

AUDIT COMMITTEE ACTIVITY REPORT

FOR THE YEAR 2020

Purpose

1. In accordance with the Law 4449/2017 as amended, the Audit Committee (AC) of Eurobank Ergasias Services and Holdings S.A. (Eurobank Holdings or HoldCo or Company) should submit an annual report to the Shareholders' Annual General Meeting on the issues dealt with by the AC during the previous year, also including therein a description of the sustainability policy followed by the entity.
2. The current AC Activity Report of Eurobank Holdings refers in detail to the AC activity during 2020 and the issues addressed. In addition, it describes Eurobank Holdings' sustainability policy.
3. No deviations from the AC's Terms of Reference (ToR) have been identified.

General Framework - Demerger of Eurobank Ergasias S.A.

4. On 20 March 2020, the demerger of Eurobank Ergasias S.A. (Eurobank Ergasias) through the banking sector's hive down and its transfer to a new credit institution that has been established under the corporate name "Eurobank S.A." (Eurobank or Bank) was completed. Following the above, the corporate name of Eurobank Ergasias has been amended to "Eurobank Ergasias Services and Holdings S.A.". Eurobank Holdings holds the 100% of the share capital of the Bank and has maintained activities that are mainly related to the strategic planning of the administration of non-performing loans and the provision of services to the group companies and third parties, while Eurobank substituted Eurobank Ergasias, by way of universal succession, to all the transferred assets and liabilities of the hived down banking sector.
5. As a result of the hive down, Eurobank and the subsidiaries contributed by Eurobank Ergasias form the Eurobank S.A. group (Eurobank group). Eurobank Holdings and its subsidiaries (Group), consisting mainly of Eurobank group, are active in retail, corporate and private banking, asset management, treasury, capital markets and other services. The Group mainly operates in Greece and in Central and Southeastern Europe.

AC Composition / Membership

6. On Nomination Committee's proposal, the Company's BoD, at its meeting held on 08.04.2020, decided the temporary appointment to the Audit Committee, until the next General Meeting of Shareholders that would be called to approve their final appointment, of the independent non-executive members of the BoD Mr. Rajeev Kakar and Ms. Irene Rouvitha Panou, who have sufficient knowledge on the field of the Company's activity, in replacement of the resigned independent non-executive members Mr. Richard Boucher and Mr. Nikolaos Bertzos, who were members of the Company's Audit Committee until 08.04.2020. According to the applicable legal framework, their appointment has been approved by the General Meeting of the Shareholders of HoldCo on 28 July 2020.
7. The tenure of Mr. R. Kakar and Ms. I. Rouvitha Panou to the Company's Audit Committee expires at the same time as the tenure of the remaining Audit Committee members, i.e. expires on 10.07.2021, prolonged until the end of the period the Company's Annual General Meeting for the year 2021 will take place.
8. Following the appointment of Mr. R. Kakar and Ms. I. Rouvitha Panou in the Audit Committee, the latter consisted exclusively of BoD members, five (5) in total, all of which are non-executive, of whom the three (3) are independent according to the provisions of art. 4 of Law 3016/2002, including the AC Chairman among the independent members, as follows: 1. Jawaid Mirza (Chairman of the Audit Committee - independent non-executive BoD member), 2. Bradley Paul Martin (non-executive BoD member), 3. Rajeev Kakar (independent non-executive BoD member), 4. Irene Rouvitha Panou (independent non-executive BoD member) and 5. Dimitrios Miskou (Representative of the Hellenic Financial Stability Fund (HFSF) - non-executive BoD member).
9. The BoD, further to its decision dated 28.01.2021 regarding the appointment of Ms. Efthymia Deli, new HFSF representative to Eurobank Holdings' BoD, as non-executive member of the BoD, following the Nomination Committee's proposal dated 27.01.2021 and in accordance with the Tripartite Relationship Framework Agreement (TRFA) signed between HoldCo, the Bank and the HFSF, decided the appointment

of Ms. Efthymia Deli as member of the Audit Committee, in replacement of the resigned Mr. Dimitrios Miskou, who was its member until 28.01.2021, and for an equal term to the remaining term of the resigned member to the said Committee.

10. Information regarding current AC composition and short biographical details of its members may be found at the HoldCo's website (www.eurobankholdings.gr).

Meetings Held During the Period & Attendance

11. During 2020, the Audit Committee held nine (9) meetings vs twelve (12) in 2019. It is noted that two (2) out of the nine (9) meetings in 2020 were held before the hive down and cover also issues related to banking operations.
12. Attendance at the meetings by AC members was satisfactory with an average ratio of attendance at 98% (2019: 88%), while in cases of missed in person attendances, representation proxies have been provided, leading to an overall attendance of 100%. Due to the covid-19 pandemic, all meetings were attended via conference calls. This practice is allowed by the AC ToR and is consistent across all HoldCo's BoD Committees.
13. The submissions for the AC meetings have become available to all BoD members through the Diligent platform.
14. The BoD Chair has regularly attended the AC meetings. The attendance at the AC meetings by the CEO as well as other Senior Management is considered satisfactory. All meetings were attended by the Internal Audit and all Open Sessions of Quarterly meetings were attended also by the General Manager of Group Compliance.
15. The External Auditor of 2020 financial statements (i.e. KPMG) has been invited and attended meetings as required.

Highlights of Issues of Importance during 2020

Internal Controls System and Risk Management

16. In its meeting on 26 August 2020, the AC approved the scope of the assignment regarding the Independent triennial Evaluation of System of Internal Controls (SIC) per Bank of Greece's (BoG) Act 2577/9.3.2006 and agreed on the commencement of the process. In addition, in its meeting on 23 September 2020, the AC approved the appointment of the Independent Advisor (i.e. PwC) to carry out the Independent triennial Evaluation of System of Internal Controls (SIC) per BoG Act 2577/9.3.2006, the project's budget and the final scope of the assignment.
17. Issues regarding weaknesses in internal controls and the progress on actions taken to address them, were monitored and presented in Internal Audit Activity Report and several pending issues were discussed with Management during the Open meetings and the AC ensured that the time plans and deadlines were followed up.
18. Before the hive down on 17 March 2020, Internal Audit Group (IAG) of Eurobank Ergasias presented to the AC an update on the progress of overdue and long overdue audit issues.
19. Before the hive down and through its attendance in specific sections of the Board Risk Committee meetings, the AC was informed on various risk issues (including operational and IT security risk).
20. Before the hive down, in Q1 2020 AC Meeting, the AC received the Customer Complaints Report prepared by the Client Relations Office.
21. Throughout the year 2020 the AC Members received update by IA and Compliance, covering matters of the System of Internal Controls, Risk Management and Compliance with rules and regulations.

22. The Legal Division informed the AC regarding the Outstanding Significant Litigations of the Group.
23. An update on the progress made regarding the improvement of the Internal Control System of Network, together with the issuance by IAG of the Combined Assurance Report for the Branch Network, has been presented before the hive down, at the Q1 2020 AC meeting.

Internal Audit (IA)

24. The AC approved and further submitted to the BoD for information the revised IA Annual Plan for 2020. In addition, the AC approved and further submitted to the BoD for information the IA Annual Plan for 2021.
25. The AC monitored the progress of the IA Annual Plan.
26. The AC proposed to the BoD for ratification the appointment of the Chief Internal Auditor.
27. The AC approved the Internal Audit Mandate & Terms of Reference.
28. At the Open Sessions of the Quarterly AC meetings, IA has submitted the IA Activity Reports and presented the key highlights.
29. Regarding the Quality Assurance Issues, IAG presented to the AC the overview of Quality Assurance activities for 2019.

Compliance

30. The AC discussed the Compliance Medium Term Plan for 2020-2022 and approved the Compliance Budget for 2020. In addition, the AC approved the 2021 Compliance Annual Plan.
31. At the Open Sessions of the Quarterly AC meetings, Compliance submitted the Compliance Activity Reports and presented the key highlights.
32. Before the hive down, the AC approved the Anti-Money Laundering (AML) Compliance Risk Appetite Statement.
33. The AC approved the Compliance Mandate.
34. The AC proposed to the BoD for approval the revised Conflicts of Interest Policy. In addition, the AC approved the Market Abuse Policy, the revised Insider Dealing Guideline, the Code of Conduct and Ethics and the Policy for Reporting Unethical Conduct.
35. Before the hive down and in line with the BoG requirements, Compliance submitted to the AC for approval, its annual report regarding the Anti-Money Laundering programme of Eurobank Ergasias (BoG Decision 281/2009 requirement). The said report was submitted to the BoD and subsequently to the BoG in March 2020.

AML End-to-End project

36. Before the hive down, the AC was updated on the status of the bank-wide AML End-to-End project and the initiatives taken by Eurobank Ergasias in order to remediate the KYC/AML issues identified.

Financial reporting and External Audit

37. In 2020, there were in total five (5) AC meetings which covered also, among others, the approval of quarterly results, half annual and annual Accounts and Financial Statements, Annual General Meeting (AGM) matters and matters of the External auditors.
38. During the AC meetings, presentations were made by Group Finance on issues such as accounting policies, judgment areas, significant one-off items, major variations between periods, important disclosures and significant issues with tax authorities. During the meetings, External Auditors also presented and discussed with the AC members a summary of audit work done, major findings, including a summary of unadjusted differences, and other issues of importance.
39. IA performed a high level review of material submitted to the AC for the clearance of the financial results and reported significant items to the AC Chairman for his attention.
40. The AC has reviewed the 2019 KPMG Management Letter (ML) and has discussed the issues raised with KPMG and Management. In addition, at its meeting of 9 December 2020, KPMG informed the AC of the 2020 ML points, from the work performed up to the date.
41. The annual assessment of the External Auditors for the 2019 audit was discussed by the AC members and Management. At the same AC meeting, the AC decided to propose to the BoD for approval and subsequent recommendation to the Annual General Meeting of shareholders for approval, the reappointment of KPMG as statutory auditors for the standalone and consolidated Financial Statements of Eurobank Holdings for the financial year of 2020.
42. The AC has discussed and approved the Global Group Audit and assurance Fees of 2020.
43. KPMG presented its 2020 Audit Plan to the AC. The AC has also, in line with its ToR, received the Engagement letter for the 2020 External Audit of the Company.
44. The AC has received the External Auditors' Independence Letter, while it monitored the independence of the External Auditors through reports received by Group Finance, depicting the value of services provided as compared to the limits set by HoldCo's External Auditors Independence Policy (Independence Policy). In line with the Independence Policy, the AC in 2020 reviewed proposals for the assignment to KPMG of other engagements of assurance or of non-audit nature and has granted its approval as appropriate, ensuring that the independence limits are complied with.
45. With regards to the monitoring of the Budget Performance, the AC has received quarterly updates by Group Finance on the matter, which were subsequently presented to the BoD.

Other AC Matters

46. For 2020, the Group Company Secretariat performed the self-evaluation exercise for HoldCo's Board and Board Committees in accordance to the Board and Board Committees Evaluation Policy.
47. In accordance with the provisions of Law 2533/1997, the AC reviewed reports on substantial stock transactions performed by the Company's Directors and General Managers in listed securities and notified the Board.

Sustainability Overview

48. The Group has placed sustainable development as one of the foundations of its strategic planning. Responding to the needs of today's everchanging environment, the Group, through its sustainability strategy, aims to actively contribute to improving the economic and social environment where it operates, adopting responsible practices that promote transparency and business ethics. Specifically, its strategy aims at optimizing the financial performance, maintaining a strong capital base as well as contributing to the economy and society in a holistic manner.
49. Group's diversified business model through business line, geography and customer, helps enhance its resilience to changes in the external environment. When designing its services, the Group takes into account internal and external issues, stakeholder demands, and identifies threats and opportunities that must be addressed or developed, so as to achieve the sought results, eliminate or mitigate undesirable results / threats, fortify desirable (positive) results / opportunities and achieve continuous improvement.
50. Driven by its sense of responsibility and commitment to giving back to society, the Group links its business decisions to environmental sustainability, social responsibility and corporate governance (ESG), which is directly linked to UN Sustainable Development Goals (SDGs). The Group is actively involved in a series of International and European Initiatives for environmental protection, sustainable development and responsible entrepreneurship such as the United Nations Environment Program Finance Initiative (UNEP FI), the EU Eco-Management and Audit Scheme (EMAS). With regards to UNEP FI, Eurobank signed the Principles of Responsible Banking that set the framework for the future development of a sustainable banking system with a strong positive mark on society and the environment. The Principles for Responsible Banking are supported by 220 banks around the world, and were shaped by the global banking industry through the UNEP FI. Eurobank also signed the UN Global Compact in 2008 actively supporting its 10 principles. The Group is also a member of the standing Energy Efficiency Financial Institutions Group (EEFIG) established by the European Commission to finance energy efficiency. Additionally, it participates at the Sustainable Development Committee of the Hellenic Bank Association, the Hellenic Network for Corporate Social Responsibility (CSR Hellas) and as an ambassador at the Sustainable Greece 2020 Initiative. Moreover, Eurobank Asset Management MFMC, the Bank's subsidiary, is the first asset management company in Greece to sign the PRI (Principles for Responsible Investment) initiative in 2018, as part of the broader policy of the Eurobank Group to support sustainability and responsible entrepreneurship.
51. Regarding its Sustainability Reporting, Eurobank adopts and follows the Global Reporting Initiative (GRI Standards) international framework. In parallel, the Bank promotes two-way communication and develops an ongoing dialogue with stakeholders, so as to be able to offer tangible responses to the expectations, concerns and issues raised by all its stakeholders. In this context, materiality analysis, GRI indicators and the Eurobank's Corporate Social Responsibility actions are described in the Annual Report 2020-Business and Sustainability edition, which is published on www.eurobankholdings.gr. While the Annual Report 2020-Business and Sustainability edition is being prepared in line with the Sustainability Reporting Guidelines of the Global Reporting Initiative (GRI) international framework, the 10 Principles of the United Nations Global Compact, the 7 fundamental Corporate Responsibility Principles of ISO 26000:2010 International Standard, and the AccountAbility (AA1000 AccountAbility Principles Standard 2008) have also been taken into account.
52. Corporate Social Responsibility actions are described in the Annual Report 2020-Business and Sustainability edition, which is published on www.eurobankholdings.gr. Among these it is highlighted that the Group's employees constitute its greatest asset as far as development and sustainability are concerned. Moreover, the Group encourages its customers, suppliers, employees, shareholders, stakeholder groups and the society at large, towards the adoption of sustainability best practices in accordance with International Organizations' Guidelines and Initiatives.

53. Within the same social sustainability context, having built a flexible, sustainability-oriented operational model, the Group adapted it immediately to address Covid-19 pandemic by strengthening of existing digital channels infrastructure to support its customers, business and households .
54. Regarding environmental sustainability, the Group is committed to minimize its environmental footprint and to promote green economy. In this context, the Group implements a Sustainability Policy, an Environmental Policy and an Energy Management Policy, towards the protection of the environment in all aspects of its operations. The responsibility of the sustainable development and environmental issues is assigned to the Group Environmental and Sustainability Committee, chaired by a Deputy Chief Executive Officer.
55. The integration of risks and sustainability factors relevant with the climate, in the strategy and investment decisions of the Bank, consist of, among others, commitment of both the clients and shareholders in sustainable financing, taking into account the outcome/ financial returns of «green» banking products and initiatives.
56. The Bank is currently undertaking a new project with an external consultant aiming to lead the Bank's Sustainability / ESG Transformation, taking into account upcoming global challenges, the changing regulatory landscape and market shifts with an emphasis on the mobilization of financing towards social and climate sustainable activities, green product offerings as well as operational imperatives such as digitalisation, upskilling and environmental footprint minimization. The Bank's Executive Board has endorsed the Project and is responsible for the oversight of its implementation.

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Jawaid Mirza
AC Chairman

Athens, June 2021