

Remuneration Report 2022

Aktia



Remuneration Report 2022 for the governing bodies of Aktia Bank Plc

Dear Shareholder

This Remuneration Report for the governing bodies at Aktia Bank Plc (hereinafter Aktia Bank) sets out how Aktia Bank has implemented its Remuneration policy in 2022, concerning remuneration of the Board of Directors (hereinafter the Board) as well as the CEO and the Deputy CEO of Aktia Bank between 1 January 2022 and 31 December 2022. The Report is based on the Recommendations on Corporate Governance Code for Finnish Listed Companies (1 January 2021) as well as the provisions to the Finnish Securities Market Act (746/2012), the Limited Liability Companies Act (624/2006) and the Decree of the Ministry of Finance (608/2019). Aktia Bank also complies with the provisions of the Act on Credit Institutions (213/2013) on remuneration systems. The Report has been reviewed by the Aktia Bank Remuneration and corporate governance committee (hereinafter the Committee) and approved by the Board. The Report will be presented to Aktia Bank's General Meeting on 5.4.2023 where the shareholders will make an advisory decision on its contents.

Overview of Aktia Bank Remuneration in 2022

Remuneration of the Aktia Bank governing bodies is based on the Remuneration policy, that was presented for an advisory decision at the Annual General Meeting held on 16 April 2020. The Remuneration policy will be applied until the Annual General Meeting 2024, unless the Board decides to bring it for an advisory decision at an earlier General Meeting.

The decision-making process on remuneration, as defined in the Remuneration policy, has been followed in the decision-making on remuneration in 2022. No temporary deviations from the Remuneration policy were applied in 2022. Furthermore, the Board did not observe any circumstances or activities that would have resulted in a need to apply clawback clauses applicable to the variable remuneration of the CEO and Deputy CEO in 2022. The Board will ensure that the Remuneration policy and the remuneration continue to support the Group strategy going forward in all circumstances.

Aktia Bank Remuneration Principles

Aktia Bank is committed to developing a strong pay for performance culture throughout the organization. Aktia Bank's remuneration policy is based on the Group's strategy, goals, values, and long-term benefits. To support, guide and achieve Aktia's vision, it is important that Aktia attract, retain, develop, and reward the right talents. The remuneration principle provides a framework for sustainable, long-term value creation in the best interests of the shareholder. Aktia Bank's principles on remuneration are built to support and Remuneration for such performance that is in line with the advancement of the company' strategy, long-term financial results, as well as the individual's personal performance. The remuneration shall steer toward effective and appropriate risk management, restraining from excess risk-taking, so that excess risk-taking is not rewarded and conflicts of interest in the Group are prevented.

The Committee has benchmarked the total remuneration level and structure of the CEO and the Deputy CEO to be in line with performance and to be competitive in relation to relevant peers in the market. During financial year 2022, the variable compensation of the CEO and the Deputy CEO is comprised of a short-term incentive scheme (hereinafter STI) and a long-term incentive scheme (hereinafter LTI) for both of which the Board resolved on the earning opportunities and performance targets at the beginning of the financial year. In January 30th 2023, the board of Aktia Plc has decided to discontinue current LTI plan (AktiaUna PSP). The current earning period closes at the end of 2023 and no additional performance based shares will be paid based on earning period 2022-2023. The board of Aktia Plc has decided to launch a new top management incentive plan that features one year earning period. The board has decided on the earning opportunities and performance measures for CEO and Deputy CEO of the new plan in the same meeting held on 30th of January 2023.

The CEO and the Deputy CEO are expected to build and maintain a meaningful shareholding of Aktia Bank shares to further support and align with shareholder interest.

Development of Aktia Bank's Financial Performance and Remuneration

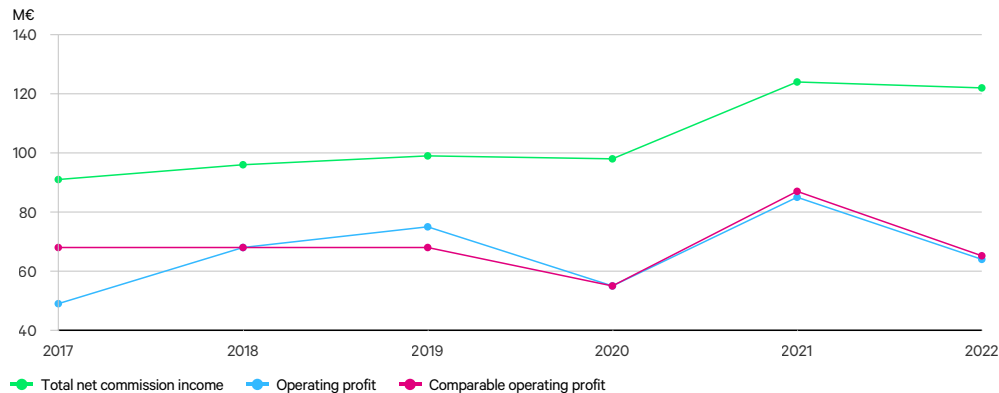
The financial year 2022 was challenging for Aktia. Comparable operating profit was 25 % lower compared to 2021. Comparable operating income declined by 3 % and whole year comparable operating profit was EUR 65.2 million. Financial year was difficult in all business areas but in the volatile market

affected the Asset management business the most. Asset management's comparable operating profit declined by 23.7 % compared to 2021.

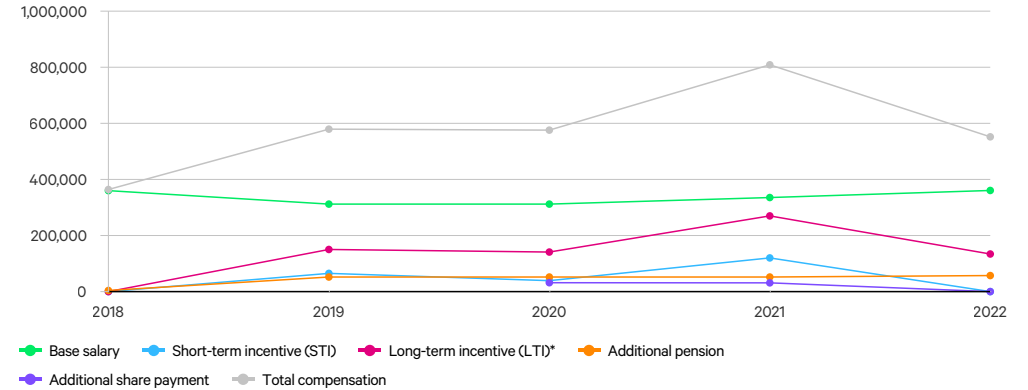
In line with the performance for 2022, the outcome for the short-term incentive plan was significantly lower compared to 2021. The outcome for the long-term incentive plan that is reflecting a two-year performance period 2021-2022 was below the target level as well.

The following graph and tables depicts development of the compensation of the CEO, the Deputy CEO and of an average Aktia employee over a five year period.

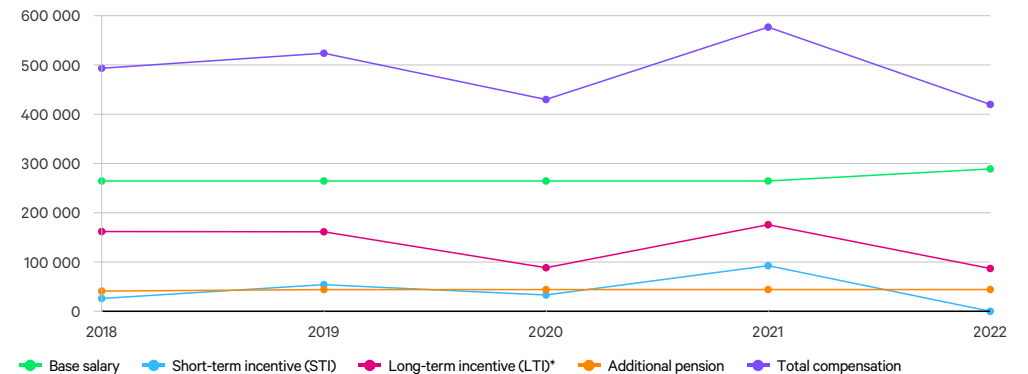
Comparable operating income



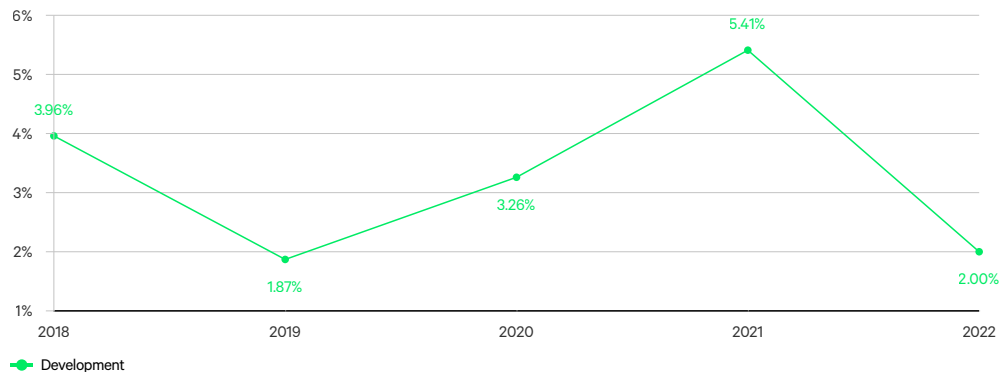
CEO



Deputy CEO



Development of average employee salary



Remuneration of the Board of Directors in 2022

The Annual General Meeting 2022 of Aktia Bank Plc established the remuneration for the Board members of Aktia Bank Plc. The annual fee for the Chairman of the board is **64 300** euro, for the vice chairman **43 000** euro and for the members **35 000** euro.

The members were also paid attendance fee of 500 euros per attended meeting. The chairmen of the committees were entitled to an additional annual fee of **8000** euro. The fees were decided for the period from the Annual General Meeting 2022 to the Annual General Meeting 2023. In 2022, the Board members of Aktia Bank were compensated as set out in the following table.

40% of the Board members' annual remuneration was paid in the form of Aktia shares. The Board members are encouraged to keep these shares for the duration of their Board mandate in Aktia Bank.

In compliance with the Finnish Tax Administration's guidelines for travels, travel and accommodation expenses are paid to the Board members for travels that are directly related to the Board work. In addition,

Aktia Bank has taken out a voluntary statutory (TyEL) union representative insurance for the Board members.

Development of ceo and deputy remuneration (earned)

CEO EUR	2018 ¹	2019 ²	2020	2021	2022 ³
Base salary	360,000	312,000	312,000	335,400	360,600
Short-term incentive (STI)	0	65,000	39,000	120,120	0
Long-term incentive (LTI)*	0	150,234	141,045	269,948	134,077
Additional pension	4,000	52,000	52,000	52,000	57,200
Additional share payment			31,699	31,195	0
Total compensation	364,000	579,234	575,744	808,663	551,877

1) 2018 Martin Backman (until 7.3.2018) Base/STI/LTI/additional pension: 282/0/46/4, Mikko Ayub: 78/0/0/0

2) 2019 - Mikko Ayub

3) Mikko Ayub left his position as President and CEO of Aktia on 27 February 2023. Juha Hammarén, Deputy to the CEO and Executive Vice President, was appointed interim CEO.

* Share Price applied at 31.12. of year in question

Deputy CEO EUR	2018 ⁴	2019	2020	2021	2022
Base salary	264,468	264,468	264,468	264,468	288,911
Short-term incentive (STI)	26,000	54,000	33,000	92,564	33,059
Long-term incentive (LTI)*	161,820	161,320	88,374	175,683	86,851
Additional pension	41,000	44,000	44,000	44,068	44,078
Total compensation	493,288	523,788	429,842	576,783	452,899

4) 2018 - Juha Hammarén (interim CEO)

* Share Price applied at 31.12. of year in question

Development of board remuneration

Board	2018	2019	2020	2021	2022
Chairman annual fee	61,200	61,200	64,300	64,300	64,300
Vice chairman annual fee	34,650	34,650	36,400	43,000	43,000
Board member annual fee	27,140	27,140	28,500	35,000	35,000
Meeting fee	500	500	500	500	500
Meeting fee, committee chair per committee meeting	1,000	1,000	1,000	500	500
Annual fee, committee chairman	0	0	0	8,000	8,000

Remuneration of the CEO and Deputy CEO 2022

Base Salary and Benefits

The CEO received a base salary of EUR 28,600 per month and the Deputy a base salary of EUR

22,039 per month in 2022, including benefits in kind. Both the CEO and the Deputy CEO are entitled to employee benefits in compliance with Aktia Group's principles valid at any given point in time. The CEO and the Deputy CEO are entitled to a premium-based defined contribution supplementary pension

plan, according to the voluntary unit-linked group pension insurance that Aktia Bank has taken out for Aktia Bank's Executive Committee. The CEO and the Deputy CEO have the right to the paid-up policy if the duration of their contract is at least five (5) years. The annual supplementary pension plan contribution amounts to 20% of the base salary for each person. The cost of the plan in 2022 was EUR 53,600 for the CEO and EUR 44,078 for the Deputy CEO respectively.

In accordance with the resolution by the Annual General Meeting in 2020, the maximum ratio between the variable and the fixed compensation components for the total remuneration of the CEO and the Deputy CEO shall be 200%.

Short term incentive 2022

The short-term incentive scheme (STI) could in 2022 amount at the most to the base salary of 6 months for the CEO and the Deputy CEO.

The STI goals were based on the Group's financial targets (50%), quantitative and qualitative operative (25%) and individual objectives (25%), aimed at encouraging and measuring the advancement of the strategy implementation to reach Aktia Group's long-term financial targets.

The achieved performance for the STI in 2022 equaled to 0 % out of maximum for the CEO and 25% the Deputy CEO respectively. The Remuneration will be paid in compliance with regulation in five (5) annual installments in Spring 2023 – 2027.

Long term incentive 2021-2022

Aktia Bank's long-term remuneration framework is built on a share-based incentive scheme, where participants are offered to invest in the Aktia share and thus earn the right to receive additional Aktia shares (matching shares) as long-term incentives (LTI). The shares are earned as Remuneration 1) partly through the all employee share savings plan

BOARD REMUNERATION 2022

EUR		Annual board fees gross	Board and committee meeting fees	Total fees
Svens Lasse	Chairman, remuneration and corporate governance & risk committee member	64,300	19,000	83,300
Vättö Timo	Vice Chairman, remuneration and corporate governance committee chairman	51,000	17,000	68,000
Hammarén Johan	Member, remuneration and corporate governance committee member	35,000	14,000	49,000
Jerhamre Engström Maria	Member, risk committee chairman	43,000	14,000	57,000
Lauslahti Harri	Member, risk committee member	35,000	14,000	49,000
Lehtinen Olli-Petteri	Member, risk committee member, audit committee chairman	43,000	16,500	59,500
Schulman Johannes	Member, audit committee member	35,000	12,000	47,000
Pohjonen Sari	Member, audit committee member	35,000	6,000	41,000
Former Board members				
Talma Arja	Member, audit committee member	0	5,000	5,000
TOTAL		341,300	117,500	458,800

Variable Compensation Schemes

In 2022, the CEO and Deputy CEO were offered two performance-based incentive schemes: an annual STI and a share-based LTI. The performance criteria and earning opportunities for both schemes were set by the Board at the beginning of the financial year.

Aktia Bank complies with the finance sector's rules on variable compensation, which means that at least half of the variable compensation shall be paid in the form of shares. A considerable part of the earned variable compensation shall be postponed for payment during a period of approximately four (4) years, followed by a waiting period of one year. Additionally, each payment of variable remuneration requires that the Board considers the Group's Risk Control Function assessment that there is no impediment to payment, taking into account the Group's own funds, liquidity situation and how the key person performed his duties, taking into account mandatory regulation, the Group's strategy, rules and good practices.

AktiaUna and 2) partly through the Aktia Bank performance based key employee scheme.

Through AktiaUna, the CEO and the Deputy CEO have been offered the opportunity to put aside (save) up to twelve (12) % of their annual salary for the acquisition of Aktia shares at a discounted price (-10%). In return, the participants earn the right to receive one Aktia matching share (gross) for each acquired share within the plan. Matching shares will be granted after a waiting period of approximately two (2) years from the outset of the period, provided that the employment contract has not ended and that the participant has not sold the shares within the frame of the program.

The CEO and the Deputy CEO are furthermore included, provided they participate in AktiaUna, in the performance-based scheme. Through the scheme, the CEO and the Deputy CEO may earn additional Aktia shares based on Board established earning criteria, against each share acquired within the AktiaUna scheme. The scheme has annually commenced performance periods that span over a two-year period. The earning criteria for the 2021-2022 performance period were the two (2) -year development of the Aktia Group's comparable operating profit (60% weight), and the Group's two-year total net commission income (40% weight). The 2022-2023 performance period is ongoing with the same earning criteria and weightings respectively.

The total LTI earnings thus depend on the underlying share saving within the AktiaUna scheme and how well the set earning criteria for the performance-based scheme are met during each respective earning period. The maximum earning opportunity for the CEO is 12 and for Deputy CEO 8 additional performance bases shares for each saved share. As a rule, earned shares are not paid to a participant whose employment contract has ended before the time of payment.

The achieved performance for the LTI period 2021-2022 equaled to 46% out of maximum, which amounted to total earned shares (including AktiaUna) of 13 233 gross shares for the CEO and 8 714 gross shares for the Deputy CEO. The Remuneration will be paid as the terms of the program and in compliance with regulation in five (5) annual installments in Spring 2023 – 2027. In addition, received shares are subject to a waiting period of one (1) year.

The CEO and the Deputy CEO must keep half of the shares earned through all LTI schemes until they own Aktia shares to an amount corresponding to the value of their fixed annual salary.

Paid remuneration to the CEO and Deputy CEO in 2022

The total paid remuneration to the CEO and the Deputy CEO for 2022 amounted to a total of EUR 624 452 and EUR 538 357. Remuneration earned in Aktia Bank's STI and LTI have been deferred in compliance

with the terms of the programs as well as valid regulations in the financial sector.

Below charts present the distribution between different remuneration elements which was paid to the CEO and Deputy CEO in 2022. The paid STI and LTI presented are the actual payments that have taken place during the reporting year 2022. The paid STI in 2022 to the CEO and Deputy CEO includes

partial payment from the earning period 2021 and the rest of it has been deferred to upcoming four (4) years. The paid LTI in 2022 includes partial payment from the LTI period 2019–2020 and 2020-2021 both to the CEO and the Deputy CEO, the rest of which has been deferred. The LTI remuneration was paid out partly in shares and partly in cash to cover the taxes arising from the share payment. The holiday premium was considered as part of the base pay paid in 2021.

Summary of ongoing LTI schemes

CEO	Program	Aquired shares, through AktiaUna*	Matching gross shares, AktiaUna program	Maximum shares, UnaPSP program	Outcome%, UnaPSP program	Total earned shares	Reward payout schedule
	LTI 2018-2019	1,336	1,336	16,032	92%	16,085	2020 - 2023
	LTI 2019-2020	3,132	3,132	37,584	30%	14,407	2021 - 2024
	LTI 2020-2021	2,256	2,256	27,072	73%	22,019	2022 - 2026
	LTI 2021-2022	2,028	2,028	24,336	46%	13,223	2023 - 2027
	LTI 2022-2023**						2024 - 2028
Deputy CEO							
	LTI 2018-2019	2,066	2,066	16,528	92%	17,272	2020 - 2023
	LTI 2019-2020	2,655	2,655	21,240	30%	9,027	2021 - 2024
	LTI 2020-2021	2,095	2,095	16,760	73%	14,330	2022 - 2026
	LTI 2021-2022	1,862	1,862	14,896	46%	8,714	2023 - 2027
	LTI 2022-2023**			0			2024 - 2028

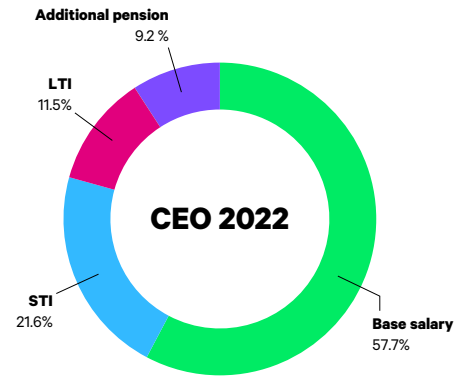
* Participant aquires shares with net salary and receives the right to earn matching and performance shares.

** Acquisition of shares still ongoing. Number of matching- and maximum performance shares will be determined later.

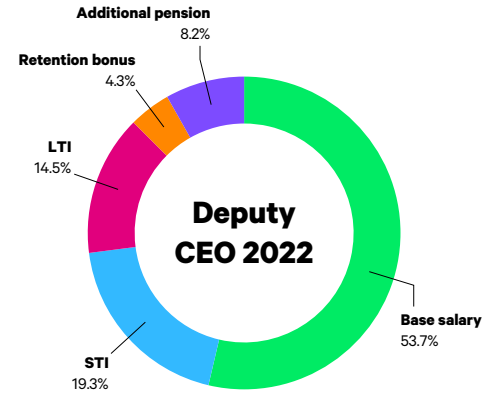
Termination Clauses

The period of notice of the CEO's and the Deputy CEO's employment contract is six (6) months. If notice is given by Aktia Bank, they shall receive in addition to the salary for the period of notice, a sum of money (severance pay) corresponding to their monetary salary for nine (9) months respectively. However, this is not the case if notice is given on grounds which would have entitled to a cancellation of the contract.

CEO



Deputy CEO



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The Aktia logo is rendered in a large, bold, white sans-serif font. It is positioned in the bottom-left corner of the page. The background of the entire page is a dark grey gradient, overlaid with a complex, abstract pattern of numerous thin, light grey lines that create a sense of depth and movement, resembling a stylized, flowing shape or a bundle of fibers.