

2009

Corporate governance report



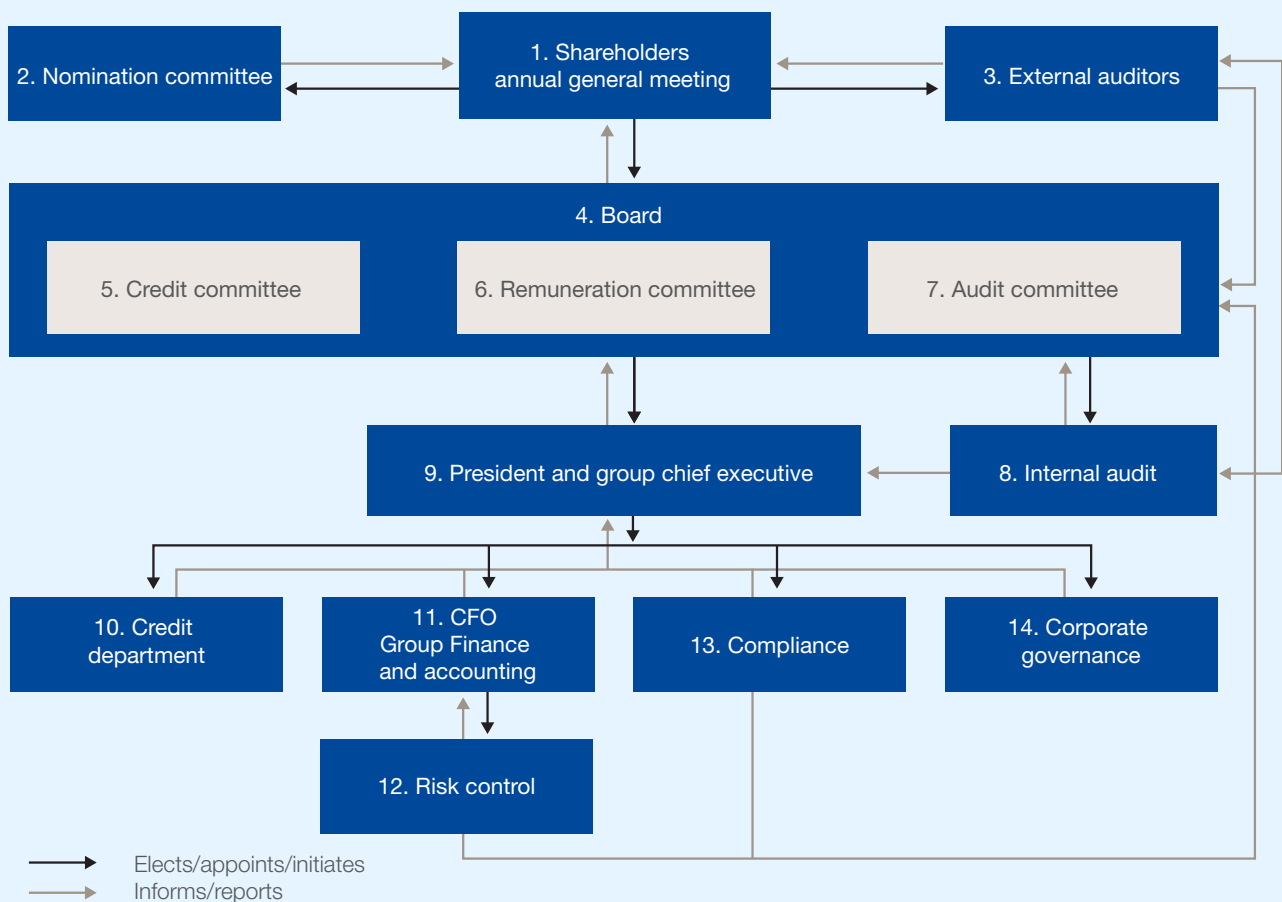
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Handelsbanken's shareholders are ultimately responsible for making decisions about the Bank's governance. At the annual general meeting (AGM), the shareholders appoint the board, the chairman of the board and auditors. The board is responsible to the owners for the Bank's organisation and management of the Bank's affairs. The auditors report to the AGM on their findings. The diagram below provides a summary of how governance and control are organised at Handelsbanken.

Structure for corporate governance – an overview



1. SHAREHOLDERS AND ANNUAL GENERAL MEETING

Shareholders exercise their right to decide on matters concerning Handelsbanken at shareholders' meetings, which are Handelsbanken's highest decision-making body. The annual general meeting (AGM) decides on any changes to the Bank's articles of association – which is the Bank's most basic governing document – and on matters such as the adoption of the income statement and balance sheet, discharge from liability for the board, the new board, new auditors and also remuneration to the chairman of the board, the other board members and to the auditors. The AGM also decides on guidelines for remuneration paid to senior management.

2. NOMINATION COMMITTEE

The AGM decides how the nomination committee will be appointed. The nomination committee's task is to prepare and submit proposals to the next AGM regarding the appointment of the chairman and other members of the

board and fees to chairman and other members of the board. The committee's task also includes evaluating the work of the board, primarily based on the report that the chairman of the board submits to the committee. The committee also proposes appointment of the auditors and fees to them.

3. AUDITORS

As per statutory requirements, the AGM appoints the auditors for a period of four years, which guarantees continuity and depth in their auditing work. The auditors are accountable to the shareholders at the AGM and submit an audit report covering matters such as the annual report and the board's administration. The auditors report regularly orally and in writing to the audit committee concerning how their audit was conducted and their assessment of the Bank's administrative order and control. The auditors also submit a summary report of their audit to the whole board.

4. THE BOARD

The board is responsible for the Bank's organisation and manages the Bank's affairs on behalf of its owners. The board is to continuously assess the Bank's financial situation and ensure that the Bank is organised such that the accounting records, management of funds and other aspects of the Bank's financial circumstances are satisfactorily controlled. The board establishes policies and instructions on how this should be executed, and establishes a work procedure for the board and also instructions for the group chief executive. These central policy documents state how responsibility and authority are distributed among the board as a whole and the committees, and also between the chairman of the board and the group chief executive. The board appoints the group chief executive and also executive vice presidents and the head of internal auditing. The chairman is responsible for evaluating the board's work and informs the nomination committee of the result of the evaluation.

5. CREDIT COMMITTEE

The credit committee decides on credit cases where the amount exceeds the decision limit applying to the regional bank boards and to the board of Handelsbanken International. Cases of major importance can be referred to the full board for a decision. The credit committee comprises the chairman of the board, the vice chairmen, the group chief executive, the chairman of the audit committee, three board members appointed by the board to circulate on the committee with two-year mandates, and the head of the central credit department. The heads of the regional banks and the head of Handelsbanken International are responsible for reporting to the credit committee.

6. REMUNERATION COMMITTEE

The remuneration committee regularly evaluates the employment conditions for the Bank's senior management in the light of prevailing market terms for their peers in other financial companies. The committee's tasks include preparing the board's proposals to the AGM concerning guidelines for remuneration to senior management and the board's decisions on these conditions for the group chief executive and the head of internal auditing. The remuneration committee consists of the chairman of the board and two members appointed by the board.

7. AUDIT COMMITTEE

The audit committee monitors the Bank's financial reporting by examining all crucial accounting matters and other factors that may affect the qualitative content of the financial reports. The committee also monitors the effectiveness of the Bank's and the Group's internal control, internal auditing and risk management systems as well as the external auditors' impartiality and independence. It evaluates the auditing work and assists the nomination committee in appointing auditors. The audit committee comprises the chairman of the board and two other members appointed by the board. One of these two members is the committee's chairman.

8. INTERNAL AUDIT

The internal audit department performs an independent and impartial audit of the operations and financial reporting of the Handelsbanken Group. A central task for internal audit is to assess and verify the internal control.

9. PRESIDENT AND GROUP CHIEF EXECUTIVE

The group chief executive is appointed by the board to lead the operations of the Handelsbanken Group. In addition to instructions from the board, the group chief executive is obliged to comply with the provisions of the Swedish

Companies Act and a number of other statutes concerning the Bank's accounting, management of funds and operational control. The Bank's highly decentralised organisation means that the group chief executive works very close to the line organisation through the senior management group.

10. CENTRAL CREDIT DEPARTMENT

The Bank's central credit department is responsible for maintaining the Bank's credit policy, primarily by preparing every major credit case that the board's credit committee or the whole board decides on. The head of credits presents all cases to the group chief executive before they are submitted for a decision. The head of credits reports to the group chief executive and is a member of the board's credit committee.

11. GROUP FINANCE

Group Finance is responsible for normal functions such as control systems, reporting, control, book-keeping and accounting. It is also responsible for the Group's liquidity, funding and capital and for the Group's overall risk management for all risks except credit risk. For a detailed description of this risk management, see note G2 on pages 75–88. The head of this department, the CFO, also has main responsibility for the independent risk control (section 12 below) and reports on all the Group's risk, including credit risks at aggregate level to the group chief executive, the board's audit committee and the board.

12. RISK CONTROL

The risk control unit is responsible for the overall internal reporting of all the Group's material risks at an aggregate level. This responsibility comprises credit, counterparty and market risks (interest rate, exchange rate, equity price and commodity price risk), operational, liquidity and insurance risks. The task of risk control is to identify, measure and monitor the Group's risks, to inform the board and bank management about these risks and to analyse development of the risks. The management of the individual risks is, however, the task of the operating unit that is responsible for the customer or counterparty (account manager) or responsible for conducting a certain transaction (business manager). The head of risk control reports to the CFO. In addition, the head of risk control makes regular reports of his observations to the group chief executive.

13. COMPLIANCE

The compliance function is responsible for ensuring that laws, regulations and internal rules, as well as accepted business practices or norms, are complied with in the operations conducted by the Handelsbanken Group that are subject to a licence. The function must interpret the applicable regulations and inform the units concerned about risks that may arise in the operations as a result of inadequate compliance, assist in identifying and assessing such risks and assist in drafting internal regulations. The function informs the Bank's management and board regularly in matters concerning compliance. The Bank's chief lawyer is responsible for the group compliance function. Compliance managers have been appointed in all business areas and in all countries where the Bank operates.

14. CORPORATE GOVERNANCE

The unit ensures that decisions made at the AGM and by the central board as well as changes in legislation, regulations and corporate governance code are implemented in policies, guidelines and instructions with the purpose of stipulating responsibilities and authorities internally at the Bank.

CORPORATE GOVERNANCE AT HANDELSBANKEN

Handelsbanken is a Swedish public limited company, listed on the OMX Nordic Exchange Stockholm AB. Handelsbanken complies with the Swedish Code of Corporate Governance, applicable as from 1 July 2008. The Bank does not deviate from the code. The code states that the aim of good corporate governance is “a question of ensuring that companies are run as efficiently as possible on behalf of their shareholders”. Corporate governance is sometimes defined more broadly, for example in the OECD’s Principles of Corporate Governance and the Basel Committee’s document Enhancing corporate governance for banking organisations. This defines corporate governance as “a set of relationships between a company’s management, its board, its shareholders, and other stakeholders...”. For a bank it is obvious that stakeholders include customers in general, but particularly deposit customers, bond investors and supervisory authorities, on whose confidence the Bank is dependent.

The Bank’s corporate governance report is, however, based on a shareholder perspective. A central part of the governance comprises managing the risks that arise in operations. Risk management is described separately in a detailed section on risks, in note G2 on pages 75–88.

An addition to the Annual Accounts Act stipulates that, for 2010 at the latest, listed companies must submit a corporate governance report, which must have been examined by the company’s auditors. Handelsbanken has opted to make the corporate governance report part of the statutory annual report and thus be subject to the auditors’ examination.

In this text, “Bank” means the whole of the Handelsbanken Group, unless the context demands that a distinction is made between the parent company and subsidiaries.

The operations of Swedish banks are regulated by law, and banking operations may only be run with a licence from the Swedish Financial Supervisory Authority. The regulations for banking operations are very extensive, but are not described

in detail in this report.* Operations outside Sweden are subject both to the Swedish regulations and to the host country’s regulations, if these are stricter or in other respects deviate from Swedish or international rules.

The Swedish Financial Supervisory Authority extensively supervises the Bank’s operations in Sweden and in all countries where the Bank runs branches, in other words, when the foreign operation is part of the Swedish legal entity Svenska Handelsbanken AB. In countries where the Bank’s operations are in the form of a subsidiary, the host country’s authorities exercise supervision. As a result of the financial crisis, the supervisory authorities in Sweden, Denmark, Finland, Norway and Great Britain work together in a supervisory group for Handelsbanken, led by the Swedish Financial Supervisory Authority.

Apart from laws and ordinances, the Swedish supervision is based on regulations and general guidelines from the Swedish Financial Supervisory Authority. Unlike the regulations, the guidelines are not binding. Nonetheless, the Bank complies with the guidelines in force. The Swedish Financial Supervisory Authority requires extensive reporting on various matters such as the Bank’s organisation, decision-making structure, internal control, terms and conditions for the Bank’s customers and information to private customers.

The Supervisory Authority’s working methods include systematically visiting various parts of the Bank to follow up the Bank’s actual compliance with the terms and conditions of granted licenses and other detailed regulations. It subsequently reports its observations to the Bank’s management.

The current financial crisis has not led to any changes in governance of the Bank. Thus there have been no changes to the organisation, instructions or authority as a result of the crisis. However, a number of measures were taken to handle the major disruptions that occurred on the financial markets.

* The most important statutes include the Companies Act (SFS 2005:551), the Banking and Financing Business Act (SFS 2004:297), the Act on Capital Adequacy and Large Exposures (SFS 2006:1371) and extensive legislation on securities and insurance operations. The Swedish Financial Supervisory Authority’s regulatory code includes General guidelines regarding governance and control of financial undertakings (FFFS 2005:1) and Regulations governing investment services and activities (FFFS 2007:16). For a list (in Swedish) of the laws and regulations referring to operations requiring a licence, see www.handelsbanken.se.

READ MORE ON OUR WEBSITE

More information about Handelsbanken’s corporate governance is available at www.handelsbanken.com. The site includes the following information:

- previous corporate governance reports from 2007 onwards
- the articles of association
- information about the nomination committee
- information from previous annual general meetings from 2004 onwards

SHAREHOLDERS AND SHAREHOLDERS' MEETINGS

Rights of shareholders

Handelsbanken has more than 100,000 shareholders and they exercise their right to decide on matters related to the company at the annual general meeting of shareholders (AGM) or extraordinary meetings of shareholders. Handelsbanken has two classes of shares: class A and class B. Class A shares are by far the most common and represent 98.1 percent of all outstanding shares. Class A shares each carry one vote and class B shares carry one-tenth of a vote each. Handelsbanken's articles of association state that at shareholders' meetings, no shareholder is allowed to exercise voting rights representing more than ten percent of the total number of votes in the Bank.

Shareholders who wish to have a matter considered by the AGM must submit a written request to the board sufficiently far in advance that the matter can be included in the notice of the meeting. The Bank's website contains information as to when this request must have reached the board.

At the AGM the Bank's shareholders make various decisions of major importance for the governance of the Bank. Shareholders' decisions include:

- who should be on the board of the Bank and who should be the Bank's auditors
- deciding fees to board members and auditors
- adopting the income statement and balance sheet
- appropriation of profits
- discharging the board and chief executive from liability for the past financial year
- principles for remuneration to senior management.

The shareholders at the AGM also make decisions on the Bank's articles of association. The articles of association constitute the fundamental governing document for the Bank. The articles include a specification of what operations the Bank is to conduct, the amount of the share capital, the right of shareholders to participate at shareholders' meetings and what is to be presented at these meetings.

Information in Swedish in preparation for AGMs, as well as minutes of past meetings, can be viewed on the Bank's website at www.handelsbanken.se. Notice of AGMs, proposals for the meetings and minutes of the meetings are translated into English and are available on the website at www.handelsbanken.com.

Major shareholders

Two shareholders have more than 10 percent of the votes: the Oktogonen Foundation, with 10.7 percent and AB Industrivärden with 10.3 percent. Detailed information on the Bank's largest shareholders can be found on page 53.

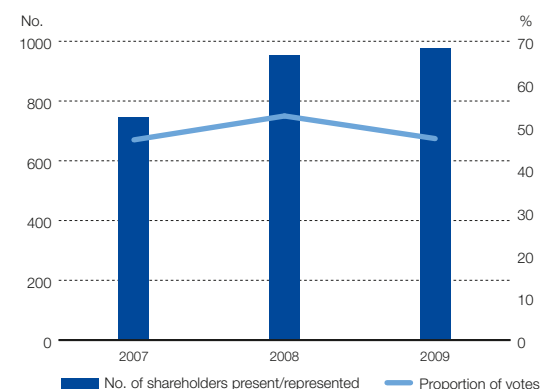
Annual general meeting 2009

The annual general meeting took place on 29 April 2009, and was attended by more than 970 shareholders and representatives. Those present represented 47.2 percent of all the votes in the Bank. All board members were present, apart from Jon Fredrik Baksaas and Göran Ennerfelt. The auditors elected by the AGM also participated. The chairman of the meeting was Mr Sven Unger, a lawyer from the law firm Mannheimer Swartling Advokatbyrå.

The decisions made by the shareholders at the meeting included:

- dividend payment of SEK 7.00 per share, totalling SEK 4,364 million
- that the board is to consist of twelve members
- re-election of all board members for the period until the next AGM apart from Pirkko Alitalo and Sigrun Hjelmquist who both declined re-election
- electing Jan Johansson and Lone Fonss Schroeder as new members
- re-electing Hans Larsson as chairman of the board
- unchanged fees to the board members.

Attendance at AGMs



Jan Johansson is president of Svenska Cellulosa AB SCA and Lone Fonss Schroeder is president of Wallenius Lines AB.

The shareholders at the meeting also adopted the following guidelines for remuneration to the senior managers, group chief executive and executive vice presidents as proposed by the board:

- the total remuneration is to be on market terms
- remuneration is only paid in the form of a fixed salary and customary benefits
- variable compensation benefits such as bonuses or commission on profits are not paid
- senior managers are included in the Oktogonen profit-sharing scheme on the same terms as all employees of the Bank
- the minimum retirement age is 60, but the retirement age for the group chief executive may be lower
- the period of notice on the part of the employee is six months and on the part of the Bank, twelve months. If the Bank terminates the contract later than five years after the person's appointment as part of the Bank's management, the period of notice is 24 months. In exceptional cases, periods of notice may be shorter
- no termination benefits are paid.

Nomination committee

The shareholders at the 2009 AGM resolved to establish instructions for how the nomination committee is to be appointed. These instructions included the following: the committee is to comprise five members: the chairman of the board and one representative from each of the Bank's four largest shareholders as at 31 August 2009. However, the nomination committee must not include representatives of companies which are significant competitors of the Bank in any of its main areas of operations. It is the task of the board chairman to contact the largest owners so that they appoint one representative each to sit on the nomination committee together with the chairman. This has taken place and the 2010 nomination committee consists of:

Composition of nomination committee and voting representation		
Representative	Owner	Voting power in % as at 31 Aug 2009
Henrik Forssén	Oktogonen Foundation	10.7
Carl-Olof By, chairman	Industrivärden	10.3
Bo Selling	Alecta	3.7
Lars Öhrstedt	AFA Försäkring	2.6
Hans Larsson, chairman of the board		

All board members are independent of the Bank, its management and the largest shareholder in terms of votes – with the exception of Henrik Forssén who is an employee of Handelsbanken and a board member of the Oktogonen Foundation. Information on the composition of the nomination committee has been available on the Bank's website since 16 October 2009.

In advance of the AGM on 29 April 2010, the nomination committee has the task of evaluating the board's work. The committee also submits proposals for the election of a chairman of the AGM, the board chairman and other members of the board, the fees to the board chairman and other board members, remuneration for committee work and fees to auditors.

The nomination committee aims to achieve equal gender distribution among board members. In conjunction with two women on the board declining re-election at the 2009 AGM, the nomination committee proposed election of one man and one woman as new board members. The proportion of women on the board of the Bank is 25 percent.

Auditors

Stefan Holmström is principal auditor for KPMG AB and has been chairman of the auditing team at Handelsbanken since 2008. He has been an authorised public accountant since 1975. He is also an auditor for Länsförsäkringar AB, Svenska Rymdaktiebolaget, ALMI Företagspartner AB, Proffice AB and the Federation of Swedish Farmers (LRF). Mr Holmström was born in 1949.

Erik Åström has been an authorised public accountant since 1989 and has been principal auditor for Ernst & Young AB at Handelsbanken since 2008. He is also an auditor for Apoteket AB, Hakon Invest AB, Hennes & Mauritz AB, Investment AB Kinnevik, Modern Times Group MTG AB and Saab AB. Mr Åström was born in 1957.

THE BOARD

After the shareholders at the AGM had appointed Hans Larsson to be board chairman, Anders Nyrén and Fredrik Lundberg were appointed as vice chairmen at the subsequent first board meeting. At the same time, the board appointed members of the credit committee, audit committee and remuneration committee. Information about the board is shown on pages 50–51.

Composition of the board

The board consists of twelve members. Two of these members elected by the AGM represent the Oktogonen Foundation, the Bank's profit-sharing foundation in which the employees are beneficiaries. Apart from these members, the employees have no representatives on the board.

The board members have broad and extensive experience from the business world and all external members are or have been chief executives of major companies and most of them are also board members of major companies. Several have worked on the Bank's board for a long time and are very familiar with the Bank's operations.

The listing requirements for the Stockholm stock exchange and the Swedish Code of Corporate Governance contain stipulations on the independence of members in relation to the Bank, the Bank's management and owners of more than ten percent of the shares and votes in the Bank. The nomination committee makes an overall assessment of each board member's independence in relation to the Bank, the Bank's management and major shareholders. As shown in the following table, all nine external members are independent of the Bank and its management. Of these nine members, six are also independent of major shareholders. Three members are dependent in relation to the Bank, one of whom, Pär Boman, works in the Bank's management.

Independent of the Bank and its management	Independent in relation to major shareholders
Hans Larsson	Hans Larsson
Lone Fonss Schroeder	Lone Fonss Schroeder
Göran Ennerfelt	Göran Ennerfelt
Jan Johansson	Jan Johansson
Jon Fredrik Baksaas	Jon Fredrik Baksaas
Bente Rathe	Bente Rathe
Sverker Martin-Löf	
Anders Nyrén	
Fredrik Lundberg	
	Pär Boman
	Ulrika Boëthius
	Tommy Bylund

Regulations governing the board's work

The fundamental issues regarding the distribution of expertise shared among the board, the board committees, the chairman, the group chief executive and the internal auditing department are manifested in the board's work regulations and instructions to the group chief executive and to the head of internal auditing.

Chairman of the board

The board's working instructions state that the chairman must ensure that the board carries out its work efficiently and that it fulfils its duties. This involves organising and managing the board's work and creating the best possible conditions for this work. The chairman must also ensure that the board members continually update and expand their knowledge of the Bank and that new members receive appropriate introduction and training. The chairman must be available to the CEO as an advisor and discussion partner, but must also evaluate the CEO's work and report his assessment to the board. The chairman's duties include being chairman of the credit and remuneration committees as well as being a member of the audit committee. The chairman is also responsible for ensuring that the board's work is evaluated annually and for informing the nomination committee of the evaluation. Finally, he is responsible for maintaining contact with the major owners concerning ownership issues. As chairman of the Bank's pension foundation, pension fund and staff foundation he has overall responsibility for ownership issues associated with the shareholdings in these three entities. In other respects, there is no other division of work for the board besides that involving the board committees.

Committee work

Credit committee

The credit committee consisted of nine members: the chairman (Hans Larsson), the vice chairmen (Anders Nyrén and Fredrik Lundberg), the chairman of the audit committee (Sverker Martin-Löf), the group chief executive (Pär Boman), the head of the credit department (Olle Lindstrand), and three board members appointed by the board (Jon Fredrik Baksaas, Tommy Bylund and Göran Ennerfelt). The members circulate on the committee with two-year mandates.

The credit committee normally holds one meeting every month to decide on credit cases that are above a set limit level and that are not decided on by the whole board due to the major importance of these cases. The head of the central credit department presents all cases to the group chief executive before they are submitted for a decision. The heads of the regional banks and the head of Handelsbanken International present cases from their own units and participate as an audience for other cases, which provides them with a good picture of the board's approach to risks. Credit cases that are decided upon by the whole board are presented by the head of credits. If a delay in the credit decision would cause inconvenience to the Bank or the borrower, the credit instructions allow the group chief executive and the head of the central credit department to decide on credit cases during the interval between meetings.

The credit committee had eleven meetings during the year.

Audit committee

The audit committee consisted of the board chairman (Hans Larsson) and two board members appointed by the board (Sverker Martin-Löf and Lone Fonss Schroeder). All members are independent of the Bank and its management. Hans Larsson and Lone Fonss Schroeder are also independent of major shareholders. Sverker Martin-Löf is the committee chairman.

The audit committee monitors financial reporting and the effectiveness of the Bank's internal control, internal auditing and the risk management systems. The committee's other tasks include establishing an annual plan for the work of the internal auditing department. The committee maintains regular contact with the external auditors, who report to the committee on significant matters that have emerged from the statutory audit, especially regarding shortcomings in the internal control of the financial reporting. The committee also examines reports from the heads of the compliance and risk control functions. The committee generally meets five times a year, normally in connection with quarterly and annual reports. Issues are presented by the group chief executive, the CFO, the head of the internal auditing department, the head of compliance and the principal auditors for the auditors appointed by the AGM.

The audit committee had five meetings during the year.

Remuneration committee

The remuneration committee prepares matters regarding compensation to be decided on by the board and AGM.

The remuneration committee comprised the board chairman (Hans Larsson) and two board members appointed by the board (Bente Rathe and Göran Ennerfelt). All the members are independent of the Bank, its management and major shareholders.

After the shareholders at the AGM have decided on guidelines for the terms and conditions of remuneration to senior management, the board decides on salary for the group chief executive and the head of internal auditing, and on salary frameworks for the executive vice presidents. The committee then makes a decision on the group chief executive's proposal for annual adjustment of the executive vice presidents' salaries.

In the future, remuneration to senior management will be decided on by the board.

The remuneration committee had five meetings during the year.

The board's work in 2009

The board had eleven ordinary meetings, including a two-day strategy meeting.

The board's work adheres to a structure of fixed and regular matters, mainly as follows:

Subject	When
First board meeting following election of board members, corporate governance documents	after AGM
Frameworks for funding	at least once a year
Strategy	-II-
Group chief executive's instructions and guidelines	-II-
Operational risks	half-yearly
Internal capital evaluation	quarterly
Loan losses and credit risks	-II-
Six-monthly report	July
Announcement of the nomination committee	September
Interim report	October and April
Framework decisions about the management's salaries	Annually
Evaluation of the board's work	-II-
Function of the risk classification system	-II-
Evaluation of the group chief executive	-II-
Skills development of staff and supply of managers	-II-
Salary review for group chief executive and head of internal auditing	-II-
Limits for financial risks	-II-
Annual accounts	February
Proposals for AGM	in preparation for AGM
Preparation of corporate governance documents	-II-
External and internal audit reports	-II-
Matter of allocation to the Oktogonen profit-sharing scheme	-II-
Business situation	each meeting
Follow-up of risk limits	-II-
Credit matters	-II-

In addition, matters discussed at each committee meeting are reported at the subsequent board meeting.

Regular subjects at board meetings during the year included the Bank's liquidity, financial and capital situation, as described on page 3 of the group chief executive's comments.

PRINCIPLES FOR CORPORATE GOVERNANCE AT HANDELSBANKEN

The Bank's goal and strategy

The Bank's overall goal is to have a higher return on equity than a weighted average of comparable listed Nordic and British banks. This is to be achieved by having the most satisfied customers and by being more cost-effective than peer banks.

The foundation of Handelsbanken's way of running banking operations is that the branch is the Bank. The Bank has applied this basic concept consistently for several decades. The Bank has a decentralised working model, involving strong trust in our employees' will and ability to take responsibility. Since the basic organisational model has remained unchanged for a long time, the Bank has a very strong corporate culture, which is manifested in an internal document called Our Way. This document describes the Bank's goals, ideas and way of working and is read and discussed by all employees of the Bank.

The salary and pension system, combined with the Oktogonen profit-sharing scheme, are other ways of boosting the corporate culture by promoting "lifelong" employment. Handelsbanken wishes to recruit young employees for "lifelong" employment at the Bank by offering development opportunities that make the Bank self-sufficient in terms of skilled employees and managers.

This long-term approach also applies to the way in which the Bank relates to its customers, manifested in, for example, the ambition of always giving the customer the best possible advice – without looking at what is most profitable for the Bank in the short term. Customers should never have reason to suspect that the Bank's actions are steered by its employees receiving

commission on a certain product. Employees thereby also feel a sense of security in that they can always offer a customer the Bank's best advice without affecting their remuneration. This enables the Bank to build long-term relationships with both customers and employees.

The strong corporate culture is the Group's most important policy instrument. This is not, however, sufficient from a corporate governance perspective. In parallel with informal discussions, the board has established principles, strategies, limits and target figures in a series of policy documents and instructions. These are summarised below:

Policy documents

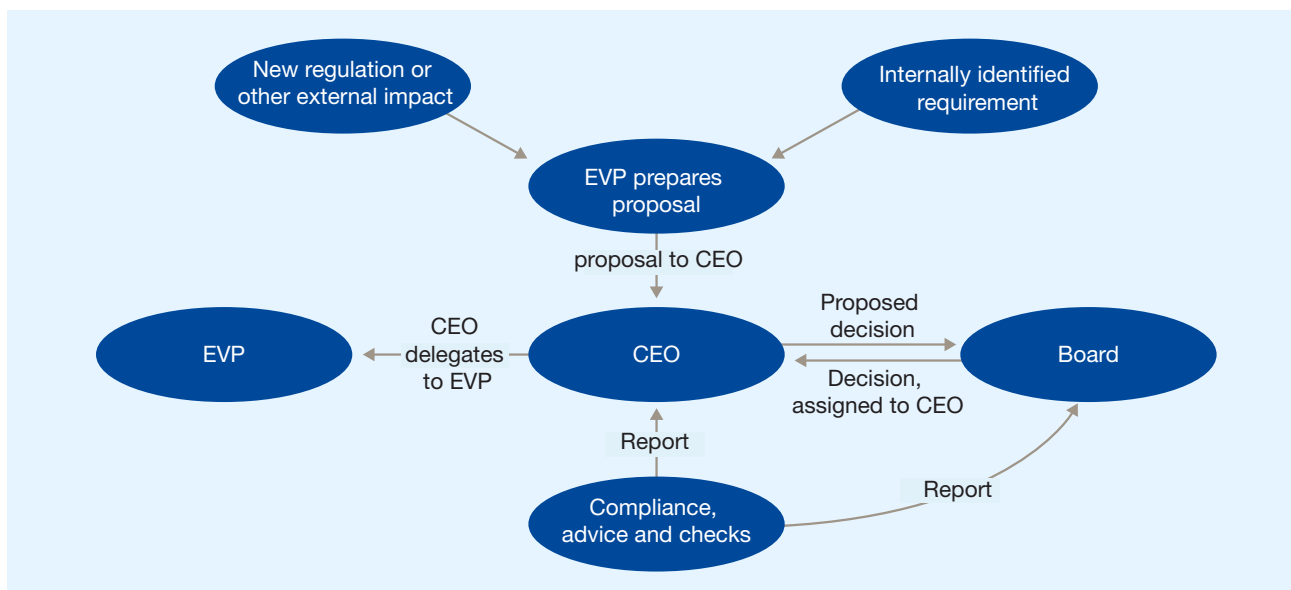
Credit policy

Credits may only be granted if there are good grounds for expecting the borrower to meet his commitments. Credits must normally have security. The Bank strives to maintain its historically low level of loan losses compared to other banks, thus contributing to the Bank's profitability target and retaining its sound financial position.

Operational risks

Operational risks must be managed so that the Group's operational losses remain small, both in comparison with previous losses incurred, and with other banks' losses. The responsibility for operational risks is an integrated part of managerial responsibility throughout the Group.

Production and monitoring of corporate governance documents



Financial policy

The Group's funding must be well-diversified in terms of markets, currencies and maturities. The liquidity risk exposure is restricted by limits established by the board. The board sets limits for long-term funding. During stressed market conditions, the Bank must have an adequate liquidity reserve to be able to continue its operations for a pre-determined period of time, without new funding in the financial markets.

Capital policy

The Bank must have economic capital (see page 87 of the risk section) which corresponds to all risks that may lead to unexpected losses. This is to guarantee that the Tier 1 capital covers the minimum legal capital requirements by a safety margin determined by the board. The Bank's capital situation must also make it possible to maintain a high rating from the most important rating agencies.

Financial risk policy

Financial risks here imply market risks and liquidity risks. Market risks are in turn divided into interest rate risks, equity price risks, currency risks and commodity price risks. The board stipulates the measurement methods and limits for financial risks and instructs the group chief executive to organise an independent risk control function with adequate resources for appropriate monitoring of financial risks.

Information policy

The Bank's information must be objective and easy to understand. It must respect the recipient of the information and be provided at the right time and in the right way. The information should strengthen the Bank's brand and the trust in the Bank of customers, the capital market and society in general. Information provided to the stock market must be correct, relevant and reliable and in compliance with stock market regulations. Information is to be made public as soon as possible and simultaneously to the stock market, investors, analysts, news services and other media. Normally, the media and analysts are simultaneously invited to attend press conferences and capital market seminars.

Ethical guidelines

Employees of the Bank must conduct themselves in a manner that upholds confidence in the Bank. All operations at the Bank must be characterised by high ethical standards. Customers must be treated with respect and the financial advice given must be based on the customer's requirements. Conflicts of interest must be identified and handled according to internal and external regulations, such as those on banking confidentiality and investment advice. In case of doubt as to what is ethically acceptable, the matter must be discussed with the employee's immediate superior.

Policy for internal auditing

Internal auditing is to assess the efficiency and appropriateness of the Group's processes for risk management, internal steering and control. The audit function must impartially and independently examine the Group's accounts, ensure that material risks are identified and managed in a satisfactory manner and that material financial information is reliable, correct and delivered on time.

Policy for managing and reporting events of material importance

Incidents of material importance must be reported to the Swedish Financial Supervisory Authority. This refers to incidents that may jeopardise the Bank's stability or protection of customers' assets. No such incidents occurred during the year.

Policy for the Bank's use of the external auditors' services

Engagement of the external auditors elected by the AGM for other assignments than auditing and related assignments is subject to special review and reporting to the audit committee.

Policy for compliance

Compliance refers to the observance of laws, regulations and internal rules as well as accepted business practices or accepted standards related to the operations that are subject to a license. This means that the Bank must comply with the Swedish Financial Supervisory Authority's guidelines and industry codes, such as the Swedish Code of Corporate Governance, which is considered to represent sound practices. The compliance function must inform the board and group chief executive on the Bank's compliance. See also page 48.

Policy for agreements relating to the engagement of third parties

This policy regulates the Bank's outsourced operations which are subject to a license to a third party, such as operation of IT systems, acquisition of card transactions or other operations with a natural link to the Bank's operations.

The Bank or its subsidiaries are always responsible for the outsourced operations being run in accordance with any licenses linked to the operations.

Policy on measures to prevent money laundering and financing of particularly serious crime

The policy is based on crime prevention laws in the field of finance, mainly the Act on Measures against Money Laundering and Financing of Terrorism. The Bank does not participate in transactions of which the employee does not understand the implications.

Remuneration policy

In Sweden the Bank is a party to collective agreements on general terms and conditions of employment during the employment period and on terms and conditions of pensions after employees have reached retirement age. Remuneration

for work performed is set individually for each employee, and is paid in the form of fixed salary, customary benefits and pension provisions. Salaries are established locally in accordance with the Bank's decentralised method of working and are revised once a year. Salaries are based on well-known salary-setting factors such as the nature and level of difficulty of the work, skills, performance and results achieved. In Sweden pension is paid as per collective agreements under a defined benefit plan, which means that a pension amounting to a certain percentage of final salary is paid during the employee's remaining lifetime. In other countries, both defined contribution and defined benefit pension plans apply.

Exceptions from the fixed salary principle are only permitted by decision of the group chief executive and on terms stipulated by the board, which are adapted to the Swedish Financial Supervisory Authority's regulations as of 1 January 2010. Employees who are involved in credit decisions, decisions on other types of risk limits or employees in the Bank's control functions must not be paid variable compensation.

For information on remuneration to senior management, see the section below on the Bank's management and note G8 on page 91.

THE BANK'S MANAGEMENT

Group chief executive

Pär Boman has been president and group chief executive since April 2006. Mr Boman was born in 1961 and has worked at Handelsbanken since 1991. Before joining the Bank's management in 1998, he held positions at Regional Bank Eastern Sweden as a controller and credit specialist and as a branch manager in Norrköping. In 1998 he was appointed executive vice president and head of Regional Bank Denmark, and thereafter head of Handelsbanken Markets. Pär Boman has an engineering degree and a business degree. He is board chairman of the Swedish Bankers' Association and board member of the European Financial Reporting Advisory Group (EFRAG), but has no other assignments outside the Bank. His shareholdings in the Bank and those of close relatives are 5,427, of which 3,927 are held indirectly via the Oktogonen profit-sharing foundation. In addition, Mr Boman has subscribed for staff convertible notes for a nominal amount of SEK 5 million at a conversion price of SEK 187.56 per share, corresponding to 26,507 shares.

Group management and Group management structure

Handelsbanken has a decentralised way of working, in which virtually all material business decisions are taken at the branches, close to the customers. This also means that the Bank has a very flat organisational structure. There is only one level between branch manager and group chief executive: the head of the regional bank. This leads to short, efficient and clear decision paths.

The demands for efficient, clear and unequivocal decision paths have been accentuated by the dramatic expansion of recent years. In order to maintain and strengthen the decentralised model, Handelsbanken's Group management is organised into four distinct groupings: the central Bank management, heads of central departments, heads of business areas and heads of regional banks.

The heads of business areas and heads of regional banks have profit responsibility and the Bank's income is generated in these two groupings. There are eleven regional banks, six of which are in Sweden, two in Great Britain and one each in Denmark, Finland and Norway. The Bank regards these countries as its domestic markets. All regional banks are organised in a similar way, and in all regional banks – irrespective of country – the branch has customer responsibility.

The business areas in the Bank are Handelsbanken Capital Markets, Handelsbanken Asset Management, Handelsbanken International, Handelsbanken Finans and Stadshypotek. Capital Markets is the Bank's full-range investment bank. Asset Management includes the life insurance company Handelsbanken Liv. Handelsbanken International is responsible for the Bank's operations outside its domestic markets. Handelsbanken Finans offers a full range of financial company services and Stadshypotek is the Bank's mortgage company. The business areas' generation of income takes place via the branches and, to a more limited extent, through direct contact with the end customer – always on behalf of the branch. The business areas are responsible for all products in their respective areas – Capital Markets for corporate products and Handelsbanken Finans for most products for private customers.

The central bank management and central departments represent different parts of the Bank's head office functions such as the departments for treasury, control and accounting, credits, personnel, legal matters, and corporate communications. Senior management meets regularly, both all together and in different groups.

Details about senior management are presented on page 52.

Remuneration to senior management

The AGM decides on guidelines for remuneration to the Bank's group chief executive and executive vice presidents. The board decides on remuneration to the group chief executive and the head of the Bank's internal auditing department and sets frameworks for remuneration to the executive vice presidents. The group chief executive decides on individual remuneration to the executive vice presidents.*

* As of 1 January 2010, in accordance with the Swedish Financial Supervisory Authority's regulations, the board is to decide on compensation to senior management at the Bank.

The terms and conditions of remuneration for the group chief executive, head of the credit department and other executive vice presidents are stated in more detail in note G8 on page 91.

As already stated, defined benefit pension conditions apply, payable as a certain proportion of final salary. For the group chief executive, Pär Boman whose contractual retirement age is 58, this means that his retirement pension is 65 percent of his salary immediately before the retirement date, provided that he remains in this position until that date.

As at 31 December 2009 his accrued pension right was 27 percent of his 2009 salary. For executive vice presidents, a retirement pension of 65 percent is paid between the ages of 60 and 64, and from the age of 65, their retirement pension is 10 percent of the annual salary up to 7.5 price base amounts. They also receive a pension under the general national insurance scheme. A retirement pension of 65 percent is paid on the portion of the salary exceeding 7.5 price base amounts.

INTERNAL CONTROL AND THE BANK'S CONTROL FUNCTIONS

Responsibility for internal control has been delegated from the group chief executive to heads of regional banks and heads of main departments who are then responsible for internal control within their respective units. In turn, these managers delegate responsibility to branch managers and department managers, who are in charge of internal control at each branch or department. The responsibility means that appropriate instructions and procedures for the operation must be in place and compliance with these procedures must be monitored regularly. Thus, the responsibility for internal control and compliance is an integral part of managers' responsibility at all levels in the Bank.

The Bank has a long tradition of internal auditing. Long before external requirements on internal auditing were introduced, the Bank's management had an internal auditing function at its disposal that is independent of the line organisation. The current organisation with a central internal auditing department and regional auditing units has been very effective in the past twenty years. There are now requirements from external authorities for an internal auditing function, and the head of auditing is appointed by the board and reports to the group chief executive and the board. The internal auditing function has thus become the board's controlling body. The elected organisation and long tradition give the internal auditing function the authority and integrity required to enable the AGM-elected auditors in their close cooperation with the internal auditing function to trust in measures and data from the latter. The compliance and risk control functions are, however, the Bank management's control body for compliance and risk control.

Internal auditing

The board appoints the head of the internal auditing department. The internal auditing department at Handelsbanken has over 80 employees, a large number of whom have competence corresponding to authorised public accountants. The Bank's external auditors evaluate and check the quality of the internal auditing department's work. The internal auditing department's assignments are based on an internal auditing policy established by the board. The audit work is to focus on examining operations and procedures which are of material importance and/or involve risks. The planned auditing tasks are documented annually in an audit plan which is established by the board's audit committee on behalf of the board. The conclusion of internal audits, the actions to be taken, and their status are continually reported to the audit committee.

Compliance

Compliance is the responsibility of all employees in the Group. Setting up compliance functions centrally, within regional banks and in each main department and country where the Bank has operations, does not release any employee from the responsibility of following the external and internal rules applying to the operations. However, the regulations are often complex and in some cases the individual employee may have limited experience. It is thus vital that guidance is available to avoid mistakes. The compliance function must ensure that laws, regulations and internal rules, as well as accepted business practices or norms, are complied with in the operations conducted by the Handelsbanken Group that are subject to a licence. The function must also assist in drawing up internal rules and provide information about new and amended rules for the operation. The compliance function must actively check compliance with regulations. The head of the compliance function also heads the Bank's central legal department and reports directly to the group chief executive. As head of the compliance function, he reports directly to the board's audit committee at least twice a year concerning compliance in the Group.

The legal department is often involved in daily business operations. To highlight the independence of the compliance function, there is a separate compliance function under the head of the central legal department – parallel to the normal legal function.

Risk control

The risk control function is briefly described in the overview of the Bank's governance structure on pages 38–39. Note G2 on pages 75–88 includes a more detailed description.

THE BOARD'S REPORT ON INTERNAL CONTROL REGARDING THE FINANCIAL REPORTING

The presentation of Handelsbanken's internal control process for financial reporting is based on the framework developed by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The process was designed to ensure compliance with the Bank's principles for financial reporting and internal control, and to ensure that the financial reporting has been prepared pursuant to the law, applicable accounting standards, and other requirements related to listed companies.

Control environment

The control environment described above in this corporate governance report is fundamental to Handelsbanken's internal control of financial reporting. The control environment comprises the organisational structure, division of responsibility, guidelines and policy documents.

Risk assessment is another part of the internal control process and comprises identification and management of the risks that may affect financial reporting as well as the control activities aimed at preventing, detecting and correcting errors and deviations.

Risk assessment

The annual self-evaluations carried out at regional banks, subsidiaries and central departments are an essential part of the Bank's risk assessment. Risks related to financial reporting are part of this total analysis.

In a self-evaluation the employee defines the events that constitute potential risks to the operation and then estimates the probability and consequences of each risk. Particular focus is placed on the risk of fraud and the risk of loss or embezzlement of assets. A plan of action is then drawn up, based on the self-evaluation. Other aspects of Handelsbanken's risk management are detailed in note G2 on pages 75–88.

Control activities

Various control activities are incorporated in the entire financial reporting process.

Group Finance is responsible for consolidated accounts, consolidated reports and for financial and administrative control systems. The department's responsibilities also include the Group's liquidity, the internal bank, the capital base, tax analysis and Group-wide reporting to public authorities. The department must also ensure that instructions of significance to financial reporting are disseminated and made available to the staff concerned.

Reported amounts and analyses of income statements and balance sheets are reconciled and checked regularly within the accounting and control organisation.

Heads of accounting and control at regional banks, subsidiaries and central departments are responsible for ensuring that the control activities in the financial reporting for their respective units are appropriate – i.e. that they are designed to prevent, detect and correct errors and deviations and are in compliance with internal guidelines and instructions. At each quarterly closing of accounts, the units certify that the prescribed periodic checks and reconciliation of accounts have been carried out.

A valuation committee operates within the framework of Group Finance and has the task of creating conditions for correct valuation of assets and liabilities recognised at fair value. The committee has similar responsibility for valuing securities that are classified as loan receivables, available-for-sale or held-to-maturity, as well as financial guarantees. This is achieved by the committee ensuring that internal guidelines, instructions and applied models in valuation of the aforementioned assets and liabilities are appropriate and comply with external regulations.

High IT security is a precondition for good internal control of financial reporting, which is why there are regulations and guidelines to ensure availability, accuracy, confidentiality and traceability of information in the business systems.

As part of the quality control work for financial reporting, the board has set up an audit committee consisting of the chairman of the board and two board members. The committee processes crucial accounting matters and the financial reports produced by the Bank. The committee also supervises the efficiency of the internal control, internal auditing and risk management systems for financial reporting. See the section under the 'Committee work' heading on page 43 for more details.

Information and communication

The Bank has information and communication paths with the aim of achieving completeness and correctness in its financial reports. The Group's general accounting instructions and special procedures for producing financial reports are conveyed to the staff concerned via the Group's intranet. The system used for financial reporting encompasses the entire Group.

Monitoring

The internal auditing department, central risk control department and the accounting and control departments follow up compliance with internal policies, instructions and other policy documents. Follow-up takes place at central level, but also locally in regional banks, subsidiaries and business areas. The instructions that the board has established for internal auditing state that internal control of financial reporting must be examined. The internal auditing function is described in more detail on page 48. The Group's information and communication paths are followed up continually to ensure that they are appropriate for the financial reporting.

The board



Name	Hans Larsson, chairman of the board	Anders Nyren, vice chairman	Fredrik Lundberg, vice chairman	Jon Fredrik Baksaas, board member	Ulrika Boethius, board member	Pär Boman, board member
Position	Director	President and CEO of AB Industrivärden	President and CEO of L E Lundbergföretagen	President and CEO of Telenor ASA	Bank employee	President and group chief executive of Handelsbanken
Education	BA	Graduate in Business Administration and MBA	Graduate in Business Administration and Master of Engineering, PhD (Econ) h.c. and PhD (Tech) h.c.	Graduate in Business Administration and MBA	Sciences Upper Secondary School	Engineering and Business/Economics degree
Year elected	1990	2001	2002	2003	2004	2006
Year of birth	1942	1954	1951	1954	1961	1961
Nationality	Swedish	Swedish	Swedish	Norwegian	Swedish	Swedish
Other assignments	Chairman of Nobia AB, Attendo AB, Valeco Partners Fund 1 AB. Board member Holmen AB.	Vice chairman of Sandvik AB. Board member Telefonaktiebolaget L M Ericsson, Ernströmgruppen AB, AB Industrivärden, Svenska Cellulosa AB SCA, SSAB, AB Volvo. Chairman of Swedish Association of Listed Companies, Association for Sound Practices in the Securities Market.	Chairman of Holmen AB, Cardo AB, Hufvudstaden AB. Vice chairman of NCC AB. Board member L E Lundbergföretagen AB, AB Industrivärden, Sandvik AB.	Det norske Veritas (council), Doorstep AS, GSMA.	Vice chair Swedish Union of Financial Sector Employees.	Chairman of the Swedish Bankers' Association. Member of the European Financial Reporting Advisory Group (EFRAG).
Background	1992–1999 President Nordstjernan AB. 1989–1991 President Esselte AB. 1985–1989 President Swedish Match AB. Chairman of the boards of, among others, NCC AB, Linjebuss AB, Bilspedition/BTL AB, Althin Medical AB, Carema AB, Sydsvenska Kemi AB.	1997–2001 Deputy CEO, CFO Skanska. 1996–1997 Dir Markets and Corporate Finance Nordbanken. 1992–1996 Deputy CEO, CFO Securum. 1987–1992 CEO OM International AB. 1986–1987 CEO STC Venture AB. 1982–1987 Deputy CEO, CFO STC. 1979–1982 Director AB Wilhelm Becker.	Active in Lundbergs since 1977. Group chief executive L E Lundbergföretagen AB since 1981.	1994–2002 CFO, Executive VP/Senior Executive VP Telenor ASA. 1997–1998 Managing Director Telenor Bedrift AS. 1989–1994 CFO/CEO TBK AS. 1988–1989 Chief Finance Director Aker AS. 1985–1988 Chief Finance Director. Stolt Nielsen Seaway AS. 1979–1985 System consultant/Controller/Contract Co-ordinator Det Norske Veritas.	Employed by Handelsbanken since 1981. Chair of union club, Handelsbanken 1997–2004.	2002–2005 EVP, Head of Handelsbanken Markets. 1998–2002 EVP, Head of Regional Bank Denmark, Handelsbanken. Employed by Handelsbanken since 1991.
Remuneration	SEK 2,825,000	SEK 925,000	SEK 925,000	SEK 700 000	SEK 0	SEK 0
Credit committee Attendance	Chairman 11/11	Member 11/11	Member 10/11	Member 4/7	-	Member 11/11
Audit committee Attendance	Member 5/5	-	-	-	-	-
Remuneration committee Attendance	Chairman 5/5	-	-	-	-	-
Board meetings Attendance	10/10	10/10	9/10	7/10	9/10	10/10
Own shareholdings and those of immediate family	18,600	2,000	2,425,000	0	3,888, of which indirect holdings 3,888*, staff convertible notional amount SEK 226,000.	5,427, of which indirect holdings 3,927*, staff convertible notional amount SEK 5,000,000.
Dependent/independent	Independent of the Bank, its management and major shareholders.	Independent of the Bank and its management. Not independent of major shareholders (President and CEO of AB Industrivärden).	Independent of the Bank and its management. Not independent of major shareholders (Board member AB Industrivärden).	Independent of the Bank, its management and major shareholders.	Not independent (employee).	Not independent (employee).

* Indirect holding of shares in Handelsbanken via the Oktagonen profit-sharing foundation.



Name	Tommy Bylund, board member	Göran Ennerfelt, board member	Lone Fonss Schroeder, board member	Jan Johansson, board member	Sverker Martin-Löf, board member	Bente Rathe, board member
Position	Bank Vice President	President of Axel Johnson Gruppen AB	President of Wallenius Lines AB	President and CEO of Svenska Cellulosa AB SCA	Director	Director
Education	Upper Secondary School	BA and Graduate in Business Administration	Graduate in Business Administration and Bachelor of Laws	Bachelor of Laws	Lic. Tech, PhD (h.c.)	Graduate in Business Administration and MBA
Year elected	2000	1985	2009	2009	2002	2004
Year of birth	1959	1940	1960	1954	1943	1954
Nationality	Swedish	Swedish	Danish	Swedish	Swedish	Norwegian
Other assignments	Chairman of the Oktogonen foundation. Member of Ljusdal Municipality's business policy foundation, Näråjus.	-	Board member Vattenfall audit committee), Yara ASA (audit committee), Bioneer A/S, Aker ASA (audit committee, WWL A/S, NKT A/S	-	Chairman of Svenska Cellulosa AB SCA, Skanska AB, SSAB. Vice chairman of Telefonaktiebolaget LM Ericsson, AB Industrivärden and Confederation of Swedish Enterprise.	Vice chair Norsk Hydro ASA. Board member Choice Hotels-Scandinavia AS, Home Invest AS, Powel AS. Chair Ecoch AS. Board member Norwegian Government Financial Crisis Commission.
Background	Employed by Handelsbanken since 1980. Branch manager at Handelsbanken since 1992.	Since 1966 has had various assignments and positions within the Axel Johnson Group except for a period at Wells Fargo, San Francisco, USA 1971-1972.	2006- President Walleniusrederierna AB. 1982-2004 Leading managerial positions within AP Møller/Maersk A/S.	2001-2007 President and CEO, Boliden AB. 2001 Head of network operations, Telia AB. 1994-2001 Deputy CEO Vattenfall. 1990-1994 Head of business area at Svenska Shell. 1985-1990 Corporate lawyer at Shell. 1984-1985 Trainee lawyer. 1981-1983 District court clerk.	1977-2002 Active at Svenska Cellulosa AB SCA in various management positions.	1999-2002 Deputy CEO Gjensidige NOR (CEO of life insurance company, chair of Mutual Fund and Asset Management company). 1996-1999 CEO Gjensidige Bank AS. 1993-1996 CEO Elcon Finans AS. 1991-1993 Deputy CEO Forenede Forsikring. 1989-1991 CFO Forenede Forsikring. 1977-1989 Head of credits and CFO E.A. Smith AS.
Remuneration	SEK 0	SEK 800,000	SEK 575,000	SEK 450,000	SEK 875,000	SEK 550,000
Credit committee Attendance	Member 11/11	Member 6/7	-	-	Member 11/11	Deputy 3/3
Audit committee Attendance	-	-	Member 2/2	-	Chairman 5/5	Member 2/3
Remuneration committee Attendance	-	Member 4/4	-	-	-	Member 4/4
Board meetings Attendance	10/10	9/10	6/7	6/7	10/10	10/10
Own shareholdings and those of immediate family	15,274, of which indirect holdings 14,330*, staff convertible notional amount SEK 909,000.	65,000	0	0	4,000	1,330
Dependent/independent	Not independent (employee).	Independent of the Bank, its management and major shareholders.	Independent of the Bank, its management and major shareholders.	Independent of the Bank, its management and major shareholders.	Independent of the Bank and its management. Not independent of major shareholders (Board member AB Industrivärden).	Independent of the Bank, its management and major shareholders.

Senior management

CENTRAL BANK MANAGEMENT

Pär Boman, President and group chief executive.

Year of birth 1961. Employed: 1991. Shareholding: 5,427, of which 3,927 in indirect holdings*. Staff convertible with notional amount: 5,000,000.

Katarina Berner Frösödal, Senior vice president, Head of Infrastructure.

Year of birth 1956. Employed: 1979. Shareholding: 15,543, of which 15,543 in indirect holdings*. Staff convertible with notional amount: 2,266,000.

Björn Börjesson, Executive vice president, responsible for contacts with financial sector and authorities and internal corporate governance.

Year of birth 1951. Employed: 1981. Shareholding: 13,063, of which 13,063 in indirect holdings*. Staff convertible with notional amount: 2,266,000.

Anders H Johansson, Executive vice president, Head of IT Department.

Year of birth 1955. Employed: 1999. Shareholding: 1,095, of which 1,095 in indirect holdings*. Staff convertible with notional amount: 2,266,000.

Olle Lindstrand, Executive vice president, Head of Credit Department.

Year of birth 1949. Employed: 1985. Shareholding: 8,721, of which 8,721 in indirect holdings*. Staff convertible with notional amount: 2,266,000.

Anna Ramberg, Executive vice president, Head of Personnel Department.

Year of birth 1952. Employed: 1971. Shareholding: 32,576, of which 31,667 in indirect holdings*. Staff convertible with notional amount: 2,266,000.

Ulf Riese, Executive vice president, CFO, Head of Group Finance, Investor relations. Year of birth 1959. Employed: 1983. Shareholding: 29,701, of which 11,044 in indirect holdings*. Staff convertible with notional amount: 2,266,000.

Håkan Sandberg, Executive vice president, chairman of subsidiaries.

Year of birth 1948. Employed: 1969. Shareholding: 14,983, of which 14,474 in indirect holdings*. Staff convertible with notional amount: 2,266,000.

M Johan Widerberg, Executive vice president, chairman, international markets. Year of birth 1949. Employed: 1972. Shareholding: 32,459, of which 29,759 in indirect holdings*. Staff convertible with notional amount: 2,266,000.

HEADS OF REGIONAL BANKS

Anders Bouvin, Executive vice president, Head of Regional Bank Northern Great Britain. Year of birth 1958. Employed: 1985. Shareholding: 10,198, of which 8,698 in indirect holdings*. Staff convertible with notional amount: 2,266,000.

Henrik Carlstedt, Executive vice president, Head of Regional Bank Finland. Year of birth 1947. Employed: 1995. Shareholding: 2,756, of which 1,756 in indirect holdings*. Staff convertible with notional amount: 2,266,000.

Michael Green, Executive vice president, Head of Regional Bank Western Sweden. Year of birth 1966. Employed: 1994. Shareholding: 2,390, of which 2,390 in indirect holdings*. Staff convertible with notional amount: 2,266,000.

Rainer Lawniczak, Executive vice president, Head of Regional Bank Central Sweden. Year of birth 1958. Employed: 1982. Shareholding: 12,140, of which 12,140 in indirect holdings*. Staff convertible with notional amount: 2,266,000.

Thommy Mossinger, Executive vice president, Head of Regional Bank Stockholm. Year of birth 1951. Employed: 1982. Shareholding: 12,094, of which 12,094 in indirect holdings*. Staff convertible with notional amount: 2,266,000.

Anders Ohlner, Executive vice president, Head of Regional Bank Southern Sweden. Year of birth 1955. Employed: 1985. Shareholding: 7,621, of which 7,121 in indirect holdings*. Staff convertible with notional amount: 2,266,000.

Göran Stille, Executive vice president, Head of Regional Bank Northern

Sweden. Year of birth 1966. Employed: 1987. Shareholding: 1,499, of which 1,499 in indirect holdings*. Staff convertible with notional amount: 2,266,000.

Dag Tjernsmo, Executive vice president, Head of Regional Bank Norway.

Year of birth 1962. Employed: 1988. Shareholding: 2,096, of which 2,096 in indirect holdings*. Staff convertible with notional amount: 2,266,000.

Magnus Uggla, Executive vice president, Head of Regional Bank Southern

Great Britain. Year of birth 1952. Employed: 1983. Shareholding: 40,915, of which 10,915 in indirect holdings*. Staff convertible with notional amount: 2,266,000.

Frank Vang-Jensen, Executive vice president, Head of Regional Bank

Denmark. Year of birth 1967. Employed: 1998. Shareholding: 1,232, of which 1,232 in indirect holdings*. Staff convertible with notional amount: 2,266,000.

Carina Åkerström, Executive vice president, Head of Regional Bank Eastern

Sweden. Year of birth 1962. Employed: 1986. Shareholding: 4,478, of which 4,478 in indirect holdings*. Staff convertible with notional amount: 1,133,000.

HEADS OF BUSINESS AREAS

Per Beckman, Executive vice president, head of Handelsbanken Capital

Markets. Year of birth 1962. Employed: 1993. Shareholding: 1,499, of which 1,499 in indirect holdings*. Staff convertible with notional amount: 2,266,000

Yonnie Bergqvist, Chief executive of Handelsbanken Finans. Year of birth

1961. Employed: 1979. Shareholding: 13,561, of which 13,424 in indirect holdings*. Staff convertible with notional amount: 2,266,000.

Petri Hatakka, Executive vice president, Head of Handelsbanken

International. Year of birth 1962. Employed: 1990. Shareholding: 1,592, of which 1,592 in indirect holdings*. Staff convertible with notional amount: 2,266,000.

Lars Kahnlund, Chief executive of Stadshypotek. Year of birth 1954.

Employed: 1975. Shareholding: 24,423, of which 24,423 in indirect holdings*. Staff convertible with notional amount: 2,266,000.

Claes Norlén, Executive vice president, Head of Handelsbanken Asset

Management. Year of birth 1955. Employed: 1978. Shareholding: 18,496, of which 17,996 in indirect holdings*. Staff convertible with notional amount: 2,266,000.

HEADS OF CENTRAL DEPARTMENTS

Jan Häggström, Senior vice president, Head of Economic Research

Year of birth 1949. Employed: 1988. Shareholding: 5,126, of which 5,126 in indirect holdings*. Staff convertible with notional amount: 2,266,000.

Ulf Köping Höggård, Senior vice president, Head of Legal Department.

Year of birth 1949. Employed: 1990. Shareholding: 4,255, of which 4,255 in indirect holdings*. Staff convertible with notional amount: 2,266,000.

Lena Thörnell, Senior vice president, Head of Corporate Communications.

Year of birth 1956. Employed: 2007. Shareholding: 0. Staff convertible with notional amount: 2,266,000.

Janita Thörner-Lehmark, Senior vice president, Head of Administration.

Year of birth 1949. Employed: 1969. Shareholding: 32,495, of which 31,795 in indirect holdings*. Staff convertible with notional amount: 2,266,000.

* Indirect holding of shares in Handelsbanken via the Oktogonen profit-sharing foundation.