	148	133	136	143	133
in Great Britain	16	13	14	16	15	18	19	16
in Denmark	29	30	28	24	24	25	28	27
in Finland	40	35	31	22	21	21	21	19
in Norway	52	52	43	49	51	51	55	48
Handelsbanken International	40	51	41	38	21	23	20	23
Other	71	72	66	67	78	86	95	105
Total	566	566	544	508	494	497	513	494

Deposits from households -by country

SEK bn, end of period	30 Jun 2009	31 Mar 2009	31 Dec 2008	30 Sep 2008	30 Jun 2008	31 Mar 2008	31 Dec 2007	30 Sep 2007
Branch office operations in Sweden	172	165	164	154	148	138	137	133
Branch office operations outside Sweden	48	46	44	39	38	34	34	33
in Great Britain	4	3	4	5	5	3	3	3
in Denmark	13	12	12	7	7	6	6	6
in Finland	15	15	15	12	12	11	11	10
in Norway	11	10	9	10	11	10	10	10
Handelsbanken International	5	6	5	5	4	4	5	5
Other	14	14	15	14	15	15	15	11
Total	233	225	223	207	201	187	187	178

Deposits from corporates -by country

SEK bn, end of period	30 Jun 2009	31 Mar 2009	31 Dec 2008	30 Sep 2008	30 Jun 2008	31 Mar 2008	31 Dec 2007	30 Sep 2007
Branch office operations in Sweden	148	148	156	139	135	137	138	122
Branch office operations outside Sweden	128	135	113	110	95	102	109	100
in Great Britain	12	10	10	11	10	15	17	14
in Denmark	16	17	17	17	17	18	21	21
in Finland	24	19	16	10	9	10	11	9
in Norway	42	43	35	39	41	41	45	38
Handelsbanken International	35	46	36	33	17	18	15	18
Other	57	58	52	53	64	71	80	2
Total	333	341	321	301	293	310	326	223

Capital base and capital requirement

Capital base

SEK m	30 Jun 2009	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	75,084	72,468	70,488	67,060	66,567	65,610
Tier 1 capital contribution		14,833		9,224		6,735
Tier 1 capital contribution	15,273	15,146	11,579	9,224	8,850	6,735
Minority interests	1	1	1	0	0	0
Deducted items						
Goodwill and other intangible assets	-7,365	-7,080	-6,990	-6,367	-6,300	-6,234
Revaluation reserve	-133	-135	-137	-139	-141	-143
Deferred tax assets	-436	-403	-405	-59	-71	-55
Special deduction for IRB institutions	-910	-1,168	-903	-596	-627	-688
Capital contribution in insurance companies	-233	-233	-233	-8	-8	-8
Positions in securitisation	-139	-148.0	-140.0			
Adjustments in accordance with stability filter						
Cash flow hedges	325	433	252	-141	-183	-61
Unrealised accumulated gains/losses, shares	-	-	-	-	-64	-622
Unrealised accumulated gains/losses, fixed income instruments	1,695	2,505	2,342	1,806	877	935
Total tier 1 capital		79,290		69,320		64,557
Total tier 1 capital	83,162	81,386	75,854	70,780	68,900	65,469
Tier 2 capital						
Perpetual subordinated loans	20,412	19,542	22,916	22,855	22,032	21,724
Dated subordinated loans	25,833	26,367	25,912	23,075	22,718	22,476
Additional items						
Unrealised accumulated gains/losses, shares	-	-	-	-	64	622
Revaluation reserve	133	135	137	139	141	143
Deducted items						
Special deduction for IRB institutions	-910	-1,168	-903	-596	-627	-688
Capital contribution in insurance companies	-233	-233	-233	-8	-8	-8
Positions in securitisation	-139	-148	-140			
Total tier 2 capital		44,810		45,465		44,269
Total tier 2 capital	45,096	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	128,258	125,881	123,543	116,245	113,220	109,738
Deductible items from total capital base						
Capital contribution in insurance companies	-4,717	-6,317	-6,317	-6,317	-6,317	-6,317
Surplus value pension assets		-2,380		-2,050		-2,405
Surplus value pension assets	-1,850	-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	121,691	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

	30 Jun 2009	31 Mar 2009	31 Dec 2008	30 Sep 2008	30 Jun 2008	31 Mar 2008
Svenska Handelsbanken Group						
Credit risk according to standardised approach	5,857	8,156	7,884	19,458	16,879	14,772
Credit risk according to IRB approach	42,189	43,371	44,864	30,751	29,944	29,280
Interest rate risk	1,348	1,235	1,690	2,995	1,806	2,420
Equity price risk	29	24	20	33	57	73
Exchange rate risk	0	0	0	189	174	142
Commodities risk	23	19	12	43	34	20
Settlement risk	0	0	0	1	0	0
Operational risk	3,484	3,484	3,292	3,257	3,257	3,257
Total capital requirement according to Basel II	52,930	56,289	57,762	56,727	52,151	49,964
Adjustment according to transitional rules	23,602	22,036	29,332	27,509	25,953	27,497
Capital requirement according to Basel II, transitional rules	76,532	78,325	87,094	84,236	78,104	77,461
Risk-weighted assets, Basel I	1,224,234	1,260,327	1,234,713	1,186,511	1,102,189	1,094,960
Risk-weighted assets, Basel II	661,630	703,612	722,002	709,091	651,874	624,555
Capital requirement according to Basel I (8% of risk-weighted assets)	97,939	100,826	98,777	94,921	88,175	87,597
Lowest permitted capital requirement according to transitional rules	76,532	78,325	87,094	84,236	78,104	77,461

Capital adequacy analysis *

	30 Jun 2009	31 Mar 2009	31 Dec 2008	30 Sep 2008	30 Jun 2008	31 Mar 2008
Capital requirement in Basel II compared to Basel I	54%	56%	58%	60%	59%	57%
Capital requirement in Basel II compared to transitional rules	69%	72%	66%	67%	67%	65%
Capital ratio according to Basel II	18.4%	16.7%	16.0%	15.2%	16.1%	16.2%
Capital ratio according to Basel I	10.1%	9.5%	9.5%	9.2%	9.6%	9.4%
Capital ratio according to transitional rules	12.7%	12.0%	10.6%	10.3%	10.7%	10.5%
Tier 1 ratio according to Basel II	12.6%	11.6%	10.5%	10.0%	10.6%	10.5%
Tier 1 ratio according to Basel I	6.9%	6.6%	6.2%	6.0%	6.3%	6.0%
Tier 1 ratio according to transitional rules	8.7%	8.3%	7.0%	6.7%	7.1%	6.8%
Capital base in relation to capital requirement Basel II	230%	209%	200%	190%	201%	203%
Capital base in relation to capital requirement Basel I	126%	119%	119%	115%	120%	117%
Capital base in relation to capital requirement according to transitional rules	159%	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)

	30 Jun 2009	31 Mar 2009	31 Dec 2008	30 Sep 2008	30 Jun 2008	31 Mar 2008
Return on equity, total operations, after actual tax						
Corporates	976,292	1,012,374	961,710	747,747	733,670	733,202
of which repos	11,701	35,495	4,209	17,146	26,712	41,100
of which other lending	964,591	976,879	957,501	730,601	706,958	692,102
Households	587,866	577,032	565,725	558,929	550,610	531,570
Small companies	30,222	30,905	32,677	32,942	33,389	33,217
Institutions	161,400	165,313	147,002	88,584	106,798	103,325
of which repos	66,074	77,248	46,524	32,252	48,874	56,142
of which other lending	95,326	88,065	100,478	56,332	57,924	47,183
Other	14,560	15,089	15,649	5,422	5,843	6,593
Total IRB	1,770,340	1,800,713	1,722,763	1,433,624	1,430,310	1,407,907

Average risk weight, %

	30 Jun 2009	31 Mar 2009	31 Dec 2008	30 Sep 2008	30 Jun 2008	31 Mar 2008
Return on equity, total operations, after actual tax						
Corporates	43.7	43.9	49.1	40.7	40.0	39.9
of which repos	0.3	0.4	0.3	0.2	0.1	0.2
of which other lending	44.2	45.4	49.3	0.0	0.0	0.0
Households	9.7	9.5	8.8	8.6	8.9	8.2
Small companies	44.4	44.2	43.8	44.1	43.5	40.8
Institutions	14.5	14.0	11.6	13.4	10.5	9.1
of which repos	0.3	0.5	0.2	0.2	0.2	0.1
of which other lending	24.3	25.8	16.9	21.0	19.2	19.8
Other	49.3	45.3	46.2	102.4	100.2	100.2
Total IRB	29.8	30.1	32.6	26.8	26.2	26.0

Capital requirement

	30 Jun 2009	31 Mar 2009	31 Dec 2008	30 Sep 2008	30 Jun 2008	31 Mar 2008
Return on equity, total operations, after actual tax						
Corporates	34,122	35,511	37,797	24,368	23,484	23,425
of which repos	3	12	1	3	2.1	4.9
of which other lending	34,119	35,499	37,796	24,368	23,483	23,420
Households	4,550	4,375	3,980	3,826	3,932	3,490
Small companies	1,074	1,093	1,145	1,162	1,162	1,084
Institutions	1,869	1,845	1,364	951	898.0	752.2
of which repos	13	30	6	5	7.4	5.8
of which other lending	1,856	1,815	1,358	946	890.6	745.6
Other	574	547	578	444	468	528
Total IRB	42,189	43,371	44,864	30,751	29,944	29,279

Segment information

Operating profit per segment

SEK m	Q2 2009	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q3 2007
Branch office operations in Sweden	2,062	2,196	2,635	2,466	2,439	2,404	2,314	2,496
Branch office operations outside Sweden	855	623	525	704	599	585	497	636
Handelsbanken Capital Markets	609	1,276	1,136	685	75	-526	66	53
Handelsbanken Asset Management	-29	-64	330	68	122	47	207	294
Other operations	-178	-299	535	-187	88	183	17	53
Eliminations	126	74	55	22	110	226	-	-
Operating profit, Group	3,445	3,806	5,216	3,758	3,433	2,919	3,101	3,532

Branch office operations in Sweden

SEK m	Q2 2009	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q3 2007
Net interest income	3,459	3,453	3,781	3,380	3,205	3,062	2,905	2,854
Net fee and commission income	818	785	774	811	847	843	927	923
Net gains/losses on financial items at fair value	214	131	72	-96	387	96	182	128
Other income	8	21	16	7	9	18	49	37
Total income	4,499	4,390	4,643	4,102	4,448	4,019	4,063	3,942
Staff costs	-774	-755	-749	-746	-765	-765	-712	-695
Other administrative expenses	-268	-246	-297	-242	-276	-264	-943	-750
Internal purchased and sold services	-614	-601	-554	-554	-575	-566	-	-
Depreciation and amortisation	-20	-20	-21	-24	-18	-18	-26	-23
Total expenses	-1,676	-1,622	-1,621	-1,566	-1,634	-1,613	-1,681	-1,468
Profit before loan losses	2,823	2,768	3,022	2,536	2,814	2,406	2,382	2,474
Net loan losses	-761	-572	-387	-70	-375	-2	-67	22
Gains/losses on disposal of property, equipment and intangible assets	0	0	0	0	0	0	-1	-
Operating profit	2,062	2,196	2,635	2,466	2,439	2,404	2,314	2,496
Profit allocation	142	116	236	119	85	119	-	-
Operating profit after profit allocation	2,204	2,312	2,871	2,585	2,524	2,523	2,314	2,496
Internal income	-901	-1,552	-2,123	-	-1,906	-1,770	-	-
Cost/income ratio, %	37.3	36.9	34.9	38.2	36.7	40.1	41.4	37.2
Cost/income ratio after profit allocation, %	36.1	36.0	33.2	37.1	36.0	39.0	41.4	37.2
Loan loss ratio, %	0.31	0.23	0.17	0.03				
Assets	1,159,433	1,107,198	1,078,933	-	1,015,130	949,705	-	-
Liabilities	1,121,765	1,068,909	1,043,061	-	977,285	908,889	-	-
Allocated capital	37,668	38,289	35,872	36,968	37,845	40,816	32,486	30,899
Return on allocated capital, %	17.3	17.8	23.0	20.1	19.2	17.8	20.5	22.9
Average number of employees	4,441	4,536	4,624	4,856	4,627	4,631	4,595	4,841
Number of branches	461	461	461	461	461	461	461	459

Segmented operating profit in Branch office operations outside Sweden

SEK m	Q2 2009	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q3 2007
Great Britain	36	7	-87	34	-39	31	-25	50
Denmark	159	40	13	66	154	80	63	102
Finland	91	105	92	139	138	129	102	153
Norway	460	312	390	424	380	371	360	296
Handelsbanken International	101	159	116	43	-33	-33	33	77
Eliminations & other	8	0	1	-2	-1	7	-36	-42
Operating profit	855	623	525	704	599	585	497	636

Branch office operations outside Sweden

SEK m	Q2 2009	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q3 2007
Net interest income	1,844	1,694	1,666	1,512	1,284	1,238	1,128	1,102
Net fee and commission income	388	359	345	319	322	322	324	288
Net gains/losses on financial items at fair value	36	95	65	25	141	64	73	84
Other income	10	2	5	5	8	-	39	50
Total income	2,278	2,150	2,081	1,861	1,755	1,624	1,564	1,524
Staff costs	-702	-710	-648	-575	-558	-544	-462	-491
Other administrative expenses	-303	-282	-357	-239	-236	-233	-495	-368
Internal purchased and sold services	-218	-190	-216	-164	-150	-145	-	-
Depreciation and amortisation	-22	-21	-26	-17	-16	-12	-12	-11
Total expenses	-1,245	-1,203	-1,247	-995	-960	-934	-969	-870
Profit before loan losses	1,033	947	834	866	795	690	595	654
Net loan losses	-178	-324	-309	-161	-196	-105	-99	-18
Gains/losses on disposal of property, equipment and intangible assets	0	0	0	-1	0	0	1	0
Operating profit	855	623	525	704	599	585	497	636
Profit allocation	61	44	113	38	37	36	-	-
Operating profit after profit allocation	916	667	638	742	636	621	497	636
Internal income	-1,346	-1,844	-2,608	-	-2,638	-2,099	-	-
Cost/income ratio, %	54.7	56.0	59.9	53.5	54.7	57.5	62.0	57.1
Cost/income ratio after profit allocation, %	53.2	54.8	56.8	52.4	53.6	56.3	62.0	57.1
Loan loss ratio, %	0.13	0.24	0.33	-	0.21	0.11	-	-
Assets	897,199	916,155	846,548	-	489,087	467,201	-	-
Liabilities	869,013	889,805	823,428	-	470,178	448,481	-	-
Allocated capital	28,186	26,350	23,120	-	18,909	18,720	-	-
Return on allocated capital, %	9.6	7.5	7.9	10.5	9.7	9.6	9.7	12.5
Average number of employees	3,003	3,023	3,024	2,778	2,708	2,616	2,516	2,461
Number of branches	245	245	241	219	214	204	199	177

Branch office operations in Great Britain

SEK m	Q2 2009	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q3 2007
Net interest income	208	167	123	160	146	157	148	163
Net fee and commission income	23	20	21	22	20	23	26	25
Net gains/losses on financial items at fair value	8	10	-3	10	12	2	7	3
Other income	3	0	3	2	-1	0	9	5
Total income	242	197	144	194	177	182	190	196
Staff costs	-122	-117	-119	-111	-108	-106	-103	-94
Other administrative expenses	-34	-30	-37	-32	-30	-26	-64	-46
Internal purchased and sold services	-26	-23	-15	-14	-18	-16	-	-
Depreciation and amortisation	-4	-3	-3	-4	-2	-3	-3	-3
Total expenses	-186	-173	-174	-161	-158	-151	-170	-143
Profit before loan losses	56	24	-30	33	19	31	20	53
Net loan losses	-20	-17	-57	1	-58	0	-45	-3
Operating profit	36	7	-87	34	-39	31	-25	50
Profit allocation	6	13	22	10	2	1	-	-
Operating profit after profit allocation	42	20	-65	44	-37	32	-25	50
Cost/income ratio, %	77	88	121	83	89	83	89	73
Average number of employees	503	491	482	-	453	426	-	-
Number of branches	62	60	56	53	49	46	42	34

Branch office operations in Denmark

SEK m	Q2 2009	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q3 2007
Net interest income	387	291	261	214	199	196	190	194
Net fee and commission income	73	73	63	40	52	47	54	51
Net gains/losses on financial items at fair value	19	26	-22	-19	56	4	10	2
Other income	1	-1	0	-2	3	-2	2	2
Total income	480	389	302	233	310	245	256	249
Staff costs	-152	-154	-136	-99	-93	-93	-93	-87
Other administrative expenses	-75	-70	-73	-33	-30	-35	-78	-58
Internal purchased and sold services	-40	-43	-46	-35	-30	-35	-	-
Depreciation and amortisation	-5	-5	-3	-1	-2	-2	-1	-2
Total expenses	-272	-272	-258	-168	-155	-165	-172	-147
Profit before loan losses	208	117	44	65	155	80	84	102
Net loan losses	-49	-77	-31	1	-1	0	-21	-
Operating profit	159	40	13	66	154	80	63	102
Profit allocation	10	0	2	0	0	1	-	-
Operating profit after profit allocation	169	40	15	66	154	81	63	102
Cost/income ratio, %	57	70	85	72	50	67	67	59
Average number of employees	679	693	703	-	493	487	-	-
Number of branches	54	54	54	40	40	39	39	38

Branch office operations in Finland

SEK m	Q2 2009	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q3 2007
Net interest income	257	256	321	274	240	223	225	229
Net fee and commission income	69	74	54	65	69	71	73	66
Net gains/losses on financial items at fair value	3	5	5	21	18	17	17	25
Other income	3	-1	-2	0	-1	0	4	5
Total income	332	334	378	360	326	311	319	325
Staff costs	-101	-101	-105	-84	-84	-81	-88	-78
Other administrative expenses	-56	-56	-53	-50	-56	-57	-112	-84
Internal purchased and sold services	-41	-40	-42	-37	-34	-38	-	-
Depreciation and amortisation	-5	-5	-6	-4	-5	-1	-2	-1
Total expenses	-203	-202	-206	-175	-179	-177	-202	-163
Profit before loan losses	129	132	172	185	147	134	117	162
Net loan losses	-38	-27	-80	-46	-9	-5	-15	-9
Operating profit	91	105	92	139	138	129	102	153
Profit allocation	13	4	14	9	8	3	-	-
Operating profit after profit allocation	104	109	106	148	146	132	102	153
Cost/income ratio, %	61	60	54	49	55	57	63	50
Average number of employees	505	507	513	-	504	497	-	-
Number of branches	45	45	45	44	44	44	44	44

Branch office operations in Norway

SEK m	Q2 2009	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q3 2007
Net interest income	679	645	623	569	508	497	444	411
Net fee and commission income	79	65	78	81	85	85	75	64
Net gains/losses on financial items at fair value	24	24	22	27	24	22	19	39
Other income	-2	1	0	3	4	0	4	3
Total income	780	735	723	680	621	604	542	517
Staff costs	-146	-151	-119	-137	-129	-127	-53	-127
Other administrative expenses	-74	-63	-74	-61	-60	-62	-117	-95
Internal purchased and sold services	-56	-38	-47	-43	-38	-33	-	-
Depreciation and amortisation	-4	-4	-4	-4	-4	-4	-4	-4
Total expenses	-280	-256	-244	-245	-231	-226	-174	-226
Profit before loan losses	500	479	479	435	390	378	368	291
Net loan losses	-40	-167	-89	-11	-10	-7	-8	5
Operating profit	460	312	390	424	380	371	360	296
Profit allocation	18	24	54	13	24	21	-	-
Operating profit after profit allocation	478	336	444	437	404	392	360	296
Cost/income ratio, %	36	35	34	36	37	37	32	44
Average number of employees	629	626	623	-	602	586	-	-
Number of branches	48	48	48	46	46	46	46	42

Handelsbanken International

SEK m	Q2 2009	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q3 2007
Net interest income	313	335	338	295	191	165	148	129
Net fee and commission income	144	127	129	111	96	96	93	86
Net gains/losses on financial items at fair value	-18	30	63	-14	31	19	20	16
Other income	5	3	4	2	3	2	41	42
Total income	444	495	534	394	321	282	302	273
Staff costs	-181	-187	-169	-144	-144	-137	-126	-105
Other administrative expenses	-64	-63	-120	-63	-60	-53	-141	-90
Internal purchased and sold services	-55	-46	-66	-35	-30	-23	-	-
Depreciation and amortisation	-4	-4	-10	-4	-3	-2	-2	-3
Total expenses	-304	-300	-365	-246	-237	-215	-269	-198
Profit before loan losses	140	195	169	148	84	67	33	75
Net loan losses	-39	-36	-53	-105	-117	-100	0	2
Operating profit	101	159	116	43	-33	-33	33	77
Profit distribution	14	3	21	6	3	10	-	-
Operating profit after profit allocation	115	162	137	49	-30	-23	33	77
Average number of employees	686	706	702	-	656	620	-	-
Number of branches	36	38	38	36	35	28	27	19
Cost/income ratio, %	68	61	68	62	74	76	89	73

Handelsbanken Capital Markets

SEK m	Q2 2009	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q3 2007
Net interest income	103	145	137	138	147	162	109	147
Net fee and commission income	380	342	291	227	258	252	375	402
Net gains/losses on financial items at fair value	777	1,337	1,304	830	137	-343	245	-23
Risk result - insurance	-	-	-	-	-	-	-	-
Other income	-1	9	14	4	5	1	309	227
Total income	1,259	1,833	1,746	1,199	547	72	1,038	753
Staff costs	-521	-422	-454	-418	-353	-429	-532	-340
Other administrative expenses	-142	-129	-143	-124	-147	-167	-438	-357
Internal purchased and sold services	20	2	10	33	31	1	-	-
Depreciation and amortisation	-7	-8	-23	-5	-3	-3	-2	-3
Total expenses	-650	-557	-610	-514	-472	-598	-972	-700
Profit before loan losses	609	1,276	1,136	685	75	-526	66	53
Net loan losses	-	-	-	-	-	-	-	-
Operating profit	609	1,276	1,136	685	75	-526	66	53
Profit allocation	-174	-102	-293	-79	-83	-95	-	-
Operating profit after profit allocation	435	1,174	843	606	-8	-621	66	53
Internal income	66	1,313	815	-	2,608	1,989	-	-
Cost/income ratio, %	51.6	30.4	34.9	42.9	86.3	-	93.6	93.0
Cost/income ratio after profit allocation, %	59.9	32.2	42.0	45.9	101.7	-	93.6	93.0
Assets	309,435	694,053	630,197	-	597,889	623,053	-	-
Liabilities	306,291	690,266	625,423	-	593,431	618,024	-	-
Allocated capital	3,144	3,787	4,774	3,577	4,458	5,029	4,826	5,692
Return on allocated capital, %	41.0	91.3	50.9	48.8	-	-	4.0	2.7
Average number of employees	1,026	1,052	1,050	1,074	1,083	1,066	1,047	1,024

Handelsbanken Asset Management

SEK m	Q2 2009	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q3 2007
Net interest income	38	43	84	98	110	87	82	67
Net fee and commission income	257	249	246	252	292	297	361	352
Net gains/losses on financial items at fair value	-138	-175	177	-130	-116	-47	29	14
Risk result - insurance	36	57	50	55	71	39	10	34
Other income	5	1	1	11	7	9	57	121
Total income	198	175	558	286	364	385	539	588
Staff costs	-124	-124	-117	-127	-121	-109	-119	-90
Other administrative expenses	-62	-58	-65	-51	-68	-167	-211	-202
Internal purchased and sold services	-35	-50	-42	-35	-50	-59	-	-
Depreciation and amortisation	-6	-7	-4	-5	-3	-3	-2	-2
Total expenses	-227	-239	-228	-218	-242	-338	-332	-294
Profit before loan losses	-29	-64	330	68	122	47	207	294
Net loan losses	-	-	-	-	-	-	-	-
Gains/losses on disposal of property, equipment and intangible assets	0	-	-	-	-	-	-	-
Operating profit	-29	-64	330	68	122	47	207	294
Profit allocation	-29	-58	-57	-78	-39	-60	-	-
Operating profit after profit allocation	-58	-122	273	-10	83	-13	207	294
Internal income	-151	-143	-172	-	-232	-192	-	-
Cost/income ratio, %	114.6	136.6	40.9	76.2	66.5	87.8	61.6	50.0
Cost/income ratio after profit allocation, %	134.3	204.3	45.5	104.8	74.5	104.0	61.6	50.0
Assets	78,667	70,304	70,711	-	80,723	64,590	-	-
Liabilities	73,949	65,367	66,908	-	77,082	60,436	-	-
Allocated capital	4,718	4,937	3,803	3,243	3,641	4,154	4,798	4,274
Return on allocated capital, %	-	-	20.7	-	6.6	-	12.4	19.8
Average number of employees	532	542	546	563	557	534	494	517
Assets under management	189	171	167	180	199	209	236	249

Asset Management excl Handelsbanken Liv

SEK m	Q2 2009	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q3 2007
Net interest income	12	10	24	20	42	41	41	32
Net fee and commission income	171	163	162	168	187	197	266	244
Net gains/losses on financial items at fair value	1	0	1	-1	-3	-2	8	4
Other income	4	0	1	7	0	7	28	30
Total income	188	173	188	194	226	243	343	310
Staff costs	-87	-87	-87	-94	-87	-74	-90	-72
Other administrative expenses	-33	-24	-34	-28	-28	-129	-110	-78
Internal purchased and sold services	-20	-29	-32	-27	-34	-	-	-
Depreciation and amortisation	-1	-1	-1	-1	0	-1	-1	0
Total expenses	-141	-141	-154	-150	-149	-245	-201	-150
Profit before loan losses	47	32	34	44	77	-2	142	160
Net loan losses	-	-	-	-	-	-	-	-
Operating profit	47	32	34	44	77	-2	142	160
Profit allocation	-21	-42	-14	-63	-32	-54	0	0
Operating profit after profit allocation	26	-10	20	-19	45	-56	142	160
Cost/income ratio, %	75	82	82	77	66	101	59	48
Average number of employees	327	337	349		362	353		

Handelsbanken Liv

SEK m	Q2 2009	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q3 2007
Administration result	-5	-12	8	18	20	7	-8	67
Risk result	36	57	50	55	71	39	10	36
Financial result	-147	-152	166	-50	-88	-30	-26	11
<i>of which deferred capital contribution</i>	-134	-143	139	-	-94	-36	-	-
Other	40	11	72	2	42	33	82	1
Operating profit	-76	-96	296	25	45	49	58	115
Total return from beginning of year, %	-3.45	-2.56	-1.22	-5.56	-5.27	-3.37	1.18	2.49
AUM, SEK bn, end of period	60	54	54	56	59	59	63	64
of which unit-linked and custody	34	28	27	29	32	32	35	38
Solvency ratio, end of period	2.4	2.3	1.3	1.9	2.2	1.6	1.7	1.6
Asset allocation end of period, %								
Listed shares	14	8	10	13	20	27	36	42
Fixed income securities	76	82	77	75	69	62	55	51
Properties	6	6	6	6	6	6	5	5
Alternative investments	4	4	7	6	5	5	4	2
Total	100	100	100	100	100	100	100	100

Other operations

SEK m	Q2 2009	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q3 2007
Net interest income	205	68	-185	-263	-244	-143	-210	-201
Net fee and commission income	13	4	38	47	-13	25	-31	-20
Net gains/losses on financial items at fair value	-364	-247	725	10	96	7	-6	212
Share of profits associated companies	1	3	5	21	27	26	-	-
Other income	130	20	27	27	369	1	981	788
Total income	-15	-152	610	-158	235	-84	734	779
Staff costs	-535	-518	-386	-337	-410	-323	-	-188
Other administrative expenses	-415	-407	-446	-356	-421	-391	-717	-482
Internal purchased and sold services	847	839	802	720	744			
Depreciation and amortisation	-60	-61	-45	-55	-60	-60	-	-56
Total expenses	-163	-147	-75	-28	-147	-5	-717	-726
Profit before loan losses	-178	-299	535	-186	88	-89	17	53
Net loan losses	-	-	-	-	-	-	-	-
Gains/losses on disposal of property, equipment and intangible assets	-	0	0	-1	0	272	-	-
Operating profit	-178	-299	535	-187	88	183	17	53
Profit allocation	0	0	1	-	0	0	-	-
Operating profit after profit allocation	-178	-299	536	-187	88	183	17	53
Internal income	2,091	2,322	2,663	-	2,308	2,051	-	-
Average number of employees	1,798	1,779	1,727	1,748	1,751	1,767	1,734	1,691

Eliminations

SEK m	Q2 2009	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q3 2007
Net interest income	-11	-10	-9	-9	-8	-7	-4	-2
Net fee and commission income	-	0	-	-	-	-	-	-
Net gains/losses on financial items at fair value	16	0	-114	-156	-11	46	-	-
Risk result - insurance	-	-	-	-	-	-	-	-
Other income	-4	-	-3	-1	-131	-	-1,318	-1,157
Total income	1	-10	-126	-166	-150	39	-1,322	-1,159
Staff costs	117	87	184	188	261	187	4	2
Other administrative expenses	12	-	-1	1	1	1	1,318	1,157
Depreciation, amortisation and impairments of property, equipment and intangible assets	-4	-3	-2	-1	-2	-1	-	-
Total expenses	125	84	181	188	260	187	1,322	1,159
Profit before loan losses	126	74	55	22	110	226	-	-
Net loan losses	-	-	-	-	-	-	-	-
Gains/losses on disposal of property, equipment and intangible assets	-	-	-	-	-	-	-	-
Operating profit	126	74	55	22	110	226	0	0

Funding

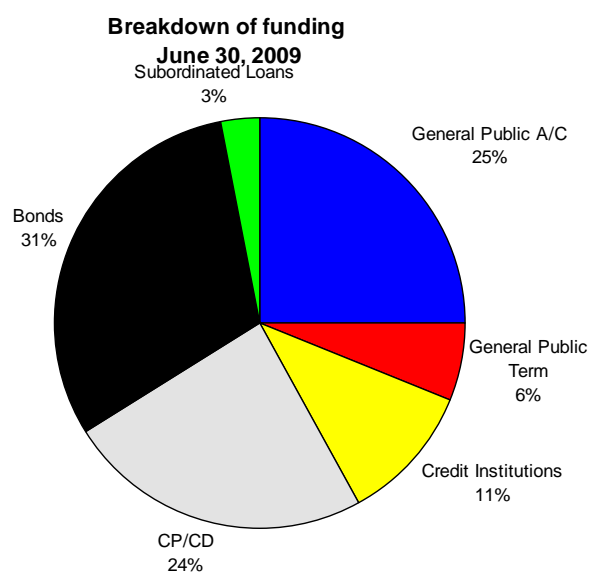
Handelsbanken is a regular issuer in both the domestic and international markets of short- as well as long-term debt. The objective is to have a well diversified funding structure in terms of currency, market and product. The Central Treasury Department has overall responsibility for the Group's liquidity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

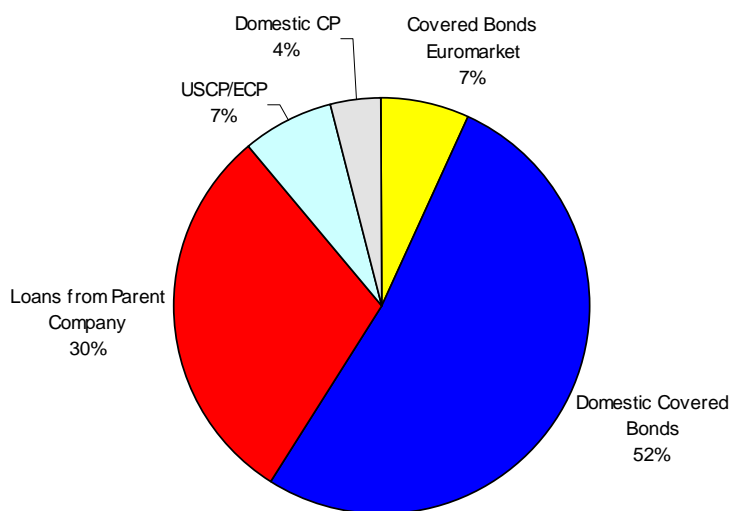


Selection of international issues during last 12 months

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
May 2009	GBP 550m 7y FXD +200bps
June 2009	NOK 1.5bn 5y FRN +140bps
June 2009	USD 1.25 bn 5Y FXD +203bps

Mortgage lending accounts for around 40% the bank’s lending to the public. Of this, 97% constitutes 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 653bn)
June 30, 2009**



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

	30 Jun 2009	31 Mar 2009	31 Dec 2008	30 Sep 2008	30 Jun 2008	31 Mar 2008	31 Dec 2007	30 Sep 2007
Share price ordinary class A, SEK	145.75	116.50	126.00	152.00	143.50	173.00	207.00	200.00
Market capitalisation, SEK bn	91	73	79	95	89	108	129	125
Number of repurchased shares, million	-	-	-	-	-	4.8	4.8	4.8
Number of outstanding shares, million	623.5	623.4	623.5	623.5	622.9	623.4	623.4	623.4

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 30 June 2009	Number of shares	% of votes	% of capital
Stiftelsen Oktogonen	65,800,000	10.7	10.6
Industrivärden	62,899,709	10.3	10.1
Swedbank Robur funds	18,517,300	3.0	3.0
Alecta	18,308,000	3.0	2.9
AFA Försäkring	15,620,909	2.5	2.5
AMF and funds	13,791,833	2.3	2.2
Lundbergs, etc	13,432,000	2.2	2.2
Handelsbanken funds	10,930,673	1.8	1.8
SEB funds	8,438,022	1.4	1.4
2nd National Swedish Pension Fund	7,888,033	1.3	1.3
4th National Swedish Pension Fund	6,517,400	1.1	1.0
Nordea funds	6,507,456	1.1	1.0
1st National Swedish Pension Fund	6,103,049	1.0	1.0
Folksam / KPA / Förenade Liv	5,724,639	0.9	0.9
Didner & Gerge Aktiefond	4,105,000	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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