



HYPO

THE MORTGAGE SOCIETY OF FINLAND
2022 REMUNERATION REPORT FOR GOVERNING BODIES

Approved by the Board of Directors on the 27th of February 2023

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Table of Contents

1. Introduction.....	3
2. Fees of the Board of Directors for the preceding financial year.....	4
3. Fees of the Supervisory Board for the preceding financial year.....	5
4. Remuneration of the Chief Executive Officer for the preceding financial year	7
5. Remuneration of the Deputy Chief Executive Officer for the preceding financial year	8

1. Introduction

This Remuneration Report of Governing Bodies of The Mortgage Society of Finland (hereinafter “Hypo”) covers the remuneration of the Board of Directors, the Supervisory Board, the Chief Executive Officer and the Deputy Chief Executive Officer.

The table below compares the development of the fees of the Board of Directors, the Supervisory Board, the Chief Executive Officer and the Deputy Chief Executive to the development of the average remuneration of Hypo’s employees and to Hypo’s financial development over financial years 2018 to 2022.

	2018	2019	2020	2021	2022
The Supervisory Board, total remunerations	EUR 68,470.00	EUR 69,940.00	EUR 85,600.00	EUR 95,515.00	EUR 102,665.00
The Board of Directors, total remunerations	EUR 186,911.94	EUR 214,000.00	EUR 244,593.03	EUR 245,396.71	EUR 256,997.97
The CEO, total salary and remunerations	EUR 352,860.00	EUR 329,280.00	EUR 355,440.00	EUR 360,960.00	EUR 393,840.00
The Deputy CEO, total salary and remunerations	EUR 169,100.00	EUR 177,255.00	EUR 205,538.00	EUR 202,331.00	EUR 228,462.50
Development of the salaries and the remunerations of the company’s employees (incl. The CEO and the Deputy CEO)*	EUR 88,543.93	EUR 88,935.95	EUR 89,743.59	EUR 91,930.83	EUR 96,729.34
Financial development (the turnover)	EUR 7,165,243.66	EUR 8,406,671.60	EUR 8,044,424.16	EUR 8,063,869.98	EUR 7,079,125.8

*employees’ expenses from the financial statements divided by the number of employees

2. Fees of the Board of Directors for the preceding financial year

As of 22nd of March 2022, the following remunerations for the Board of Directors were confirmed as follows:

Chair, annual fee	EUR 35,390
Vice Chair, annual fee	EUR 21,660
Member, annual fee	EUR 17,340
Meeting attendance fee / meeting, Chair	EUR 1,150
Meeting attendance fee / meeting, Vice Chair and member	EUR 890
Chair of the Risk Management Committee	
Meeting attendance fee / meeting	EUR 1,150
Vice Chair and member of the Risk Management Committee	
Meeting attendance fee / meeting	EUR 890
Member of the Nomination Committee	
Meeting attendance fee / meeting	EUR 890

During the period from 1st of January until 21st of March 2022, the remunerations confirmed in 2021 were applied as follows:

Chair, annual fee	EUR 34,520
Vice Chair, annual fee	EUR 21,130
Member, annual fee	EUR 16,910
Meeting attendance fee / meeting, Chair	EUR 1,120
Meeting attendance fee / meeting, Vice Chair and member	EUR 860
Chair of the Risk Management Committee	
Meeting attendance fee / meeting	EUR 1,120
Vice Chair and member of the Risk Management Committee	EUR 860

In 2022, the remunerations paid to the Board of Directors were in total:

Board of Directors 2022	Part of the annual fees paid in cash	Meeting attendance fee	Meeting at which present	Total compensations fees paid in cash	Compensations paid as insurance premium	Fringe benefits/ TyEL insurance	Total remuneration
Sari Lounasmeri, Chair	EUR 17,586.21	EUR 22,010.00	15/15	EUR 39,596.21	EUR 17,695.00	EUR 2,831.09	EUR 60,122.30
Harri Hiltunen, Vice Chair	EUR 10,763.76	EUR 17,590.00	15/15	EUR 28,353.76	EUR 10,830.00	EUR 2,452.62	EUR 41,636.38
Kai Heinonen	EUR 8,616.24	EUR 14,980.00	15/15	EUR 23,596.24	EUR 8,670.00	EUR 1,687.13	EUR 33,953.37
Pasi Holm	EUR 8,616.24	EUR 11,450.00	15/15	EUR 20,066.24	EUR 8,670.00	EUR 1,735.75	EUR 30,471.99
Hannu Kuusela	EUR 8,616.24	EUR 11,450.00	15/15	EUR 20,066.24	EUR 8,670.00	EUR 1,434.73	EUR 30,170.97
Teemu Lehtinen	EUR 8,616.24	EUR 11,450.00	15/15	EUR 20,066.24	EUR 8,670.00	EUR 1,735.75	EUR 30,471.99
Tuija Virtanen	EUR 8,616.24	EUR 11,450.00	15/15	EUR 20,066.24	EUR 8,670.00	EUR 1,434.73	EUR 30,170.97

The above table includes all the meetings of the Board of Directors in 2022. The Board held 15 meetings of which 13 were general meetings. Two (2) meetings were conducted via email. No meeting attendance fee was paid for the latter.

The Chair and the Vice Chair of the Board of Directors are also members of the Risk Management Committee reporting directly to the Board. A meeting attendance fee is paid for the members of the Risk Management Committee. In 2022, the Risk Management Committee held four (4) meetings in which the chairpersons of the Board of Directors were present. Furthermore, the Chair and the Vice Chair of the Board are members of the Nomination Committee. A meeting attendance fee is paid for the meetings of the Nomination Committee. In 2022, the Nomination Committee held two (2) meetings in which in which the chairpersons of the Board of Directors were present.

The CEO and the deputy CEO are also members of the Board of Directors as stated in the Act on Mortgage Societies. With respect to them, the remuneration consists solely of the aforementioned fixed salary per their respective service agreements, as well as variable remunerations based on the performance and incentive scheme. With respect to the CEO and the Deputy CEO, the remunerations paid in 2022 are presented later in this document. The remunerations paid to the CEO and to the Deputy CEO in 2022 are published separately in a note to the Financial Statements.

3. Fees of the Supervisory Board for the preceding financial year

As of 22nd of March 2022, the following remunerations for the Supervisory Board were confirmed as follows:

Chair, annual fee	EUR 9,470
Vice Chair, annual fee	EUR 3,990
Member, annual fee	EUR 3,010
Meeting attendance fee / meeting	EUR 540
Inspectors of the Supervisory Board, attendance fee	EUR 890
Member of the Nomination Committee, attendance fee	EUR 890

During the period from 1st of January until 21st of March 2022, the remunerations confirmed in 2021 were applied as follows:

Chair, annual fee	EUR 9,230
Vice Chair, annual fee	EUR 3,890
Member, annual fee	EUR 2,930
Meeting attendance fee / meeting	EUR 520
Inspectors of the Supervisory Board, meeting attendance fee	EUR 860

In 2022, the remunerations paid to the Supervisory Board were in total:

Supervisory Board 2022	Part of the Annual fee paid in cash	Meeting attendance fee allowance	Meeting at which present	Total remunerations paid in cash	Remunerations paid as insurance premiums	Total remunerations
Hannu Hokka, Vice Chair	EUR 4,735.00	EUR 6,850.00	5/5	EUR 11,585.00	EUR 4,735.00	EUR 16,320.00
Timo Kaisanlahti, Vice Chair	EUR 1,995.00	EUR 6,850.00	5/5	EUR 8,845.00	EUR 1,995.00	EUR 10,840.00
Aro Timo	EUR 1,505.00	EUR 1,920.00	3/4	EUR 3,425.00	EUR 1,505.00	EUR 4,930.00
Elina Bergroth	EUR 1,505.00	EUR 2,490.00	3/4	EUR 3,995.00	EUR 1,505.00	EUR 5,500.00
Borsos Julianna	EUR 1,505.00	EUR 1,060.00	2/4	EUR 2,565.00	EUR 1,505.00	EUR 4,070.00
Mikael Englund	EUR 1,505.00	EUR 2,490.00	4/4	EUR 3,995.00	EUR 1,505.00	EUR 5,500.00
Markus Heino	EUR 1,505.00	EUR 1,600.00	3/3	EUR 3,105.00	EUR 1,505.00	EUR 4,610.00
Timo Hietanen	EUR 1,505.00	EUR 1,600.00	3/3	EUR 3,105.00	EUR 1,505.00	EUR 4,610.00
Kaleva Hanna	EUR 1,505.00	EUR 520.00	1/3	EUR 2,025.00	EUR 1,505.00	EUR 3,530.00
Laakso Seppo	EUR 1,505.00	EUR 1,600.00	3/3	EUR 3,105.00	EUR 1,505.00	EUR 4,610.00
Metsälä Juha	EUR 1,505.00	EUR 1,600.00	3/3	EUR 3,105.00	EUR 1,505.00	EUR 4,610.00
Elias Oikarinen	EUR 2,970.00	EUR 1,600.00	3/3	EUR 4,570.00	EUR 1,505.00	EUR 6,075.00
Kallepekka Osara	EUR 1,505.00	EUR 1,600.00	3/3	EUR 3,105.00	EUR 1,505.00	EUR 4,610.00
Salla Seppä	EUR 1,505.00	EUR 1,080.00	2/3	EUR 2,585.00	EUR 1,505.00	EUR 4,090.00
Liisa Suvikumpu	EUR 1,505.00	EUR 1,600.00	3/3	EUR 3,105.00	EUR 1,505.00	EUR 4,610.00
Mari Vaattovaara	EUR 1,505.00	EUR 1,600.00	3/3	EUR 3,105.00	EUR 1,505.00	EUR 4,610.00
Riitta Vahela-Kohonen	EUR 1,505.00	EUR 1,600.00	3/3	EUR 3,105.00	EUR 1,505.00	EUR 4,610.00
Ira van der Pals	EUR 1,505.00	EUR 1,920.00	3/4	EUR 3,425.00	EUR 1,505.00	EUR 4,930.00

The table above takes into account the attendance at the meetings of the Supervisory Board of each member. With respect to the chairpersons and inspectors, attendance at the meetings of the inspectors of the Supervisory Board has also been taken into account. In 2022, the Supervisory Board held altogether three (3) meetings and the inspectors of the Supervisory Board held two (2) meetings.

The Chair and the Vice Chair of the Supervisory Board are also members of the Nomination Committee. A meeting attendance fee is paid for the meetings of the Nomination Committee. In 2022, the Nomination Committee held two (2) meetings in which in which the chairpersons of the Supervisory Board were present.

4. Remuneration of the Chief Executive Officer for the preceding financial year

Salaries and remunerations paid to the CEO in 2022:

Fixed salary 2022	EUR
- salary	369,600.00
- fringe benefits	240.00
Total fixed salary	369,840.00
Variable remuneration components 2022	
Performance-related pay and incentive / paid in cash	0.00
Performance-related pay and incentive / paid as insurance premiums to Department M of Hypo's Pension Foundation	24,000.00
Total compensations	24,000.00
Total salary and remuneration	393,840.00

As regard to the CEO, the variable compensation is based on an overall assessment of accomplishment of Hypo Group's scorecard and performance targets. Business objectives and performance targets are established annually in the scoreboard confirmed by the Board of Directors. The main targets having an impact on the performance-related pay and incentive scheme are related to the level of the core earning established for the Hypo Group as well as the capital adequacies of CET1 and RAC. In order to be entitled to the variable compensation in its entirety, one has to significantly exceed the set targets.

5. Remuneration of the Deputy Chief Executive Officer for the preceding financial year

Salaries and remunerations paid to the Deputy CEO in 2022:

Fixed salary 2022	EUR
- salary	194,344.04
- fringe benefits	15,555.96
Total fixed salary	209,900.00
Variable remuneration components 2022	
Performance-related pay and incentive / paid in cash	0.00
Performance-related pay and incentive / paid as insurance premiums to Department M of Hypo's Pension Foundation	18,562.50
Total compensations	18,562.50
Total salary and remuneration	228,462.50

6. Language versions

This document is an unofficial English translation of the Finnish version. In case of discrepancy, the Finnish version shall prevail.