



**Eurobank**

Holdings

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## **Remuneration Report 2020**

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## 1. Background & Regulatory Framework

Eurobank Ergasias Holdings and Services S.A. (hereinafter the ‘Eurobank Holdings’) has established a Remuneration Policy (hereinafter the “Policy”) in line with related requirements of the Law 4548/2018 (the Law), applicable as of January 1 2019. It has been created to satisfy the pertinent terms of the Law (articles 109, 110, 111, 112 and 114) and describes key components and considerations of the remuneration framework for the members of the Board of Directors (Board) of Eurobank Holdings.

It also complies with relevant stipulations of the Tripartite Relationship Framework Agreement (RFA) between Eurobank Holdings, Eurobank S.A. and the HFSF.

It is noted that the Policy was issued by Eurobank S.A. which, following the conclusion of the demerger of Eurobank Ergasias S.A. through sector’s hive down and the establishment of a new company-credit institution under the corporate name “Eurobank S.A.”, has changed its Corporate Name to “Eurobank Ergasias Services and Holdings S.A.”.

Under this scope, Eurobank Holdings produces, for each financial year, a Remuneration Report concerning the remuneration of persons to which the Policy is applicable, in line with the requirements of Article 112 of the Law.

## 2. General Principles & Scope of the Remuneration Report

The objective of the current Remuneration Report is to provide information on the remuneration and other financial benefits paid to each Executive and Non-Executive Directors of the Board during the financial year 2020.

The Policy safeguards that remuneration is both reasonable and sufficient to retain and attract the Directors with appropriate skills and experience to develop and implement the Eurobank Holdings’ business strategy and ensure its long-term interests and sustainability, while avoiding excessive risk taking. This is achieved through the continuous monitoring of market trends and best practices on domestic and global levels and the setting of the remuneration framework which defines the salary structure and ranges, in order to attract and retain talented individuals accordingly.

External, independently-produced benchmarking analysis of the remuneration of the employees of the financial and of the banking sector in Greece is used in establishing the Policy, as well as the remuneration framework.

Directors must avoid situations where their own interests may come into conflict with the interests of the Eurobank Holdings. They must report timely and sufficiently the existence of conflicts of interest as well as they must abstain from participating and intervening in deliberations and voting on resolutions or decisions in which they have a conflict of interest. In this context, Directors abstain from voting on resolutions of the Board concerning their own remuneration.

It is noted that due to same composition of the Board of the Eurobank Holdings with the Board of its subsidiary Eurobank S.A. (hereinafter the “Bank”) and since the Directors shall be paid solely by one of the two, that being the Bank, any reference to the remuneration and /or the benefits payable to the Directors of Eurobank Holdings, applies to the relevant remuneration they receive as Directors of the Bank.

### 3. Key Role and Responsibilities of the Members of the Board

#### 3.1 Key Role and Responsibilities

Eurobank Holdings is headed by a Board of Directors (hereinafter the ‘Board’), which is collectively responsible for its long-term success. The Board exercises its responsibilities effectively and in accordance with the Greek legislation, international best practices and the Eurobank Holdings’ contractual obligations to the HFSF under the Tripartite Relationship Framework Agreement (RFA) between Eurobank Holdings, Eurobank S.A. and the HFSF. The Board's role is to provide entrepreneurial leadership to the Eurobank Holdings and its subsidiaries (collectively the “Group”) within a framework of prudent and effective controls that enables risk to be assessed and managed. The Board sets the Group's strategic goals, ensures that the necessary financial and human resources are in place for the Group to meet its objectives and reviews management performance. The Board sets the Group's values and standards and ensures that its obligations to its shareholders and others are understood and met. All Directors of the Board must act in what they consider to be the best interests of the Group, consistent with their statutory duties.

The roles of the Chairperson and CEO are not exercised by the same person. The Executive Directors have responsibility for the day-to-day management and control of the Group and the implementation of its strategy. The Non Executive Directors are responsible for the overall promotion and safeguarding of the Eurobank Holdings’ interests, constructively challenge and help develop proposals on strategy and approve, revise and oversee the implementation of the remuneration policy both at Eurobank Holdings and Group level. The Independent Non Executive Directors have the duty, if they consider it necessary; to submit each one of them or jointly to the General Meeting their own reports other than those of the Board on a specific subject.

#### 3.2 Key Accomplishments of the Board in 2020

In discharging its responsibilities for 2020 the main issues the Board dealt with related to:

a) Governance:

- election of new Board members,
- establishment of the Board Digital and Transformation Committee and approval of Board Committees’ composition,
- approval of the Terms of Reference of the Board Committees,
- appointment of Secretary,
- preparation and conconvocation of the Bank’s Shareholders General Meetings,
- CEO’s performance evaluation and approval of his financial and non-financial objectives,
- approval of the Remuneration Policy, the Group Subsidiary Board Remuneration Policy and the Separation Policy,
- update on Senior Executives succession plan,
- regular update on Board Committees’ matters,
- various remuneration issues.

b) Corporate and other actions (*approved the following*):

- actions for the substitution of Eurobank Ergasias by Eurobank, by way of universal succession, to all the transferred assets and liabilities,
- issuance of Fixed Rate Tier 2 Subordinated Instruments due 2028,
- Service Level Agreement (SLA) and Reverse Service Level Agreement (RSLA) with HoldCo,
- final agreement of the sale of 80% of FPS shares to doValue,
- provision of guarantees by the Hellenic Republic addressed to the European Investment Bank (“EIB”) in favour of the Bank, related to the granting of loans from EIB.

c) Capital adequacy:

- approval of the securitization of the Bank’s receivables from portfolios of business and



other loans.

d) Business monitoring:

- approval of the interim consolidated financial statements for the period 20 March to 30 June 2020,
- approval of the annual budget 2021 and the 3-Years Business Plan for the period 2021-2023,
- approval of the Group's NPE Targets for the period 2020-2022 and the NPE management Strategy (SSM targets),
- update on significant subsidiaries activities and strategic priorities,
- review of business developments and liquidity.

e) Risk Management and Internal Control:

- briefing on the assessment on Internal Audit Group and Group Compliance annual regulatory reports,
- update on significant audit issues,
- update on significant compliance issues,
- approval of amendments relevant to the Group Risk and Capital Strategy and Risk Appetite Statements,
- update on the Group Chief Risk Officer's Annual Report for the year 2019,
- update on credit related issues through various reports,
- regular briefing on Risk and Audit Committees matters,
- approval of policies as per the legal or regulatory framework and internal processes,
- update on issues relevant to the Group Recovery Plan.

### 3.3 Evaluation of the Board's Structure, Size, Composition and Performance

The Nomination Committee, in discharging its responsibility for the annual assessment of the structure, size, composition and performance of the Board, assisted by an independent external expert on corporate governance, proceeded with the Board's evaluation for 2020.

In accordance with the Eurobank Holdings' Board and Board Committees Evaluation Policy, 2020 Board evaluation covered the following areas:

- Board's performance in setting and monitoring strategy (including the business plan),
- Board's performance in overseeing, engaging with, evaluating, incentivizing and retaining key management personnel,
- Board's performance in overseeing risk management and internal control,
- adequacy of the Board's profile and composition,
- adequacy of Board dynamics and functioning,
- role and performance of the Board Chairperson,
- adequacy of Board secretarial support,
- effectiveness of Board Committees.

Overall the evaluation concluded that the Board continued to function effectively in 2020 as in 2019. In the context of the Board's evaluation, the Board noted as issues for further attention the need for more focus on deep dive discussions on: a) long term strategic planning, also in view of Eurobank's transformation plan that is presently underway, and b) relevant HR issues, such as the methodologies used for attracting talent, the assessment, promotion and rewarding processes, the succession planning, the leadership frameworks, the salary surveys and benchmarking etc.

### 3.4 Directors of the Board Induction and Continuous Professional Development Process

The new Directors of the Board appointed during 2020 have received a full and formal Induction Program whose main objectives were to (a) communicate the Group Eurobank Holdings' vision

and culture, (b) communicate practical procedural duties, (c) reduce the time taken for them to become productive in their duties, d) assimilate them as welcomed members of the Board, e) become familiar with the Eurobank Holdings' organizational structure and f) give them an understanding of Eurobank Holdings' business and strategy and the markets in which it operates, a link with the Eurobank Holdings' people and an understanding of its main relationships. Also, the new Directors of the Board, upon their appointment received a Manual of Obligations towards Supervisory Authorities and Eurobank Holding, aiming to inform them on their main obligations under the local regulations and the Board's procedures, while meetings and presentations were arranged with the Eurobank Holdings' Key Executives, in order for the new Directors to acquire a real overview of Eurobank Holdings.

Furthermore, given that Eurobank Holding acknowledges the need to provide resources for developing and refreshing the knowledge and skills of the Directors, during 2020 and in the framework of its Continuous Professional Development program, all the Directors of the Board a) received regular updates, including reports and presentations, from senior management regarding the operations and strategic targets of business units, b) were updated on a regular basis on risk, audit, compliance, financial, human resources, legal and regulatory issues, and c) received regular and ad-hoc research and economic bulletins prepared by Eurobank's Economic Analysis and Financial Markets Research Division.

## 4. Remuneration Report of Non-Executive Directors

### 4.1 Fixed Remuneration

Non-Executive Directors receive fixed remuneration which constitutes Board Fees and are set according to the individual's position(s) on the Board and Board Committees, as named below, and take into consideration the relative expected contribution of each Director and the extra effort and time dedicated by Chairpersons, Vice Chairpersons and non-Greek residents.

#### (i) Board

- Chairman of the Board
- Vice Chairman of the Board
- Directors of the Board

#### (ii) Audit / Risk Committee

- Chairman of the Audit or Risk Committee residing in Greece
- Chairman of the Audit or Risk Committee residing abroad
- Vice Chairman of the Audit or Risk Committee residing in Greece
- Vice Chairman of the Audit or Risk Committee residing abroad
- Members of the Audit Committee residing in Greece and the Hellenic Financial Stability Fund (HFSF) Representative
- Members of the Audit Committee residing abroad
- Members of the Risk Committee residing in Greece and HFSF's Representative
- Members of the Risk Committee residing abroad

#### (iii) Nomination / Remuneration Committee

- Chairman of the Nomination or Remuneration Committee residing in Greece
- Chairman of the Nomination or Remuneration Committee residing abroad
- Vice Chairman of the Nomination or Remuneration Committee residing in Greece
- Vice Chairman of the Nomination or Remuneration Committee residing abroad
- Members of the Nomination or Remuneration Committee residing in Greece and HFSF's

Representative

- Members of the Nomination or Remuneration Committee residing abroad

**(iv) Board Digital and Transformation Committee**

- Chairman of the Board Digital and Transformation Committee residing in Greece
- Chairman of the Board Digital and Transformation Committee residing abroad
- Vice Chairman of the Board Digital and Transformation Committee residing in Greece
- Vice Chairman of the Board Digital and Transformation Committee residing abroad
- Members of the Board Digital and Transformation Committee residing in Greece and HFSF's Representative
- Members of the Board Digital and Transformation Committee residing abroad

The accumulated fees of the Non-Executive Directors individually should not exceed the total fees of the Chairman of the Board.

Moreover, in accordance with the provisions of L.3864/2010, the annual accumulated fees for individual Non-Executive Directors from various participations on the Board and Board Committees should not exceed the remuneration of the Governor of the Bank of Greece.

Additionally, a breach of the attendance requirements, which are set out in detail within the Board & Board Committee Attendance Policy of the Eurobank Holdings will result in the adjustment of fees based on the corresponding attendance ratio at the end of the year. More specifically, if a Director's attendance ratio is 85% and above, then the member will receive the 100% of the annual remuneration he/she is entitled to receive, whereas, if the attendance ratio is below 85%, then there will be a proportional payment of remuneration (e.g. in case the attendance ratio is 84%, then the Director will receive the 84% of the annual remuneration he/she is entitled to receive).

The Non-Executive Directors are not entitled to supplementary pension neither early retirement schemes nor any payments linked to the termination of their Board or Board Committee positions with the exception of the Chairman of the Board of Directors to whom the following provision applies: The Chairman of the Board of Directors who leaves the Eurobank Holdings before the ordinary term of his/her mandate (such ordinary term being determined during his/her election process) following the initiative of the Eurobank Holdings without a valid legal reason for such initiative, is entitled to a severance payment amounting to 12 gross monthly fees. The total remuneration of the Chairman of the Board of Directors over a period of one year prior to the termination of his/her mandate, including the amount of severance pay, cannot exceed the Bank of Greece Governor's salary cap at the time each payment falls due.

Finally, the Group Medical and Life Insurance Schemes of Eurobank S.A. may cover the Non-Executive Directors at their own expense.

**4.2 Variable Remuneration**

The Non-Executive Directors are not eligible to receive any variable remuneration and they have not received any variable remuneration during the financial year 2020.

**4.3 Other Financial Benefits**

The travel and accommodation expenses incurred by the Non-Executive Directors in relation to Board and Board Committee meetings and in the course of the Eurobank Holdings' business are reimbursed.

**4.4 Table (I) (Total Remuneration by all Group Subsidiaries in Gross Amounts and € '000)**

Name of Director, Position	Financial Year	Fixed Remuneration	Variable Remuneration	Pension Expense	Total Remuneration	% vs Previous Year <sup>(*)</sup>	Proportion of Variable / Fixed Remuneration
<b>George Zanias</b> Chairman of the BoD Non-Executive Director (Member since March 2019)	2016						
	2017						
	2018						
	2019	221,250	0,000	0,000	221,250		0%
	2020	295,000	0,000	0,000	295,000	33%	0%
<b>George Chryssikos</b> Vice Chairman Non-Executive Director (Member since June 2014)	2016						
	2017	19,726	0,000	0,000	19,726		0%
	2018	40,000	0,000	0,000	40,000	103%	0%
	2019	54,685	0,000	0,000	54,685	37%	0%
	2020	60,000	0,000	0,000	60,000	10%	0%
<b>Jawaid Mirza</b> Independent Non-Executive Director (Member since June 2016)	2016	55,625	0,000	0,000	55,625		0%
	2017	110,000	0,000	0,000	110,000	98%	0%
	2018	117,500	0,000	0,000	117,500	7%	0%
	2019	128,740	0,000	0,000	128,740	10%	0%
	2020	151,128	0,000	0,000	151,128	17%	0%
<b>Bradley Paul Martin</b> Non-Executive Director (Member since June 2014)	2016	110,000	0,000	0,000	110,000		0%
	2017	105,000	0,000	0,000	105,000	-5%	0%
	2018	131,868	0,000	0,000	131,868	26%	0%
	2019	132,500	0,000	0,000	132,500	0%	0%
	2020	132,500	0,000	0,000	132,500	0%	0%
<b>Rajeev Kakar</b> Independent Non-Executive Director (Member since July 2018)	2016						
	2017						
	2018	49,839	0,000	0,000	49,839		0%
	2019	127,500	0,000	0,000	127,500	156%	0%
	2020	170,484	0,000	0,000	170,484	34%	0%
<b>Alice K. Gregoriadi</b> Independent Non-Executive Director (Member since April 2020)	2016						
	2017						
	2018						
	2019						
	2020	56,042	0,000	0,000	56,042		0%
<b>Irene C. Rouvitha-Panou</b> Independent Non-Executive Director (Member since April 2020)	2016						
	2017						
	2018						
	2019						
	2020	53,134	0,000	0,000	53,134		0%
<b>Cinzia V. Basile</b> Independent Non-Executive Director (Member since December 2020)	2016						
	2017						
	2018						
	2019						
	2020	4,370	0,000	0,000	4,370		0%
<b>George Myhal</b> Independent Non-Executive Director (Member during October 2016 - December 2020) <sup>(**)</sup>	2016						
	2017						
	2018	41,250	0,000	0,000	41,250		0%
	2019	66,250	0,000	0,000	66,250	61%	0%
	2020	66,069	0,000	0,000	66,069	0%	0%
<b>Dimitrios Miskou</b> Non-Executive Director Representative of the Hellenic Financial Stability Fund under Law 3864/2010 (Member during December 2019 - January 2021)	2016						
	2017						
	2018						
	2019	0 <sup>(***)</sup>	0,000	0,000	0,000		0%
	2020	92,717	0,000	0,000	92,717	100%	0%
<b>Richard Boucher</b> Independent Non-Executive Director (Member during January 2017 - April 2020)	2016						
	2017	110,000	0,000	0,000	110,000		0%
	2018	117,500	0,000	0,000	117,500	7%	0%
	2019	117,500	0,000	0,000	117,500	0%	0%
	2020	31,950	0,000	0,000	22,685	-81%	0%
<b>Nikolaos Bertzos</b> Independent Non-Executive Director (Member during April 2019 - April 2020)	2016						
	2017						
	2018						
	2019	38,764	0,000	0,000	38,764		0%
	2020	14,276	0,000	0,000	14,276	-63%	0%

<sup>(\*)</sup> Significant differences are mainly due to timing differences between appointment and resignation dates, YoY increase of BoD Fees, change of Director's role at a BoD Committee

<sup>(\*\*)</sup> Mr Myhal waived his fees until March 2018

<sup>(\*\*\*)</sup> Mr Miskou's fees of the financial year 2019 were paid in 2020

## 5. Remuneration Report of Executive Directors

### 5.1 Fixed Remuneration

Executive Directors receive a fixed salary only and are not eligible to receive Board Fees or variable remuneration.

Executive Directors are employed by the Bank based on permanent, indefinite contracts that include a required notice period on behalf of the Directors (three months period).

Similarly to the above, in accordance with the provisions of L.3864/2010, the annual accumulated remuneration of the Executive Directors should not exceed the remuneration of the Governor of the Bank of Greece.



## 5.2 Variable Remuneration

In line with existing domestic regulatory restrictions (L. 3864/2010), the Executive Directors are not currently eligible to receive variable remuneration including share based remuneration and they have not received any variable remuneration during the financial year 2020.

## 5.3 Other Financial Benefits

Eurobank Holdings aims to offer competitive and fair benefits to Executive Directors and coverage of professional expenses, in line with market practices. The range of benefits to which they are entitled to (but is not limited to) may include private pension scheme, private life insurance scheme, private medical scheme, company car, mobile phone, reimbursement of travel and business expenses, staff pricing on banking products and allowances related to children and childcare.

Part of these elements (company car, mobile phone, other reimbursements) are not considered remuneration according to the Policy and as a result are not included in the above table.

In particular, Bank's contributions to the private pension scheme are set at 2% for the part of the salary up to € 2,432.25 and 8% for the part of the salary that exceeds this amount with the exception of the CEO and the Deputy CEOs for whom Bank's contributions are set at 15% for the part of the salary that exceeds the amount of € 2,432.25.

## 5.4 Table (II) (Total Remuneration by all Group Subsidiaries in Gross Amounts and € '000)

Name of Director, Position	Financial Year	Fixed Remuneration	Variable Remuneration	Pension Expense	Total Remuneration	% vs Previous Year <sup>(*)</sup>	Proportion of Variable / Fixed Remuneration
<b>Fokion Karavias</b> Chief Executive Officer (CEO since June 2014)	2016	301,601	0,000	21,693	323,294	-6%	0%
	2017	300,131	0,000	21,693	321,824	0%	0%
	2018	300,901	0,000	21,693	322,594	0%	0%
	2019	299,921	0,000	34,170	334,091	4%	0%
	2020	298,451	0,000	40,079	338,531	1%	0%
<b>Stavros Ioannou</b> Deputy Chief Executive Officer (CEO) Group Chief Operating Officer (COO) & International Activities (Deputy CEO since April 2015)	2016	307,520	0,000	22,273	329,793	0%	0%
	2017	351,380	0,000	25,753	377,133	14%	0%
	2018	350,960	0,000	25,753	376,713	0%	0%
	2019	368,283	0,000	42,867	411,150	9%	0%
	2020	374,903	0,000	51,433	426,336	4%	0%
<b>Konstantinos Vassiliou</b> Deputy Chief Executive Officer (CEO) Head of Group Corporate & Investment Banking (Deputy CEO since June 2018)	2016						
	2017						
	2018	351,061	0,000	25,755	376,816		0%
	2019	368,153	0,000	42,868	411,021	9%	0%
	2020	375,043	0,000	51,433	426,476	4%	0%
<b>Theodoros Kalantonis</b> Deputy Chief Executive Officer (CEO) Head of Troubled Asset Group (Deputy CEO until April 2020)	2016	307,100	0,000	22,273	329,373	-2%	0%
	2017	350,680	0,000	25,753	376,433	14%	0%
	2018	350,190	0,000	25,753	375,943	0%	0%
	2019	366,883	0,000	42,867	409,750	9%	0%
	2020	196,149	0,000	18,514	214,663	-48%	0%
<b>Andreas D. Athanassopoulos</b> Deputy Chief Executive Officer (CEO) Head of Group Transformation, Digital & Retail Banking (Deputy CEO since December 2020)	2016						
	2017						
	2018						
	2019						
	2020	32,324	0,000	2,389	34,713		0%

<sup>(\*)</sup> Significant differences are mainly due to timing differences between appointment and resignation dates

## 6. Eurobank Holdings Annual Performance

The performance of the Eurobank Holdings, as determined, over the last five reported financial years is defined as the recurring Profit Before Tax and is as follows:

<b>Recurring Profit Before Tax (€ million)</b>	
<b>2016</b>	<b>203</b>
<b>2017 vs 2016</b>	<b>-4%</b>
<b>2017</b>	<b>194.8</b>
<b>2018 vs 2017</b>	<b>53%</b>
<b>2018</b>	<b>297.7</b>
<b>2019 vs 2018</b>	<b>4%</b>
<b>2019</b>	<b>309.5</b>
<b>2020 vs 2019</b>	<b>132%</b>
<b>2020</b>	<b>718.4</b>

## 7. Average Annual Remuneration of Employees

The average remuneration on a full-time equivalent basis of employees of the Eurobank Holdings other than the Executive and the Non-Executive Directors of the Board is as follows:

<b>Average Annual Remuneration of Employees</b>	
<b>2016</b>	<b>36,231</b>
<b>2017 vs 2016</b>	<b>3%</b>
<b>2017</b>	<b>37,463</b>
<b>2018 vs 2017</b>	<b>-1%</b>
<b>2018</b>	<b>36,970</b>
<b>2019 vs 2018</b>	<b>-3%</b>
<b>2019</b>	<b>35,731</b>
<b>2020 vs 2019</b>	<b>8%</b>
<b>2020</b>	<b>38.475</b>

## 8. Derogations and Deviations

During the financial year 2020, no deviations are reported from the procedure for the implementation of the Policy nor any derogations from the implementation of the Policy itself are reported.

## 9. Disclosure of the Remuneration Report

The Remuneration Report is reviewed on an annual basis for compliance with the requirements of Article 112 by the statutory auditors, submitted at the general meeting of the shareholders for discussion and made publicly available, free of charge, on the Eurobank Holdings' website for a period of at least ten (10) years (taking into consideration some specific requirements regarding personal data protection). The Board has collective responsibility to ensure that the Remuneration Report is drawn up and published in line with the requirements of the Law.

Subject to any revision of the Policy, the relevant Remuneration Report is produced.