

Press release

Stockholm 5 September 2007

Stadshypotek Bank to be merged with Handelsbanken

Stadshypotek Bank and Handelsbanken have applied to the Swedish Financial Supervisory Authority for permission to carry out a merger. This will mean that the Stadshypotek Bank brand will cease, and that, in the future, Handelsbanken will manage existing customers' banking business. This is expected to take place during the first half of 2008.

Note that the merger application does not relate to Stadshypotek AB, which is a mortgage financing operation.

For further information, please contact:

*Umberto Goretti, chief executive, Stadshypotek Bank, +46 8 701 6203 or
Johan Lagerström, press officer, +46 8-701 3995, mobile: +46 70 265 8014*