

Remuneration Report 2023

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BACKGROUND

Each financial year, the Board prepares a report of paid and accrued remuneration to Board members, the Chief Executive Officer and Executive Vice Presidents 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 Remuneration Rules administered by the Stock Market Self-Regulation Committee (ASK).

Information in accordance with Chap. 5 Sections 40–44 of the Swedish Annual Accounts Act (1995:1554) is available in note G8 Staff costs on pages 141–146 of Handelsbanken's Annual and Sustainability Report 2023.

The work of the Remuneration committee for 2023 is described in the Corporate Governance Report on pages 66–81 of Handelsbanken's Annual and Sustainability Report 2023.

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 70 of the Corporate Governance Report, presented on pages 66–81 of Handelsbanken's Annual and Sustainability Report 2023. Board member Arja Taaveniku has also received a board fee from Handelsbanken Plc, amounting to SEK 924,071.

HANDELSBANKEN'S PERFORMANCE IN 2023

Handelsbanken's performance is summarised in the administration report on pages 13–15 of Handelsbanken's Annual and Sustainability Report 2023.

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 business goals and corporate culture, which are founded on sound, sustainable operations.

Taking into account the above approach, an employee's total remuneration must be on market terms and gender-neutral, enabling

Handelsbanken to attract, recruit, retain and develop skilled employees, 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 Oktagonen profit-sharing scheme on the same terms as all employees of the Bank.

The guidelines for remuneration to executive officers can be found on page 75 of Handelsbanken's Annual and Sustainability Report 2023. The guidelines, which were unanimously adopted by the 2022 Annual General Meeting, have been implemented in their entirety. The auditor's statement regarding compliance with the guidelines can be found on Handelsbanken's website under Corporate Governance.

Remuneration to the Chief Executive Officer and Executive Vice Presidents and pension costs

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		2023	2022	2023	2022	2023	2022	2023	2022	
	2023	2022	2023	2022									
Chief Executive Officer													
Carina Åkerström ¹	14.5	14.0	0.6	0.6	0.0	0.0	5.1	4.9	20.2	19.5	100%	100%	
Executive Vice President													
Carl Cederschiöld ²	7.8	7.3	0.2	0.2	0.0	0.0	2.0	2.1	10.0	9.6	100%	100%	
Per Beckman ³	7.5	6.3	0.3	0.3	0.0	0.0	2.3	3.6	10.1	10.2	100%	100%	

¹ Defined contribution pension of 35% of salary since becoming CEO. The retirement age is 62. Previously earned defined benefit pension is placed in a paid-up policy.

² 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 at retirement age.

³ Defined contribution pension of 35% of salary from 18 October 2023, prior to that it was 30%. Previously earned defined benefit pension has been fully earned and is placed in a paid-up policy.

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. Payments of variable remuneration in the form of the Oktagonen profit-sharing scheme took place in 2023. Before local taxes and social security costs, the amount was SEK 34,194 (10,965) per employee.

Remuneration and pension costs relative to other employees and relative to financial performance and key metrics

Change for the year	2023	2023/2022	2022/2021	2021/2020	2020/2019	2019/2018
Remuneration to Chief Executive Officer, Carina Åkerström/Anders Bouvin ¹ , SEK m	20.2	0.7 (4%)	1.1 (6%)	1.1 (7%)	0.0 (0%)	-4.4 (-20%)
Remuneration to Executive Vice President, Carina Åkerström ² , SEK m						-6.2 (-72%)
Remuneration to Executive Vice President, Carl Cederschiöld ³ , SEK m	10.0	0.4 (4%)	1.0 (12%)			
Remuneration to Executive Vice President, Per Beckman, SEK m	10.1	-0.1 (-1%)	-0.6 (-6%)	0.3 (3%)	0.5 (5%)	0.3 (3%)
Remuneration to Executive Vice President, Dag Tjernsmo ⁴ , SEK m					-0.4 (-5%)	0.2 (3%)
Remuneration to Executive Vice President, Nina Arkilahti ⁵ , SEK m					-7.3 (-90%)	0.5 (7%)
Remuneration to Executive Vice President, Lars Moesgaard ⁴ , SEK m					0.0 (0%)	0.3 (5%)
Remuneration to Executive Vice President, Mikael Sørensen ⁴ , SEK m					-1.1 (-9%)	1.4 (13%)
Remuneration to Executive Vice President, Katarina Ljungqvist ⁶ , SEK m						-3.9 (-64%)
Group operating profit ^{7,8} , SEK m	36,322	9,493 (35%)	3,465 (15%)	4,678 (25%)	-2,999 (-14%)	-217 (-1%)
Return on equity ^{7,8} , %	15.9%	3.3% (26%)	1.3% (12%)	2.1% (23%)	-2.6% (-22%)	-0.9% (-7%)
Average full-time remuneration for other employees, parent company ⁹ , SEK m	0.9	-0.04 (-4%)	0.02 (2%)	0.01 (1%)	0.03 (4%)	0.05 (6%)
Average full-time remuneration for other employees, Group ⁹ , SEK m	1.0	-0.01 (-1%)	0.05 (5%)	0.01 (1%)	0.03 (3%)	0.04 (4%)

¹ Carina Åkerström from 27 March 2019, Anders Bouvin from 15 August 2016 to 27 March 2019.

² Until AGM 2019.

³ Became Executive Vice President on 2 February 2021.

⁴ Stepped down as Executive Vice President on 15 December 2020.

⁵ Stepped down as Executive Vice President on 29 January 2020 and resigned from employment on 28 July 2020.

⁶ Stepped down as Executive Vice President on 16 April 2019.

⁷ Refers to continuing operations.

⁸ IFRS 17 Insurance Contracts is applied in the Group from 2023. Relevant comparative figures (income statement, balance sheet and key metrics) have been restated as if these regulations had also applied in 2022.

⁹ Average full-time remuneration is based on salaries and fees, earned pension costs and provisions for the Oktogonen profit-sharing scheme. No adjustments are made for non-recurring items.

