

Remuneration report 2021

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BACKGROUND

Each financial year, the Board prepares a report of paid and accrued remuneration to Board members, the Group Chief Executive and Deputy CEOs to whom Handelsbanken's guidelines for remuneration to executive officers apply. These guidelines refer to all remuneration, regardless of type, with the exception of Board fees and other remuneration determined by the Annual General Meeting. The report has been prepared in accordance with Chap. 8, Sections 53a and 53b of the Swedish Companies Act (2005:551) and the Rules on Remuneration issued by the Swedish Corporate Governance Board.

Information in accordance with Chap. 5 Sections 40–44 of the Swedish Annual Accounts Act (1995:1554) is available in note G8 on pages 152–157 of Handelsbanken's Annual Report and Sustainability Report 2021.

The work of the remuneration committee for 2021 is described in the corporate governance report on pages 74–91 of Handelsbanken's Annual Report and Sustainability Report 2021.

Given that the Board members do not receive any remuneration from Handelsbanken AB other than that determined by the Annual General Meeting, this report does not include

remuneration to Board members. Information on remuneration to the Board as determined by the Annual General Meeting can be found on page 78 of the Corporate Governance Report, presented on pages 74–91 of Handelsbanken's Annual Report and Sustainability Report 2021. The Board member Arja Taaveniku has also received a board fee from Handelsbanken plc, amounting to SEK 344,298.

HANDELSBANKEN'S PERFORMANCE IN 2021

Handelsbanken's performance is summarised in the Administration report on pages 13–15 of Handelsbanken's Annual Report and Sustainability Report 2021.

HANDELSBANKEN'S PRINCIPLES FOR REMUNERATION TO EXECUTIVE OFFICERS

Handelsbanken's principles for remuneration to employees are long established. In the remuneration policy for the Handelsbanken Group, the Board has stipulated that the Bank's remuneration system is to be aligned with the Bank's corporate goal and corporate culture, which are founded on sound, sustainable operations.

Considering the above approach, the total remuneration to an employee must be on

market terms, observing gender equality and enabling Handelsbanken to attract, retain and develop skilled staff, and ensuring good management succession.

As a basis for the guidelines for remuneration to executive officers, Handelsbanken's remuneration policy and the above principles for remuneration to employees have been taken into account; this contributes to the Bank's business strategy, long-term interests and sustainability.

The aggregated total remuneration must be on market terms. Remuneration is paid in the form of a fixed salary, pension provision and customary benefits. The executive officers in question are included in the Oktogonen profit-sharing scheme on the same terms as all employees of the Bank.

The guidelines for remuneration to executive officers can be found on pages 86 of Handelsbanken's 2021 annual report. The guidelines, which were unanimously adopted by the 2021 Annual General Meeting, have been implemented in their entirety. The auditor's statement regarding compliance with the guidelines can be found at Handelsbanken's website under Corporate Governance.

Remuneration to the Group Chief Executive and Deputy CEOs

SEK m	Fixed remuneration						Variable remuneration			Pension costs, defined benefit and defined contribution plans			Fixed and variable remuneration, including pension costs			Proportion fixed remuneration/total remuneration		
	Basic salary			Benefits			2021	2020	2019	2021	2020	2019	2021	2020	2019	2021	2020	2019
	2021	2020	2019	2021	2020	2019												
Group Chief Executive																		
Carina Åkerström ^{1,5}	13.3	12.5	9.1	0.5	0.4	0.2	0.0	-	-	4.6	4.4	3.2	18.4	17.3	12.5	100%	100%	100%
Anders Bouvin ^{2,6}	-	-	3.4	-	-	0.2	-	-	-	-	-	1.2	-	-	4.8	-	-	100%
Deputy CEO																		
Carl Cederschiöld ^{7,13}	6.4	-	-	0.1	-	-	0.0	-	-	2.1	-	-	8.6	-	-	100%	-	-
Carina Åkerström ²	-	-	1.4	-	-	0.1	-	-	-	-	-	0.9	-	-	2.4	-	-	100%
Per Beckman ⁷	6.2	6.1	5.9	0.3	0.3	0.3	0.0	-	-	4.3	4.1	3.8	10.8	10.5	10.0	100%	100%	100%
Dag Tjernsmo ^{7,11}	-	4.0	4.5	-	0.3	0.3	-	-	-	-	3.2	3.1	-	7.5	7.9	-	100%	100%
Nina Arkilanti ^{8,8}	-	0.6	5.6	-	0.0	0.2	-	-	-	-	0.2	2.3	-	0.8	8.1	-	100%	100%
Lars Moesgaard ^{8,11}	-	4.3	4.4	-	0.3	0.3	-	-	-	-	1.7	1.6	-	6.3	6.3	-	100%	100%
Mikael Sorensen ^{4,9,11}	-	9.4	9.6	-	1.7	2.6	-	-	-	-	-	-	-	11.1	12.2	-	100%	100%
Katarina Ljungqvist ¹⁰	-	-	1.4	-	-	0.1	-	-	-	-	-	0.7	-	-	2.2	-	-	100%

The pension cost refers to pension earned under defined benefit pension plans in accordance with IAS 19, or alternatively paid premiums for defined contribution pension plans. The payment of variable remuneration in the form of the Oktogonen profit-sharing scheme has taken place in 2021. Before local taxes and social security costs, the amount was SEK 16,742 per employee.

¹ Since AGM 2019.

² Until AGM 2019.

³ Stepped down as Deputy CEO on 29 January 2020 and left the position on 28 July 2020.

⁴ Remuneration from Handelsbanken plc.

⁵ Defined contribution pension of 35% of salary since becoming Group Chief Executive. The retirement age is 65. Previously earned defined benefit pension is placed in a paid-up policy.

⁶ Defined contribution pension of 35% of salary. Defined benefit pension is being disbursed.

⁷ Defined benefit pension of 65% of salary at age 60 and a pension contribution of 2% of salary. The defined benefit retirement pension is earned successively during the period of employment; it is fully earned for these persons by the time they reach age 60.

⁸ Defined contribution pension of 35% of salary. The retirement age is 65.

⁹ No pension earned.

¹⁰ Stepped down as Deputy CEO on 16 April 2019.

¹¹ Stepped down as Deputy CEO on 15 December 2020.

¹² Became Deputy CEO on 2 February 2021.

¹³ Defined benefit pension according to the collective bargaining agreement, in combination with a defined contribution plan amounting to a maximum of 30% of salary above 30 income base amounts. The retirement age is 65, and the defined benefit pension is fully earned for these persons by the time they reach the age of retirement.

Remuneration relative to other employees and relative to financial performance and key figures

	Change 2019/2018		Change 2020/2019		Change 2021/2020		2021
Remuneration to Group Chief Executive, Carina Åkerström/Anders Bouvin ¹⁴ , SEK m	-4.4	-20%	0.0	0%	1.1	7%	18.4
Remuneration to Deputy CEO, Carina Åkerström ² , SEK m	-6.2	-72%	-	-	-	-	-
Remuneration to Deputy CEO, Carl Cederschiöld ¹² , SEK m	-	-	-	-	-	-	8.6
Remuneration to Deputy CEO, Per Beckman, SEK m	0.3	3%	0.5	5%	0.3	3%	10.8
Remuneration to Deputy CEO, Dag Tjernsmo ¹¹ , SEK m	0.2	3%	-0.4	-5%	-	-	-
Remuneration to Deputy CEO, Nina Arkilahti ¹³ , SEK m	0.5	7%	-7.3	-90%	-	-	-
Remuneration to Deputy CEO, Lars Moesgaard ¹¹ , SEK m	0.3	5%	0.0	0%	-	-	-
Remuneration to Deputy CEO, Mikael Sørensen ¹¹ , SEK m	1.4	13%	-1.1	-9%	-	-	-
Remuneration to Deputy CEO, Katarina Ljungqvist ¹⁰ , SEK m	-3.9	-64%	-	-	-	-	-
Group operating profit ¹⁶ , SEK m	-217	-1%	-2,999	-14%	4,678	25%	23,475
Return on equity ¹⁶ , %	-0.9%	-7%	-2.6%	-22%	2.1%	23%	11.4%
Average full-time remuneration for other employees, parent company ^{15, 17} , SEK m	0.05	6%	0.03	4%	0.01	1%	0.9
Average full-time remuneration for other employees, Group ^{15, 17} , SEK m	0.04	4%	0.03	3%	0.01	1%	0.9

¹⁴ Carina Åkerström from 27 March 2019, Anders Bouvin from 15 August 2016 to 27 March 2019.

¹⁵ Other employees, average full-time remuneration.

¹⁶ Refers to continuing operations.

¹⁷ New basis of calculation. Average full-time remuneration is based on salaries and fees, earned pension costs and provisions for the Oktogonen profit-sharing scheme.

