

Remuneration report 2023



Remuneration Report 2023 for the governing bodies of Aktia Bank Plc

This Remuneration Report for the governing bodies at Aktia Bank Plc (hereinafter Aktia) describes how Aktia has implemented its Remuneration policy in 2023, concerning remuneration of the Board of Directors (hereinafter the Board) as well as the CEO and the Deputy CEO of Aktia between 1 January 2023 and 31 December 2023. The Report is based on the Recommendations on Corporate Governance Code for Finnish Listed Companies (1 January 2020) 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 also complies with the provisions of the Act on Credit Institutions (610/2014) 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's General Meeting on 3 April 2024 where the shareholders will make an advisory decision on its contents.

Overview of Aktia's Remuneration in 2023

Remuneration of the Aktia's 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. The decision-making process on remuneration, as defined in the Remuneration policy, has been followed in the decision-making on remuneration in 2023. No temporary deviations from the Remuneration policy were applied in 2023. 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 2023. The Board will ensure that the Remuneration policy and the remuneration continue to support the Group strategy going forward in all circumstances.

Aktia's Remuneration Principles

Aktia is committed to developing a strong pay for performance culture throughout the organization. Aktia's remuneration policy is based on Aktia's strategy, goals, values, and long-term incentive schemes. To support, guide and achieve Aktia's vision, it is important that Aktia attracts, retains, develops and rewards the right talents. The remuneration principles provide 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 remuneration for such performance that is in line with the advancement of the company's strategy, long-term financial results, as well as the individual's personal performance. The remuneration in Aktia shall steer towards effective and appropriate risk management and thus restrain from excessive risk-taking and prevent conflicts of interest in Aktia.

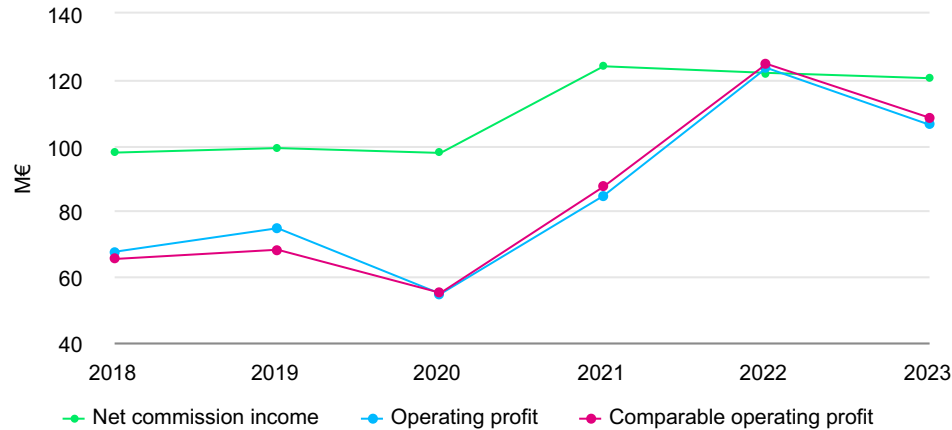
The Committee has benchmarked the total remuneration level and structure of the CEO and the Deputy CEO to be in line with performance and to be competitive in relation to relevant peers in the market. During the financial year 2023, the earned variable compensation of the CEO and the Deputy CEO is comprised of the executive and key employee incentive plan that was launched in the beginning of the year. The new plan combines short term and long term elements. Board resolved on the earning opportunities and performance targets at the beginning of the financial year. CEO and Deputy CEO are expected to grow and maintain significant share ownership in the company, in order to align management and shareholder interests. A share ownership requirement is implemented in Aktia's executive management group (incl. CEO and Deputy CEO). The Executive management group must hold shares earned from the variable pay plan until the value of held shares equals to at least 100% of annual fixed compensation.

Development of Aktia's Financial Performance and Remuneration

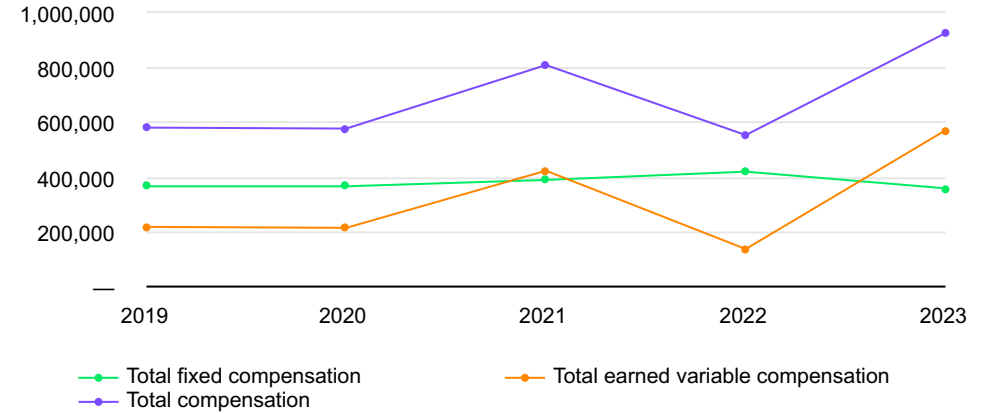
The financial year 2023 was financially successful for Aktia and due to the strong comparable operating profit, earned variable remuneration levels are higher than in 2022. The whole year's comparable operating profit was EUR 108.4 million while reported operating profit under the reporting standards valid in 2022 was EUR 65.4 million (restated under IFRS 17 to EUR 124.7 million). The comparable operating profit was especially driven by strong net interest income development, sustainable cost management and moderate credit losses.

Significant portion of CEO and Deputy CEO variable pay is based on financial metrics. In line with the financial performance for 2023, the outcome for the variable pay plan was higher compared to 2022. The following graphs and tables depict the development of the compensation of the CEO, the Deputy CEO and of an average Aktia employee over a five year period.

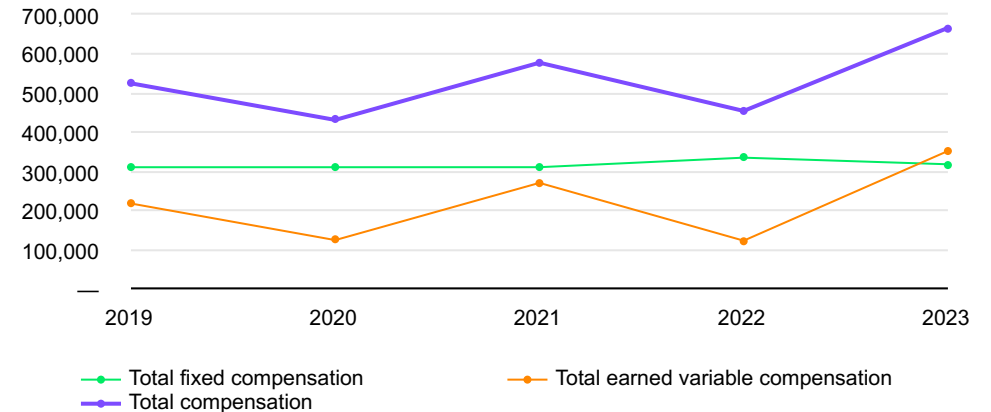
Comparable operating income



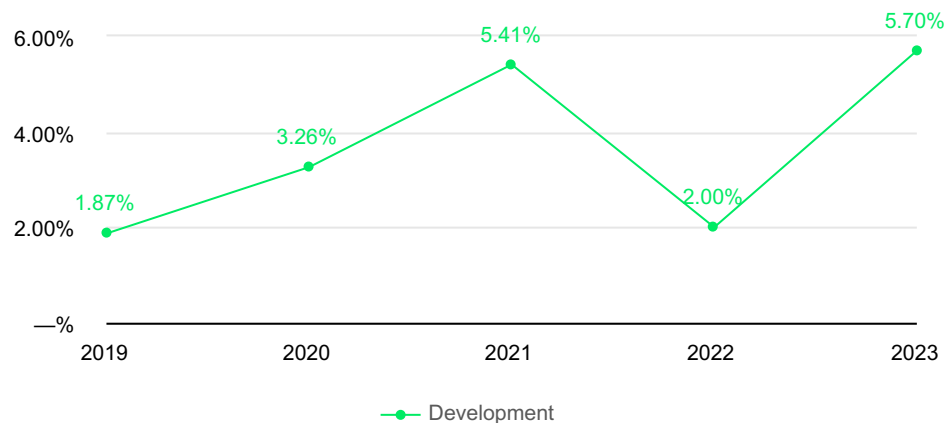
CEO



Deputy CEO



Development of average employee salary



Remuneration of the Board of Directors in 2023

The Annual General Meeting 2023 of Aktia established the remuneration for the Board members of Aktia. The annual remuneration for the Chairman of the board is EUR **64,300**, for the vice chairman EUR **43,000** and for the members EUR **35,000**. The members were also paid a meeting remuneration of EUR 700 per attended meeting. In addition, the AGM decided that if attending a meeting requires a board member to travel outside the country of residence, an attendance fee of EUR 1,400 is paid. The chairmen of the committees were entitled to an additional annual fee of EUR **8,000**. The fees were decided for the period from the Annual General Meeting 2023 to the Annual General Meeting 2024. In 2023, the Board

members of Aktia were compensated as set out in the table on the right.

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.

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 has taken out a voluntary statutory (TyEL) pension insurance for the Board members.

Development of board remuneration

Board	2019	2020	2021	2022	2023
Chair annual fee	61,200	61,200	64,300	64,300	64,300
Vice chair 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	700
Meeting fee, committee chair per committee meeting	1,000	1,000	1,000	500	700
Annual fee, committee chair	—	—	—	8,000	8,000

BOARD REMUNERATION 2023

EUR		Annual board fees gross	Meeting remunerations	Total fees
Lasse Svens	Chair, remuneration and corporate governance & risk committee member	64,712	22,400	87,112
Timo Vättö	Vice Chair, remuneration and corporate governance committee chair	51,326	19,400	70,726
Ann Grevelius	Member, audit committee member	35,000	7,700	42,700
Carl Haglund	Member, remuneration and corporate governance committee member	35,000	11,900	46,900
Maria Jerhamre Engström	Member, risk committee chair	43,275	18,500	61,775
Harri Lauslahti	Member, risk committee member	35,224	15,700	50,924
Sari Pohjonen	Member, audit committee chair	43,000	15,100	58,100
Johannes Schulman	Member, audit committee member	35,000	13,500	48,500
Former Board members				
Johan Hammarén	Member, remuneration and corporate governance committee member	—	7,500	7,500
Olli-Petteri Lehtinen	Member, risk committee member, audit committee chair		8,000	8,000
Total		342,537	139,700	482,237

Development of CEO and Deputy CEO remuneration (earned)

CEO EUR	2019	2020	2021	2022	2023
Base salary	312,000	312,000	335,400	360,600	304,468
Short-term incentive (STI)	65,000	39,000	120,120	—	—
Long-term incentive (LTI)	150,234	141,045	269,948	134,077	34,179
Additional pension	52,000	52,000	52,000	57,200	52,078
Additional share payment	—	31,699	31,195	—	—
Top management incentive plan					535,018
Total fixed compensation	364,000	364,000	387,400	417,800	356,546
Total earned variable compensation	215,234	211,744	421,263	134,077	569,197
Total compensation	579,234	575,744	808,663	551,877	925,743

2019-2022 comprises CEO Mikko Auyb's remuneration. In 2023 Juha Hammarén was nominated as interim CEO and later as CEO, full year numbers presented.

Deputy CEO EUR	2019	2020	2021	2022	2023
Base salary	264,468	264,468	264,468	288,911	272,000
Short-term incentive (STI)	54,000	33,000	92,564	33,059	—
Long-term incentive (LTI)	161,320	88,374	175,683	86,851	34,114
Additional pension	44,000	44,000	44,068	44,078	44,000
Top management incentive plan					316,000
Total fixed compensation	308,468	308,468	308,536	332,989	316,000
Total earned variable compensation	215,320	121,374	268,247	119,910	350,114
Total compensation	523,788	429,842	576,783	452,899	666,114

2019-2022 comprises Deputy CEO Juha Hammarén's remuneration. In 2023 Anssi Huhta was nominated as Deputy CEO, full year numbers presented.

Remuneration of the CEO and Deputy CEO 2023

Base Salary and Benefits

At the end of the year 2023, the CEO received a base salary of EUR 26,039 per month and the Deputy a base salary of EUR 24,000 per month. Both the CEO and the Deputy CEO are entitled to employee benefits in compliance with Aktia'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, according to the voluntary unit-linked group pension insurance that Aktia has taken out for Aktia's Executive Committee. The CEO and the Deputy CEO have a 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 2 months of the base salary

for each person. The cost of the plan in 2023 was EUR 52,078 for the CEO and EUR 44,000 for the Deputy CEO respectively.

Variable Compensation Plans

In 2023, the CEO and Deputy CEO were offered one performance-based incentive plan: the Top management incentive plan, launched in 2023. The performance criteria and earning opportunities for the plan were set by the Board at the beginning of the financial year. A requirement for participating in the plan was participation in the AktiaUna share savings plan.

Aktia 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.

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%.

Executive and key employee incentive plan 2023

The maximum earning opportunity in the executive and key employee incentive plan in 2023 was 200% of the CEO's and approximately 180% of the Deputy CEO's fixed base salary at the beginning of the year.

The goals were based on Aktia's comparable EBIT target (50%), Strategic customer experience metric (20%), employee experience metric (eNPS) (10%) and individual quantitative and qualitative objectives (20%), aimed at encouraging and measuring the advancement of the strategy implementation to reach Aktia's long-term financial targets. Aktia exceeded comparable EBIT target, reached the target level for customer experience, and exceeded the minimum level in eNPS metric due to the improved eNPS score. Both the CEO and the Deputy CEO exceeded their target levels in individual metrics.

The achieved performance for the plan in 2023 equaled 77% of maximum for the CEO and 80% the Deputy CEO respectively. Total earning for the CEO under this plan was EUR 535,018 and for the Deputy CEO EUR 385,748. Half of the reward earned based on the performance period will be converted into Aktia shares after the performance period and will be paid in five installments in 2024, 2025, 2026, 2027 and 2028. 40% of the total earning will be paid in spring 2024 and 60% will be deferred to 2025-2028, in accordance with the terms of the incentive plan and applicable regulation.

Long term incentive: AktiaUna share savings plan 2022-2023

Aktia'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). The shares are earned as remuneration through the all employee share savings plan AktiaUna. 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.

Paid remuneration to the CEO and Deputy CEO in 2023

The total remuneration paid to the CEO during 2023 amounted to EUR 474,280 and the total remuneration paid to the Deputy CEO during 2023 amounted to EUR 385,130. Variable remuneration earned 2023 has been deferred in compliance with the terms of the programs as well as valid regulations in the financial sector.

Charts on page 7 present the distribution between different remuneration elements which was paid to the CEO Juha Hammarén and Deputy CEO Anssi Huhta in 2023. The paid STI and LTI presented are the actual payments that have taken place during the reporting year 2023. The paid STI in 2023 to the CEO and Deputy CEO includes partial payment from the earning period 2022 and the rest of it has been deferred to upcoming four (4) years.

The paid LTI in 2023 includes partial payment from remuneration earned and deferred 2019–2020, 2020-2021 and 2021-2022. 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 2023.

Remuneration paid to former CEO in 2023

On the 27th of February 2023, the President and CEO Mikko Ayub left his position at Aktia. After six (6) months' period of notice, the employment contract of Mikko Ayub ended on the 31st of August 2023. During 2023 the former CEO received full base salary between January and August totaling EUR 266,552 (incl. holiday pay). After the end of the contract a severance pay corresponding to nine (9) months base salary and compensation for non-competition clause were paid totaling EUR 326,040. No STI reward was paid to Mikko Ayub for the year 2022. Portion of EUR 90,290 of the earned LTI reward (EUR 134,077) for the performance period 2021-2022 was paid. Rest of the earned LTI reward was deferred over the next four years. In addition EUR 20,520 of formerly deferred variable rewards from previous performance periods were paid during 2023. The payments during 2023 for the former CEO Mikko Ayub totalled EUR 703,132.

Summary of ongoing LTI schemes

CEO	Program	Acquired 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**	3,707	3,707	—	—%	3,707	2024
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	45%	8,565	2023 - 2027
	LTI 2022-2023**	3,700	3,700	—	—%	3,700	2024

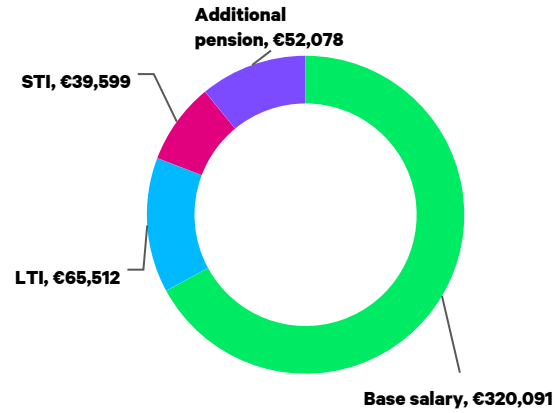
* Participant acquires shares with net salary and receives the right to earn matching and performance shares.

** New executive and key employee incentive plan was launched in 2023 replacing the old UnaPSP plan for the period 2022-2023. For pay out of the new plan please see text under "Executive and key employee incentive plan 2023" on the previous page.

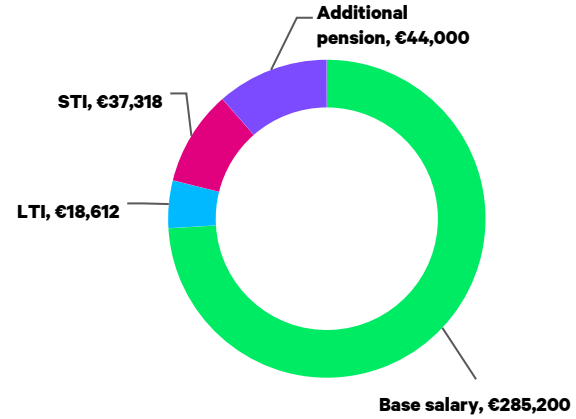
Termination Clauses

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, 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.

Paid remuneration CEO 2023



Paid remuneration Deputy CEO 2023



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