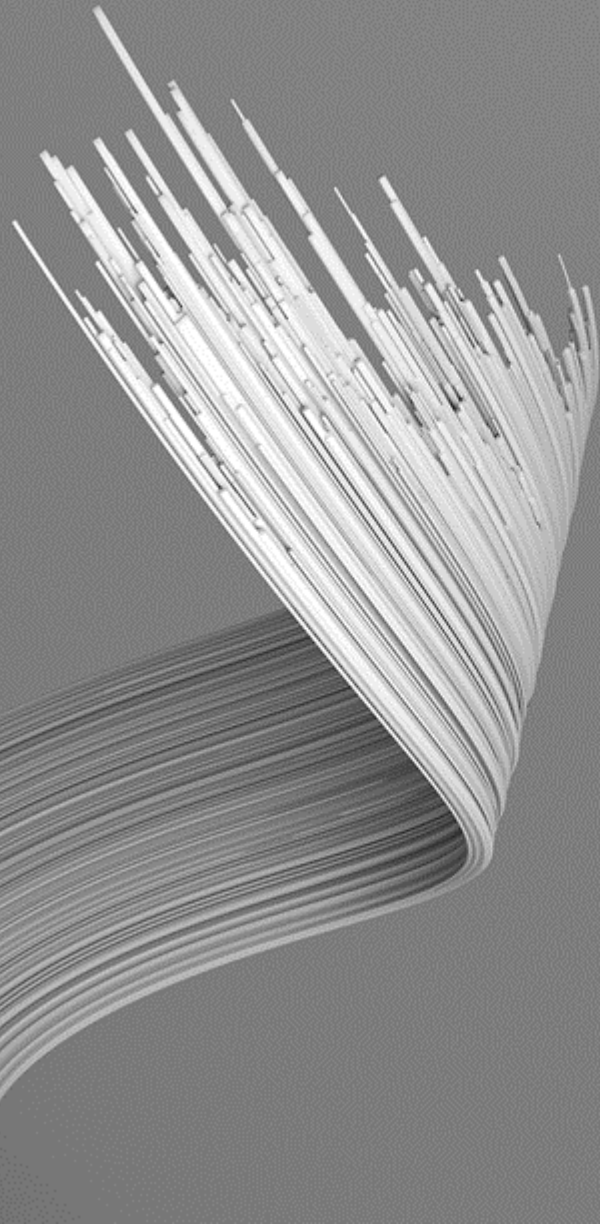


Corporate Governance Statement 2023



Corporate Governance Statement for Aktia Bank Plc

This report has been approved by the Board of Directors of Aktia Bank Plc (Aktia) on 28 February 2024. The report has been prepared separately from the Report by the Board of Directors and it has been handled by the Audit Committee of the Board of Directors. This Corporate Governance Report has been prepared in accordance with the Finnish Corporate Governance Code 2020. This report and other disclosures required under the Corporate Governance Code, the company's financial statements, the Report by the Board of Directors and the auditor's report for 2023 are available on the company's website www.aktia.com.

Recommendations concerning corporate governance

In addition to complying with legislation in force and the company's Articles of Association, Aktia Bank Plc also complied with the 2020 Corporate Governance Code for Listed Companies issued by the Finnish Securities Market Association (Corporate Governance Code 2020). The Code is publicly available on the website of the Finnish Securities Market Association, www.cgfinland.fi. Aktia is a supporting member of the Securities Market Association.

AKTIA BANK PLC'S GOVERNANCE STRUCTURE



BOARD OF DIRECTORS 31 DECEMBER 2023



Lasse Svens

b. 1962

Chair of the Board and member of the Board's Remuneration and Corporate Governance Committee and member of the Board's Risk Committee

M.Sc. (Econ.)

CEO, Åbo Akademi University Foundation sr

Member of the Board since 2016

Shares in Aktia Bank Plc 31 December 2023: 19,943



Timo Vättö

b. 1964

Vice Chair of the Board and Chair of the Board's Remuneration and Corporate Governance Committee

M.Sc. (Econ.)

Managing Partner, Cundo Management AG, Switzerland

Member of the Board since 2021

Shares in Aktia Bank Plc 31 December 2023: 8,466



Ann Grevelius

b. 1966

Member of the Board and member of the Board's Audit Committee

M.Sc (Econ.)

Founder and Chair of the Board, Optise AB

Member of the Board since 2023

Shares in Aktia Bank Plc 31 December 2023: 1,483



Carl Haglund

b. 1979

Member of the Board, member of the Board's Remuneration and Corporate Governance Committee

M.Sc. (Econ.)

CEO, Veritas Pension Insurance

Member of the Board since 2023

Shares in Aktia Bank Plc 31 December 2023: 1,627



Maria Jerhamre Engström

b. 1969

Member of the Board and Chair of the Board's Risk Committee

eMBA

Head of Insurance, Länsförsäkringar Uppsala

Member of the Board since 2018

Shares in Aktia Bank Plc 31 December 2023: 9,279

Johan Hammarén

b. 1969

M.Sc (Econ.), Master of Laws

CEO, Oy Hammarén & Co Ab

Member of the Board and member of the Board's Remuneration and Corporate Governance Committee until 5.4.2023



Harri Lauslahti

b. 1961

Member of the Board and member of the Board's Risk Committee

M.Sc. (Econ.)

Managing Partner, Kohtas Legal Marketplace

Member of the Board since 2020

Shares in Aktia Bank Plc 31 December 2023: 5,757

Olli-Petteri Lehtinen

b. 1960

M.Sc. (Econ.)

Board professional

Member of the Board and Chair of the Board's Audit Committee as well as member of the Board's Risk Committee until 5.4.2023



Sari Pohjonen

b. 1966

Member of the Board and Chair of the Board's Audit Committee

M.Sc. (Econ.)

Board professional

Member of the Board since 2022

Shares in Aktia Bank Plc 31 December 2023: 3,331



Johannes Schulman

b. 1970

Member of the Board and member of the Board's Audit Committee

M.Sc. (Econ.)

Member of the Board since 2018

Shares in Aktia Bank Plc 31 December 2023: 8,395

Information on remuneration paid to the members of the Board is found in Notes G43 and G45 of the financial statements.

Composition of the Board of Directors

In accordance with the provisions of the Articles of Association, Aktia's Board of Directors encompasses a minimum of five (5) and a maximum of twelve (12) ordinary members. The Annual General meeting decides on the number of Board members, elects the Board members and decides on the fees to be paid to the Board members based on the proposal submitted by the shareholders' Nomination Board. The Board members' mandates begin at the end of the Annual General Meeting and end at the end of the following Annual General Meeting. The Board of Directors elects its Chair and Deputy Chair from among its members. No Board members are appointed through a special appointment procedure.

Pursuant to the Articles of Association of Aktia, the Nomination Board comprises representatives of the five largest shareholders according to number of shares held. The Chair of the Board of Directors convenes the Nomination Board and acts as an expert at the meetings. The right to appoint a member to the Nomination Board lies with the five shareholders whose ownership of shares in Aktia Bank Plc is the largest on 1 June on the calendar year immediately preceding the General Meeting. Should a shareholder not wish to use his/her appointment right, the appointment right is transferred to the next largest shareholder who would otherwise not have an appointment right.

Prior to an Annual General Meeting, the Nomination Board shall present its proposals for members of the Board of Directors and for remuneration to the Board of Directors of Aktia Bank Plc before the end of January. Concerning Extraordinary General Meetings,

proposals shall be presented in a similar manner in good time before the meeting, considering applicable rules and regulations

Independence and diversity of Board members

None of the Board members has been or is an employee of the company. The Board of Directors deems all members of the Aktia's Board 2023 to be independent in relation to Aktia within the meaning of the Corporate Governance Code 2020. According to the Board's assessment, all Board members except Timo Vättö are independent of significant shareholders of the company (a shareholding representing at least ten per cent of the total number of shares or voting rights). Timo Vättö is a member of the board of directors in Rettig Oy Ab, which in turn is the biggest shareholder of RG Partners Oy, which is Aktia Bank's biggest shareholder (10.18 %).

The Board of Directors has approved principles for diversity with the aim of ensuring that the Board as a whole has the expertise and the diversity required to ensure a healthy board culture, to preserve shareholder value through efficient supervision of the business and to increase shareholder value through insights and strategic thinking. The principles are available on the company's website, www.aktia.com/en/investors/corporate-governance.

According to Aktia's principles in terms of gender, an even gender distribution in the Board of Directors shall be pursued. During 2023, 37.5 per cent of Board members were women. Even though the goal was not met, the shareholders' Nomination Board has in its work taken into account the objective to reach an

even gender distribution, as well as the upcoming requirements from the EU Directive concerning gender balance on corporate boards. The Nomination Board still aims to meet these requirements.

The Board of Directors' tasks and meetings

The Board of Directors represents Aktia and is responsible for managing the company in accordance with the provisions of the applicable laws and the Articles of Association. Apart from assignments given the Board of Directors to its members in individual cases, Board members do not have individual duties related to the governance of the company.

The Board has adopted written rules of procedure for its work. Meetings of the Board are held mainly at Aktia's premises in Helsinki. When required, the Board can also hold distance meetings and adopt resolutions without convening. In 2023, the Board of has held mainly physical meetings. In accordance with the rules of procedure, the Board normally meets once a month and as necessary. Annually at one longer meeting the Board mainly discusses the Group's strategy.

Meetings of the Board of Directors are deemed quorate when more than half of its members, including the Chairman or the Deputy Chairman, are present. The rules of procedure for the Board of Directors define in more detail the general duties of the Board, meeting procedures, meeting minutes, ordinary affairs, preparation and presentation of matters to be dealt with at the Board meetings as well as reporting procedures.

In 2023 the Board held 14 meetings. In addition, the Board of Directors adopted separate decisions on ten

occasions concerning matters that fall under its authority. In addition to regular issues and special issues dealt with by the committees, the board focused on implementing the company's strategy as well as various IT-matters. The Board established a working group among itself in order to follow more closely IT-development projects and digitalization, information security matters and preparation of IT-investments.

The following Board members have been members throughout 2023. Their attendance at meetings::

Svens Lasse, Chair	14/14
Jerhamre Engström Maria	14/14
Lauslahti Harri	14/14
Pohjonen Sari	14/14
Schulman Johannes	14/14
Vättö Timo	14/14

Ann Grevelius was elected to the Board on 5 April 2023 and has thereafter attended 9/10 Board meetings. Carl Haglund was elected to the Board on 5 April 2023 and has thereafter attended 10/10 Board meetings.

Johan Hammarén and Olli-Petteri Lehtinen were members of the Board up until 5 April 2023. They both had before that participated in 4/4 Board meetings, as well as Hammarén in 3/3 Committee meetings and Lehtinen in 4/4 Committee meetings.

Composition and duties of Board committees

To prepare matters to be resolved by the Board of Directors and to make decisions on certain defined matters, the Board of Directors has established three committees. The committees' rules of procedures constitute a part of the Board of Directors' rules of procedure. Under the rules of procedure, the committees must have at least three and not more than four members. The rules of procedure also specify which matters are to be prepared by the committees and the matters which are reported to the committees.

The Risk Committee prepares matters of risktaking and risk management. In addition, the committee handles the key risk-related processes for capital and liquidity, internal capital adequacy assessment process (ICAAP) and the internal liquidity adequacy assessment process (LAAP) and prepares risk-related matters for the Board of Directors to decide on. The committee prepares decisions on the annual plan and on procedures for the Risk Control and Compliance functions to be adopted by the Board, and receives the reports submitted by Risk Control and Compliance. In 2023, the committee held 9 meetings and besides the regular matters it focused on monitoring of various development projects, including processes related to risk area Financial Crime.

Members of the Risk Committee and meeting attendance in 2023:

Jerhamre Engström Maria, Chair	8/9
Lauslahti Harri	9/9
Svens Lasse	9/9
Lehtinen Olli-Petteri, until 5 April 2023	3/3

The Audit Committee secures the financial reporting and an appropriate organisation for internal control and internal audit. The Audit Committee prepares matters to be decided upon by the Board of Directors for the financial statements and interim reports. The committee prepares the principles for internal auditing and the Group's internal audit plan. The committee receives the reports issued by the external auditor, the Internal Audit function and assesses the sufficiency of the other internal reporting. The Audit Committee assesses the independence of the auditor or audit firm and, in particular, the provision of ancillary services. In 2023 the Audit Committee held 5 meetings and besides the regular matters it focused on the preparations for implementation of requirements of the Directive on Corporate Sustainability Reporting, as well as adopting IFRS 17.

Members of the Audit Committee and meeting attendance in 2023:

Pohjonen Sari, Chair from 5 April 2023, member until 5 April 2023	5/5
Grevelius Ann, from 5 April 2023	4/4
Schulman Johannes	5/5
Lehtinen Olli-Petteri, Chair until 5 April 2023	1/1

The Remuneration and Corporate Governance Committee prepares and puts forward proposals to be decided upon by the Board of Directors concerning the Group's remuneration policy and report, and more in detail concerning the remuneration and incentive schemes of the Executive Committee and assesses these. The committee prepares and manages also matters relating to the development of the Group's administration and governance systems. In 2023, the committee held 10 meetings and besides the regular matters it focused on various personnel and appointment matters as well as strategic development projects.

Members of the Remuneration and Corporate Governance Committee and meeting attendance in 2023:

Vättö Timo, Chair	10/10
Haglund Carl, from 5 April 2023	7/7
Svens Lasse	10/10
Hammarén Johan, until 5 April 2023	3/3

EXECUTIVE COMMITTEE 31 DECEMBER 2023



Juha Hammarén

b. 1960

Chief Executive Officer

Master of Laws (with court training), eMBA

At Aktia since 2014

Shares in Aktia Bank Plc 31 December 2023:
78,837



Anssi Huhta

b. 1977

Executive Vice President, Banking business,
Deputy CEO

eMBA

At Aktia since 2020

Shares in Aktia Bank Plc 31 December 2023:
23,784



Outi Henriksson

b. 1969

Executive Vice President, CFO

M.Sc. (Econ.)

At Aktia since 2017

Shares in Aktia Bank Plc 31 December 2023:
43,798



Kaapro Kanto

b. 1979

Executive Vice President, CIO

Bachelor of Science

At Aktia since 2023

Shares in Aktia Bank Plc 31 December 2023:
366



Sini Kivekäs

b. 1974

Executive Vice President, Corporate Services

Master of Laws (with court training)

At Aktia since 2022

Shares in Aktia Bank Plc 31 December 2023:
2,320



Uki Lammi

b. 1973

Executive Vice President (interim), Asset
Management

Master of Science

At Aktia since 2020*

Shares in Aktia Bank Plc 31 December 2023:
15,918

Mikko Ayub

b. 1969

CEO

M.Soc.Sc., MBA

At Aktia since 2018, until 27 February 2023

Sari Leppänen

b. 1974

Executive Vice President, CIO

Master of Science and Doctor of Philosophy in
Computer Science, Systems Architecture and
Engineering

At Aktia since 2021 until 31 July 2023

Perttu Purhonen

b. 1969

Executive Vice President, Asset Management

Master of Science (Econ.)

At Aktia since 2021 until 1 February 2023

* Uki Lammi left his position in January 2024,
when Kati Eriksson started as the new EVP
responsible for Aktia's Asset Management

Information on remuneration of members of the
Executive Committee is found in Notes G43 and
G45 of the financial statements.

CEO and his duties

Juha Hammarén, Master of Laws (with court training), eMBA, born 1960.

The CEO is responsible for the day-to-day management of the Aktia Group. The CEO is to attend to his duties of overseeing the bank's day-to-day management in accordance with the instructions issued by the Board of Directors. The CEO prepares matters for the consideration of the Board of Directors and implements the Board's decisions. The CEO is assisted in the day-to-day management by the Executive Committee.

Executive Committee and its duties

The task of the Group's Executive Committee is to assist the CEO. The Executive Committee discusses and monitors the outcome of the Group's strategy and its earnings performance as well as outcomes for significant projects and the achievement of defined targets.

The Executive Committee has no formal corporate law status. The Executive Committee consists of the CEO, who acts as chairman, and the executives for segments and functions, as stipulated by the Board. The members of the Executive Committee report to the CEO. In 2023, the Executive Committee generally convened every two weeks.

Internal control and risk management in Aktia Group

The system of internal control is designed to ensure that the activities of the Aktia Group comply with the applicable regulatory requirements and the operational guidelines adopted by the Board. In Aktia, the methodology called "Three lines of defence" is applied to internal control and risk management.

Internal control is thus implemented on all levels of the organisation. Ensuring the appropriate organisation and functioning of the internal control is part of the duties of the Board of Directors of Aktia Bank Plc.

The first line of defence, i.e. business operations as well as its support functions, own all risks in their operations and are through that responsible for the internal control and risk management. In addition to processes for financial reporting, a functioning internal control in Aktia Group is secured by the Risk Control Function, the Compliance Function and in Aktia Life Insurance Ltd by the independent actuarial function as well as in Aktia Fund Management Company by independent risk management function in the second line of defence as well as by the Internal Audit in the third line of defence. All these functions operate independently of the operative business. Risk Control and Compliance functions and Internal Audit function report directly to the Group's Board of Directors and the boards of the Group's regulated subsidiaries. Additionally, the independent actuarial function reports to the Board of Aktia Life Insurance Ltd and the independent risk management function reports to the Board of Aktia Fund Management Company.

The Board determines principles, instructions, risk strategies and risk appetite in the Group, and thus establishes a framework for risk management in the Group. The Board is in charge of ensuring that risk management is carried out in an appropriate, efficient and responsible manner and that Aktia has working methods which guarantee that Aktia Group's business activities comply with the law. The main principles for risk management in Aktia Group as well as the processes and internal control are described in detail in the Pillar III Report 2023, which is available on the

website www.aktia.com/en/investors/results-and-presentations/year/2023.

Risk Control function

The Aktia Group has a Risk Control function which is independent of the operative business, and which evaluates risk management in the Group and its subsidiaries and reports on risks to management and the Board of Directors. The function monitors that well adapted measuring, analyses and monitoring of risks exist in the Group's every operating area and carries out an assessment of the Group's overall risk position in relation to the strategies and risk appetite, which is adopted by the Board of Directors. Risk control in the subsidiaries takes account of the characteristics of each subsidiary and the specific regulations which apply to its operations. The Risk Control function is guided by a set of principles and an annual plan for the function, which are adopted annually by the Board of Directors.

Compliance function

Aktia Group has a Compliance function that is independent of the operative business. The Group's Compliance function performs advisory, supervisory and reporting tasks for the purpose of ensuring compliance with the applicable customer protection, data protection, market conduct, permissions and supervision as well as anti-money laundering regulations. Compliance supports Aktia's operational activities and is tasked with supervising that these activities are conducted in compliance with the applicable laws. The Compliance function is governed by a set of principles and an annual plan for the function, which are adopted annually by the Board of Directors

Internal audit

Aktia Group has an Internal Audit function that is independent of the operative business. The function examines the adequacy and effectiveness of the internal monitoring system and the quality of the tasks performed, and thereby (by addressing observed shortcomings and identifying areas of potential improvement) helps to ensure that necessary changes are implemented.

Principles for the activities of the Internal Audit function as well as the Group's internal audit plan are adopted by the Group's Board of Directors on an annual basis. Internal Audit reports on its key observations, the review of previously implemented actions and the implementation of the audit plan directly to the Aktia Group's Board of Directors and its Audit Committee.

The Internal Audit function operates in accordance with the international framework for the professional practice of internal auditing, including the definition of internal audit, the professional ethical code, and guidelines for professional internal auditing. The function also follows other legislation and regulatory requirements for the industry.

Financial reporting

Internal controls in the financial reporting process are based on the following underlying principles: having clear roles, a clear division of responsibility, sufficient understanding of operations in the parts of the organisation concerned and comprehensive and regular reporting procedures in Aktia Group.

To ensure that the financial reporting is accurate, system-based internal controls, duality and reconciliation have been built into all key processes where information is recorded. Internal control is supported by observations made by the Group's Internal Audit function which, through risk-based audits, verifies the accuracy of information flows and the sufficiency of the level of control.

Aktia Group's operational financial reporting organisation consists of a Finance unit on Group level that is in charge of external as well as internal financial reporting. The unit's responsibilities include consolidation, budgeting, internal performance monitoring, updating of accounting principles, and internal financial reporting guidelines and instructions. For each business segment and key individual subsidiaries within these units, segment controllers have been appointed with responsibility for financial monitoring and analysis. The Group's reports are compiled centrally and are based on a common financial reporting system covering external as well as internal reporting, which helps to ensure that day-to-day financial reporting is handled in a uniform manner.

Important parts of current accounting activities in companies within Aktia Group have been outsourced to an external company that provides accountancy services. These accountancy services also include the maintenance of securities, purchasing and fixed asset ledgers and the preparation of accounts in accordance with Finnish accounting standards. The

services are rendered in accordance with agreements entered into between the parties and comply with the guidelines and directives issued by the Financial Supervisory Authority and other authorities. In order to develop and assess cooperation, meetings are arranged regularly with service providers. Aktia Group has an ownership interest in and is represented on the board of Figure Taloushallinto Oy, which is responsible for Aktia Group's outsourced accountancy services.

Within Aktia Group, duties and responsibilities have been organised so that people involved in the financial reporting process only have very restricted rights of use to the different production systems and business applications in the respective business area. Aktia's Head of Group Finance, who is in charge of internal and external financial management, is not involved in making direct business decisions. Her incentives are mainly independent of factors driving the business. The Head of Group Finance reports to the Chief Financial Officer of the Aktia Group, who is a member of the Executive Committee.

Aktia Group's internal reporting and monthly financial reports are based on the same structure and are prepared using the same standards as applied to the official interim financial statements and annual accounts. The monthly reports, supplemented by comparative analysis on previous periods, the budget, planned projects and central key figures for analysing the respective business segment are on a regular basis distributed to Aktia Group's Board of Directors and management, selected key personnel and the auditors.

Aktia Group's financial development and performance is addressed each month by the Group's Executive Committee and is reported to the Board. Detailed review takes place on a quarterly basis by the Group's Board of Directors and its Audit Committee in the form of interim reports and an annual report. The annual accounts are audited and the interim reports are reviewed by the Group's external auditors, who report their observations to the Audit Committee. New or revised accounting principles are to be dealt with and approved by the Group's Board of Directors and its Audit Committee. During 2023, Aktia changed its segment reporting so that Asset Management and Life Insurance businesses are reported as separate segments. Aktia implemented the IFRS 17 accounting standards as of 1 January 2023, which affected the comparative figures of the life insurance business.

Insider administration

As a listed company and issuer, Aktia Bank Plc follows the Market Abuse Regulation (MAR), under which companies are required to draw up insider lists and lists of persons discharging managerial responsibilities and persons closely associated with them, as well as Nasdaq Helsinki Ltd's (Helsinki Stock Exchange) Guidelines for Insiders. More information on the governing of insider information is available on Aktia's website www.aktia.com/en/investors/corporate-governance/insider-administration.

Related party transactions

To ensure that possible conflicts of interest are taken into consideration in an appropriate way in decision making, an evaluation of the company's all related party transactions will be made. Aktia Bank has defined its related parties (i.e. close relations) and is involved in regular trading with these. These business transactions are a part of the company's normal business, as many of the individuals defined as related

parties are also customers of Aktia Bank. With the exception of employee benefits for those individuals employed by Aktia, all business transactions are made at normal customer terms and conditions, following determined decision-making processes.

The Audit Committee's duty is to monitor and assess how agreements and other legal acts between the company and its related parties meet the requirements of the ordinary course of business and arm's length terms.

Business transactions with related parties that are significant for Aktia, as well as business transactions with related parties that deviate from the bank's normal business operations, or business transactions made at other than market terms shall be approved by the Board of Directors. Special attention shall be paid to that the related parties do not benefit from their positions. Aktia's finance unit evaluates and reports transactions made with related parties as part of the normal routines for control and reporting. Related party transactions are reported in Aktia Bank's annual report (Note G43).

Auditor

The auditing firm KPMG Oy Ab with Marcus Tötterman, Authorised Public Accountant, as lead audit engagement partner has been Aktia's auditor in 2023. The auditor is elected by the Annual General Meeting. Information on fees paid for audit and non-audit services is provided in Note G12 to the financial statements.

Contact information

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BIC/S.W.I.F.T: HELSFIHH

