Handelsbanken Capital Markets

*Approved and registered by Finansinspektionen ("FI") and published by Handelsbanken on February 19, 2020.*

FI Dnr 20-3918, 20-3919

**Supplement to the Base Prospectus FI Dnr 19-3277, 19-3229 for Svenska Handelsbanken AB (publ)'s MTN, warrant and certificate programme. Approved and registered by the Swedish Financial Supervisory Authority on February 19, 2019.**

In accordance with Chapter 2, section 34 of the Financial Instruments (Trading) Act (SFS 1991:980), Handelsbanken hereby establish this supplement to the Base Prospectus dated March 27, 2019. The supplement is approved and registered by the Swedish Financial Supervisory Authority on February 19, 2020. Any investor who, before this supplement is made public, has submitted an application for or in any other way consented to a purchase or subscription of any transferrable security covered by the Base Prospectus, has the right to recall its application or consent within two weekdays from the publication of this supplement. Last day for recall is February 21, 2020.

This supplement is made due to the publication on February 14, 2020 of Handelsbanken's Annual Report for 2019 and should be read together with, and is a part of the Base Prospectus. Handelsbanken's Report and Base Prospectus can be found at www.handelsbanken.se. Changes are made to the following parts of the Base Prospectus:

On page 183, add this sentence: Handelsbanken's Annual Report for 2019 is incorporated this Base Prospectus by reference.

Section 8, Assets and liabilities, financial situation, and profits and losses, on page 30, subheading Incorporation by reference/Most recent financial information, add this sentence: Handelsbanken's Annual Report, pages 78-187 and 238-240 of February 14, 2020 incorporated this Base Prospectus by reference.

Item B. 12 in the Summary in the Base Prospectus changes as follows:

Item B.12 in the summary "Historical financial information"

B.12 Historical financial information

The below tables shows a summary of certain selected financial information taken from, and which must be read together with, Handelsbanken's audited annual report for the years ending 31 December 2018 and 31 December 2019 and the auditors reports and comments thereto.

| KEY RATIOS FOR THE HANDELSBANKEN GROUP | YR 2019 | YR 2018 | Q4 2019 | Q4 2018 |
|---|---|---|---|---|
| Operating profit, MSEK | 21 796 | 22 013 | 5 695 | 5 288 |
| Profit for the year/ the period, MSEK | 16 925 | 17 357 | 4 381 | 4 016 |
| Total assets, MSEK | 3 069 667 | 2 978 174 | 3 069 667 | 2 978 174 |
| Shareholders' equity, MSEK | 159 832 | 142 261 | 159 832 | 142 261 |
| Return on equity, total business, total operations%[1] | 11,9 | 12,8 | 11,8 | 11,6 |
| Primary capital ratio, %, CRD IV[2] | 18,5 | 16,8 | 18,5 | 16,8 |
| Total Capital adequacy ratio, %, CRD IV[3] | 23,2 | 21,0 | 23,2 | 21,0 |

[1)] The year's profit in relation to average equity. Average equity is adjusted for value changes on financial assets classified as available for sale, derivatives in cash flow hedges, revaluation effects from defined benefit pension plans and a weighted average of new share issues, dividends and repurchase of own shares. This key ratio is not defined under IFRS The key figure is presented to facilitate an investor's assessment of the bank's financial situation and also for comparison between reporting periods.

| SEK m | YR 2019 | YR 2018 | Q4 2019 | Q4 2018 |
|---|---|---|---|---|
| **Equity** | **159 832** | **142 261** | **159 832** | **142 261** |
| Adjustment defined benefit pension plans | **-4 635** | **-1 283** | **-4 635** | **-1 283** |
| Adjustment fair value reserve | **-660** | **-304** | **-660** | **-304** |
| Adjustment hedge reserve | **-4 203** | **-1 263** | **-4 203** | **-1 263** |
| Reversed weighted dividend | **0** | **0** | **0** | **0** |
| **Total adjusted equity** | **150 334** | **139 411** | **150 334** | **139 411** |
| Adjusted equity, average | 142 766 | 135 688 | **148 284** | **133 356** |
| Adjustment fo impact of conversions on adjusted equity, quarterly average | -1 300 | 0 | -2 913 | **0** |
| Actual quarterly average of converted shares | 1 142 | 0 | 3 048 | **0** |
| Capital Market´s holdings of SHB shares, average | 0 | 0 | 0 | **0** |
| **Adjusted equity, quarterly average** | **142 608** | **135 688** | **148 419** | **138 356** |
| Profit for the period | **16 925** | **17 357** | **4 381** | **4 016** |
| **Ereturn on equity, total operations** | **11,9%** | **12,8%** | **11,8%** | **11,6%** |

2) Common equity tier 1 capital in relation to riskweighted assets. This key ratio is not defined under IFRS but it is defined and calculated in accordance with EU regulation no 575/2013 EU (CRR) and EU directive no 2013/36/EU (CRD IV)..

3) Total own funds for capital adequacy purposes in relation to risk-weighted assets. This key ratio is not defined under IFRS but it is defined and calculated in accordance with EU regulation no 575/2013 EU (CRR) and EU directive no 2013/36/EU (CRD IV).

**HANDELSBANKEN'S INCOME STATEMENT AND BALANCE SHEET IN SUMMARY**

| INCOME STATEMENT, MSEK | YR 2019 | YR 2018 | Q4 2019 | Q4 2018 |
|---|---|---|---|---|
| Net interest items: | 32 135 | 31 286 | 8 090 | 7 872 |
| Net commissions: | 10 697 | 10 247 | 2 766 | 2 611 |
| Other revenues: | 1 732 | 2 237 | 520 | 600 |
| **Total revenues:** | **44 564** | **43 770** | **11 376** | **11 083** |
| Personnel costs | -13 549 | -13 465 | -3 405 | -3 464 |
| Other costs: | -6 524 | -6 712 | -1 729 | -1 889 |
| Write-down and depreciation: | -1 670 | -713 | -420 | -171 |
| **Total costs** | **-21 743** | **-20 890** | **-5 554** | **-5 524** |
| Net credit losses | -1 045 | -881 | -130 | -276 |
| Profits on sales of tangible / intangible assets:tillgångar: | 20 | 14 | 3 | 5 |
| **Operating profit:** | **21 796** | **22 013** | **5 695** | **5 288** |
| Taxes: | -4 871 | -4 656 | -1 314 | -1 272 |
| **Profit for the year / the period:** | **16 925** | **17 357** | **4 381** | **4 016** |

| BALANCE SHEET, MSEK | YR 2020 | YR 2018 | Q4 2019 | Q4 2018 |
|---|---|---|---|---|
| Lending to the public: | 2 292 603 | 2 189 092 | 2 292 603 | 2 189 092 |
| Cash and balances with central banks: | 347 505 | 350 774 | 347 505 | 350 774 |
| Interest-bearing securities eligible as collateral with central banks: | 103 387 | 122 260 | 103 387 | 122 260 |
| Loans to other credit institutions: | 17 939 | 22 137 | 17 939 | 22 137 |
| Bonds and other interest-bearing securities: | 42 640 | 50 729 | 42 640 | 50 729 |
| Other assets: | 265 593 | 243 182 | 265 593 | 243 182 |
| **Total assets:** | **3 069 667** | **2 978 174** | **3 069 667** | **2 978 174** |
| | | | | |
| Deposits and borrowing from the public: | 1 117 825 | 1 008 487 | 1 117 825 | 1 008 487 |
| Debts to credit institutions: | 147 989 | 194 082 | 147 989 | 194 082 |
| Securities issued: | 1 384 961 | 1 394 647 | 1 384 961 | 1 394 647 |
| Other liabilities: | 259 060 | 238 697 | 259 029 | 238 697 |
| **Total liabilities:** | **2 909 835** | **2 835 913** | **2 909 835** | **2 835 913** |
| **Shareholders' equity** | **159 832** | **142 261** | **159 832** | **142 261** |
| **Total liabilities and shareholders' equity:** | **3 069 667** | **2 978 174** | **3 069 667** | **2 978 174** |

Handelsbanken confirms that no material negative changes in Handelsbanken's outlooks or financial situation or market position have occurred since the publishing date of the annual report. The consolidated accounts have been prepared in accordance with international financial reporting standards (IFRSs) and interpretations of these standards as adopted by the EU.

However, note that some of the key ratios stated above are not defined under IFRS, they are instead defined as described in the foot note to the relevant key ratio. Note that key ratios which are not calculated in accordance with IFRS not necessarily are comparable with similar ratios presented by other companies and may therefore have some limitations when used as an analyzing tool.