
Piraeus Bank S.A.

Remuneration Report

for the Year 2019

PIRAEUS BANK



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Letter from the Chairman of the Remuneration Committee

Dear Shareholders,

Reassured by your great support of our Directors' Remuneration Policy approved by 98.69% at the 2019 Annual General Meeting, I am pleased to present you with our Remuneration Report for the year 2019.

Looking back on a successful financial year, as outlined in Section 2 of this Report, we are mindful of the difficult global environment following the outbreak of the COVID-19 pandemic. Nevertheless, we are convinced that with the steps taken in 2019, we are in a good position to manage associated risks going forward.

As Chairman of the Remuneration Committee, I like to emphasize the critical role of all employees in the recent successes of the Bank. In 2019, several Human Resources related projects were completed that establish a good basis for the future development of the Bank, such as the strategic transaction with Intrum and the implementation of Voluntary Exit Schemes ("VES") that resulted in significant efficiency improvements, the full implementation of a new performance evaluation mechanism "Become & Achieve" and the design of a new organizational model that reduced the number of hierarchical levels and introduced a more competitive remuneration approach that also promotes the Bank's new cultural values, based on the principles of accountability, meritocracy and transparency (Sections 1.2.1 and 2.1). In addition, the Bank designed and launched a coherent, defined contribution pension plan, which is currently awaiting regulatory approval (Section 3).

Although the Bank is still constrained in awarding variable pay to our Executive Directors (Section 3), progress is made to ensure that the organization's focus is to generate value for our shareholders and other stakeholders. In line with our Agenda 2023, key performance indicators are identified (detailed in Section 4), that promote our three strategic priorities: de-risking of legacy assets, growth of core assets, promoting efficiency and simplification of our business processes.

Lastly, I want to thank all our stakeholders for providing their insights and feedback on our remuneration system. I am looking forward to further discussions in the future.

Best regards,



Arne S. Berggren

Chairman of the Remuneration Committee

1. General Information

1.1. Introduction

The COVID-19 outbreak is affecting banks and economies on a global scale. Since the current health crisis emerged, Piraeus Bank S.A. (hereinafter “Piraeus Bank” or the “Bank”) has been addressing all aspects of the situation and has activated all necessary protocols and actions to mitigate the possible effects. The Bank’s Management constantly evaluates the situation and is conducting diligent analysis of Bank’s portfolio and client relationships.

Piraeus Bank relies on its 2019 fundamentals that depict strong progress and continues to work in all fronts, based on the Bank’s enhanced capital position and solid liquidity profile. The Board dedicates significant time and effort to closely monitor the Bank’s progress and provide timely feedback and guidance; this is evidenced, inter alia, by the content of the minutes of the nineteen (19) meetings (scheduled and extraordinary, most of which physically held in Athens) in 2019. During the challenging period ahead, the Bank will continue to conduct sound corporate governance, solid capital and liquidity planning and robust risk management to alleviate the economic consequences of the pandemic for the benefit of its customers, employees, shareholders and society at large.

The Greek Law 4548/2018, “Reform of the Law of Sociétés Anonymes”, which is effective as of 1 January 2019, incorporated, inter alia, the provisions of the Shareholders Rights Directive II (SRD II Directive) for the remuneration of the Board’s members (hereinafter “Directors”), Executives and Non-Executives.

Remuneration awarded to the Directors of the Bank (Executive and Non-Executive Board members) is disclosed in this Remuneration Report, providing a clear and comprehensive overview of the total remuneration for year 2019 in line with the article 112 of L. 4548/2018. Disclosure of individual Directors’ remuneration and the publication of the Remuneration Report are intended to provide increased corporate transparency and Directors’ accountability, increased oversight of shareholders on the Remuneration Policy and practices while at the same time demonstrating their coherence with Bank’s strategy and performance. As provided by par.4 of the article 112 of L. 4548/2018, this report is subject to the audit of the statutory auditor.

The Board of Directors (hereinafter “BoD”) approved the Remuneration Report for 2019. On 31 December 2019 the BoD consisted of the following members:

Table 1: PB Board of Directors Composition	
Name	Capacity
George P. Handjinicolaou	Chairman of the BoD, Non-Executive Member
Karel G. De Boeck	Vice-Chairman of the BoD, Independent Non-Executive Member
Christos I. Megalou	CEO, Executive BoD Member
Venetia G. Kontogouri	Independent Non-Executive BoD Member
Arne S. Berggren	Independent Non-Executive BoD Member
Enrico Tommaso C. Cucchiani	Independent Non-Executive BoD Member
David R. Hexter	Independent Non-Executive BoD Member
Solomon A. Berahas	Non-Executive BoD Member
Alexander Z. Blades	Non-Executive BoD Member
Periklis N. Dontas	Non-Executive BoD Member, HFSF Representative under Law 3864/2010.

1.2. Remuneration Governance

1.2.1 Remuneration Committee

The Remuneration Committee (hereinafter “RemCo”) is the supervisory and governing body for remuneration policies, practices and plans. According to its Terms of Reference revised in June 2019, the Remuneration Committee is appointed by the Board of Directors of the Bank and consists of at least three (3) members of the Board, while the total number of its members should not exceed 40% of the BoD Members including the HFSF Representative who participates with full voting rights. The majority of the members are independent as per the definition of an Independent BoD Member of article 4 of L. 3016/2002, currently in force. The Chairman of the Committee is an Independent Non-Executive member meeting the criteria of article 10 par. 8 of Greek Law 3864/2010, as currently in force. The Committee, as a body, has knowledge, expertise and professional experience in remuneration related issues, risk management and control activities. At least one (1) member of the Committee should also be a member of the Risk Committee to oversee alignment of the Remuneration Policy with the Bank's Risk and Capital Strategy.

The mission of the Remuneration Committee, in alignment with the Bank's strategic goal, is to design, monitor the implementation and periodically review the Group's Remuneration Policy, in accordance with the Bank of Greece Executive Committee's Act 158/1/10.5.2019, also taking into consideration the provisions of Greek Laws 3864/2010 and 4261/2014, as currently in force. In the execution of its duties, the Remuneration Committee takes into account the Risk appetite framework of the Bank, the long-term interests of shareholders, investors and other stakeholders. Within the scope of Remuneration Committee it is included: a) the monitoring of the implementation of a framework that objectively evaluates performance and is directly linked to the determination of the remuneration of employees, Risk Takers and Non-Risk Takers, b) the overview of the Bank's talent management and succession planning policies as well as c) the implementation of strategies aiming at building a Corporate Culture that will support the Bank's objectives and vision. The competences of the Committee relate both to Piraeus Bank and to its subsidiaries included in the consolidation.

The Remuneration Committee regularly reviews shareholder and other stakeholder feedback when reaching its decisions, explicitly including any previous vote results on remuneration related proposals to the General Meeting of Shareholders.

Remuneration Committee activities during 2019

- Provided a statement that the Group Remuneration Policy is in compliance with the provisions of Greek Laws 3864/2010, Greek Law 4261/2014 and with the Bank of Greece Executive Committee's Act 158/1/10.5.2019, as in force.
- Reviewed and recommended to the Board of Directors variable remuneration proposals for various categories of staff (Risk Takers, Non-Risk Takers etc), excluding Directors, related to incentives and business objectives.
- Reviewed the Remuneration Committee's Activity Report for 2018.
- Reviewed and recommended to the Board of Directors, the Directors' Remuneration Policy, which was submitted for approval to the Annual General Assembly of Shareholders of 28 June 2019.
- Reviewed and recommended for approval to the Board of Directors the update of Remuneration Committee's Terms of Reference.
- Was updated on the Staff Credit Exposure and Policy.
- Reviewed and recommended for approval to the Board of Directors the Group's Remuneration Policy.

- Reviewed and recommended for approval to the Board of Directors proposals of sign on, severance payments and salary adjustments for Group executives.
- Was updated on the progress of major cost optimization projects (Project Galvin, Voluntary Exit Schemes) and recommended their approval to the Board of Directors.
- Reviewed the key Human Resources projects, such as the creation of a Group corporate culture, the development of human resources through the implementation of new evaluation and performance systems (Become and Achieve) and training programs, the design of a new organization model for the rationalization of hierarchical levels (Job Family Model), as well as the enhancement of corporate responsibility.
- Prepared the Board's proposal to the Annual General Meeting of Shareholders in relation to the annual remuneration of the BoD members.

The Remuneration Committee held six (6) meetings during 2019.

Detailed information on the responsibilities and the operation of the Remuneration Committee is available on the PB Group's website ([Board of Directors & Committees | Piraeus Bank](#)).

1.2.2 Directors' Remuneration Policy

Whilst being consistent with the wider human capital strategy of the Group and the principles of the Group Remuneration Policy, the Directors' Remuneration Policy (hereinafter "Remuneration Policy") applies to the members of the BoD (Executives and Non-Executives) as per the requirements of Articles 110-111 of Law 4548/2018.

Contribution to business strategy, long-term interests and sustainability

With regards to current restrictions for variable remuneration (bonus) to BoD members, in the context of the provisions of Law 3864/2010 for the recapitalization of the Bank in December 2015, the Remuneration Policy contributes to the Bank's business strategy and long-term interests by:

- Offering competitive and fair levels of remuneration and benefits to Directors that incentivize their dedication to the Bank, the creation of long-term value and the achievement of long-term goals.
- Creating a work environment which is comprehensive in its diversity, fostering and unlocking individual potential and creating competitive advantage.
- Making adherence to the Group's values, business principles and risk-related policies key considerations when determining remuneration.
- Supporting the objective of orderly and timely payback of the capital support provided for the Bank's recapitalization in 2015.

The Remuneration Policy, approved by the Annual General Meeting of Shareholders of Piraeus Bank at 28 June 2019, is effective for up to four (4) years thereof unless there is a material change. In this case, the Policy will be submitted to the General Meeting for approval.

The Remuneration Policy is reviewed on a regular basis by the Remuneration Committee in order to ensure its continued alignment with its principles. The review will take into consideration, among others, the advisory vote of the General Meeting of Shareholders on the Remuneration Report.

During 2019 the Bank had not deviated from its Remuneration Policy.

Detailed information of the Directors' Remuneration Policy is available on the PB Group's website ([Board of Directors & Committees | Piraeus Bank](#)).

2. Piraeus Bank Key Developments

Piraeus Bank has assumed a systemic role in the Greek banking market in terms of total assets amounting to € 61 billion as at 31 December 2019, and holds a leading market share in terms of deposits (29.5% market share) and loans and advances to customers (29.0% market share and 31.6% in business lending in specific).

The Bank holds a nationwide footprint in Greece with 527 branches, accessible to its 5.5 million active customers. The branch network in Greece was reduced by 26 units during 2019 as a result of the Bank's ongoing rationalization plan. At the same time the number of employees for the Bank as at 31 December 2019 was 10,843 (2018: 11,794). The decrease on the number of employees in 2019 is mainly due to the Intrum Transaction and the implementation of VES.

2019 was a year of multiple achievements for Piraeus Bank. The Bank returned to profitability, completed its 2018 capital enhancement plan and further enhanced its capital position through the issuance of subordinated Tier II debt. In the asset quality front, the Bank launched a strategic partnership with Intrum on Non Performing Exposures (NPE) servicing. On an institutional level, the year was characterized by the completion of the commitments under the Bank's revised Restructuring Plan. Further improvement in liquidity and funding was also evident, as the Bank managed in just more than a year post the full abolition of capital controls to meet the regulatory requirements for both Liquidity Coverage Ratio and Net Stable Funding Ratio.

The most important events for the Bank during 2019, which are linked with the information provided in this Report, were the following:

- On 3 June 2019 Piraeus Bank announced a long-term strategic partnership with Intrum ("Intrum Transaction") for the management of NPEs and REOs through the establishment of a market-leading independent non-performing assets servicing platform in Greece. The agreement valued the platform at € 410 million. Total purchase price consideration for Intrum's acquisition of 80% of the platform was agreed at € 328 million of which a nominal value of € 32 million is contingent on the future performance of the business within a three-year time horizon.

On 23 October 2019 the agreement was concluded. An 80% shareholding plus one share of the share capital of each of the new servicer company and the REO company established on 16 September 2019 and 6 September 2019 respectively was transferred to Intrum, while Piraeus Bank retained a 20% shareholding less one share. As at 31 December 2019, the number of full-time equivalent Bank's employees that were permanently transferred to Intrum Hellas was 628. The remuneration of this population has been taken into account for the calculation of the average employees' remuneration (see table 3.3), up to the date they were active employees of the Bank.

- Efficiency targets relating to the FTEs reduction achieved through VES, which received applications for participation from 338 employees of the Bank and its subsidiaries in Greece, affecting the average number of Bank's employees in 2019 (see table 3.3).
- On 22 November 2019 Mr. George Georgakopoulos resigned from his position as Executive Member of the Bank's Board of Directors, following his appointment as Chief Executive Officer in the "Intrum Hellas Société Anonyme Management of Receivables from Loans and Credits".
- On 18 December 2019 the Board of Directors of the Bank elected Mr. Periklis Dontas as Non-Executive Member, HFSF Representative, in replacement of Mr. Per Anders Fasth, following a letter from the HFSF, dated 28 November 2019 and in accordance with the provisions of Law 3864/2010.

During the first quarter of 2020:

- On 31 January 2020 Piraeus Bank received the official DG Comp verification for the completion of the Piraeus Bank Restructuring Plan period. This decision highlights the successful exit from the six-year monitoring period in which Piraeus Bank accomplished to execute on time the 27 Commitments on Corporate Governance and Commercial Operations and the 13 Restructuring Plan Commitments in an extremely strict timeframe. In the remuneration field, this is reflected in the remuneration cap. The cap of ten times the average salary of employees for the total remuneration to staff, including Directors and senior management ceased to apply as from 01.01.2019
- On 3 February 2020 Piraeus Bank, building on the successful completion of its “Agenda 2020” strategy (key performance indicators are shown in table 3.2), affirmed its commitment to “Agenda 2023” with the following aspirations:

De-risking: Piraeus Bank will decisively continue de-risking its balance sheet, while stepping up its pace with the strategic direction to reach a single-digit NPE ratio by 2023.

Growth: by deepening the existing client relationships, Piraeus Bank will focus on leveraging the competitive advantages of its business in Greece.

Simplification: Piraeus Bank will decisively maximize its resources efficiency. This will be achieved through a simplified structure, further operational cost rationalization measures, as well as further optimization and automation of internal processes.

- On 27 February 2020 Piraeus Bank activated a plan in cooperation with National Organization of Public Health (EODY) to address any COVID-19 issue. Following the relevant protocol, the Bank has activated its Business Continuity Plan, taking among others measures such as proactively segregating critical Bank units, avoiding meetings with physical presence and activating remote access office capabilities for critical personnel.

2.1. Professional Development Framework

The implementation of the **Job Family Model (“JFM”)** is expected to clarify the roles that are needed and their accountabilities and level of responsibility, provide the basis for career development, enhance internal mobility, lay the foundations for a more structured approach for all HR related processes, such as promotions, based on enriching/increasing accountabilities and competencies linking pay with exceptional performance and talent retention.

Six (6) “job families” were defined and developed, with identified purpose and indicative accountabilities for each role within each family. As part of JFM framework, three (3) distinct types of roles were identified to reflect the necessary skills, knowledge and competencies in order to support professional development and growth. In addition, for each role within each family, the level of complexity was identified based on specific criteria captured in a single hierarchical structure to lead to a leaner organization and all levels of responsibility were evaluated based on proven methodology to reflect the relevant weight of all roles across the Bank.

In the context of the implementation of the JFM, the Bank has revamped its salary policy, which sets out the range of pay per level of responsibility and role, as well as the progression strategy within each range, in order to reinforce pay with roles contribution and talent retention. More specifically, for the Executive Directors the midpoint of the range of each level is compared to the median of the Greek Top Executive market due to the broader nature of competencies and functional expertise that these roles entail. Such roles are sourced and attracted from the broader financial sector and other industries from the Greek and European market.

3. Total Remuneration of Directors

The Remuneration structure that applies to Directors in 2019 includes the following components, as those are further described in the Remuneration Policy:

- **Non-Executive Directors (NEDs), including the Chairman**

Received annual Board fees and additional fees for membership and chairmanship of a Board Committee. Fees were paid in cash and are subject to periodic review. In the interest of maintaining an internationally diverse Board, the Bank needs to source Non-Executive Directors from international markets, which is also required by regulation. It has effectively achieved to do so, despite imposed caps, managing to attract high-caliber individuals with the appropriate level of skills and expertise, as well as motivate them to devote the required commitment and time to the Board.

The annual remuneration of the Non-Executive Directors for 2019, was within the pre-approved amount according to the decision of the Annual General Meeting held on 28 June 2019.

- **Executive Directors of the Board**

Received a fixed monthly salary, payable in cash. The Bank has developed a fixed remuneration framework, which defines the salary structure and ranges, in order to attract and retain talented individuals by reference to:

- Their relative seniority, as established by job evaluation.
- Benchmarking of the required skillset, based on market rate survey results.

- The Bank offered fair rates of pay and **benefits** to Executive Directors (including insurance programs), in line with relevant market practice and existing caps dictated by regulation. These included medical care, life insurance, child savings plans, use of company car.

In order to harmonize pension related benefits, the Bank proceeded in 2019 to design a new defined contribution pension scheme, with terms which are common to all employees of the Bank. The scheme is currently awaiting regulatory approval.

Executive Directors and the Chairman of the BoD may participate to the aforementioned scheme.

- As a matter of principle, **variable remuneration** is an important component of remuneration for Executive Directors as it enhances incentivisation to promote the Bank towards the strategic direction endorsed by the Board and in alignment with its shareholders.

Non-Executive Directors do not receive any variable pay.

Given the current legal restrictions on the granting of variable remuneration to BoD members for the period during which the Bank subject to the provisions of Law 3864/2010, no variable remuneration was paid or/and awarded to the Executive Directors in 2019.

- In any case, during the aforementioned period, each Director's remuneration (Executive and Non-Executive) cannot exceed the total remuneration of the Governor of the Bank of Greece.
- No severance or share-based payments were made in 2019. Moreover, there is no stock option plan currently adopted by the Bank. Therefore, there were no share options granted to Directors during 2019 (Executives and Non-Executives).
- All remuneration decisions and proposals made by RemCo in 2019 were in line with the Remuneration Policy as approved by the 2019 Annual General Meeting of Shareholders.

The table below provides an analysis of the Directors' remuneration awarded and paid for 2019, broken down by component, as required by the provisions of par.2a of Article 112 of Law 4548/2018.

Table 2: Total Remuneration of Directors

Name	Position	Capacity	Year	Fixed Remuneration ¹ in (€)			Pension Benefits ^{1,5} in (€)	Variable Remuneration ^{1,2} in (€)	Total Remuneration ^{1,3} in (€)	Proportion Fixed / Variable Remuneration
Non-Executives				Base Salary	Fees	Other Benefits ⁴				
George Handjinicolaou	Chairman of BoD	Non-Executive	2019	-	253,800.00	2,574.08	0.00	0.00	256,374.08	100% / 0%
			2018	-	253,800.00	1,275.00	6,796.92	0.00	261,871.92	100% / 0%
Karel De Boeck	Vice Chairman of BoD & Chairman of Risk Committee	Independent Non-Executive	2019	-	160,000.00	0.00	0.00	0.00	160,000.00	100% / 0%
			2018	-	160,000.00	0.00	0.00	0.00	160,000.00	100% / 0%
David Hexter	Chairman of Audit Committee	Independent Non-Executive	2019	-	160,000.00	0.00	0.00	0.00	160,000.00	100% / 0%
			2018	-	160,000.00	0.00	0.00	0.00	160,000.00	100% / 0%
Arne Berggren	Chairman of Remuneration & Nomination Committee	Independent Non-Executive	2019	-	120,000.00	0.00	0.00	0.00	120,000.00	100% / 0%
			2018	-	120,000.00	0.00	0.00	0.00	120,000.00	100% / 0%
Enrico Tommaso Cucchiani	BoD Member	Independent Non-Executive	2019	-	72,000.00	0.00	0.00	0.00	72,000.00	100% / 0%
			2018	-	72,000.00	0.00	0.00	0.00	72,000.00	100% / 0%
Venetia Kontogouris	BoD Member	Independent Non-Executive	2019	-	60,000.00	0.00	0.00	0.00	60,000.00	100% / 0%
			2018	-	60,000.00	0.00	0.00	0.00	60,000.00	100% / 0%
Alexander Blades ⁶	BoD Member	Non-Executive	2019	-	0.00	0.00	0.00	0.00	0.00	-
			2018	-	0.00	0.00	0.00	0.00	0.00	-
Solomon Berahas	BoD Member	Non-Executive	2019	-	96,000.00	0.00	0.00	0.00	96,000.00	100% / 0%
			2018	-	96,000.00	0.00	0.00	0.00	96,000.00	100% / 0%
Periklis Dontas	HFSF BoD Representative (since 18.12.2019)	Non-Executive	2019	-	4,600.00	0.00	0.00	0.00	4,600.00	100% / 0%
			2018	-	-	-	-	-	-	-
Per Anders Jorgen Fasth	HFSF BoD Representative (up to 28.11.2019)	Non-Executive	2019	-	115,400.00	0.00	0.00	0.00	115,400.00	100% / 0%
			2018	-	120,000.00	0.00	0.00	0.00	120,000.00	100% / 0%
Total Non-Executives			2019	-	1,041,800.00	2,574.08	0.00	0.00	1,044,374.08	100% / 0%
			2018	-	1,041,800.00	1,275.00	6,796.92	0.00	1,049,871.92	100% / 0%
Executives										
Christos Megalou	CEO	Executive	2019	293,000.00	-	17,020.22	0.00	0.00	310,020.22	100% / 0%
			2018	293,000.00	-	16,198.25	7,869.32	0.00	317,067.57	100% / 0%
George Georgakopoulos	BoD Member (up to 21.11.2019)	Executive	2019 ⁷	198,669.19	-	15,024.47	0.00	0.00	213,693.66	100% / 0%
			2019 ⁸	23,466.69	-	4,115.17	0.00	0.00	27,581.86	100% / 0%
			2018	275,000.00	-	40,586.77	0.00	0.00	315,586.77	100% / 0%
Total Executives			2019	515,135.88	-	36,159.86	0.00	0.00	551,295.74	100% / 0%
			2018	568,000.00	-	56,785.02	7,869.32	0.00	632,654.34	100% / 0%
Total Directors										
Total Directors			2019	515,135.88	1,041,800.00	38,733.94	0.00	0.00	1,595,669.82	100% / 0%
			2018	568,000.00	1,041,800.00	58,060.02	14,666.24	0.00	1,682,526.26	100% / 0%

Footnotes

- The amounts are presented on a gross basis.
- No variable remuneration was paid to the Directors (Executives and Non-Executives).
- The sum of fixed, pension benefits and variable remuneration. With the exception of the footnote 8, the Directors did not receive any remuneration from any subsidiaries of the Group.
- Include gross amounts paid by the Bank for medical care, life insurance, child savings plan as well as the annual corporate car leasing costs.
Cars granted as a security measure to a Director are not included in their remuneration (i.e. Chairman of the Board and the CEO).
- A defined benefit pension scheme was operating until December 2018. In 2019, the Bank proceeded with the design of a new defined contribution pension scheme, with terms which are common to all employees of the Bank. The effective date of the scheme is 1 January 2019 and all required regulatory approvals are expected to be obtained in 2020.
- Mr. Blades, upon his request, relinquished the right to receive any remuneration for the years 2018 and 2019.
- Remuneration awarded and paid by the Bank for the period from 01.01.2019 to 15.09.2019.
- The amounts reported include remuneration paid by Alternative Financial Solutions S.A. (AFS) for the period from 16.09.2019 to 22.10.2019 during which the Bank owned 100% of the shares of the aforementioned company. For the period from 23.10.2019 to 21.11.2019 no remuneration was paid by the Bank.

4. Comparison of Remuneration and Bank's Performance Over Time

Table 3: Comparative table on the variance of remuneration and Bank's performance
(as required by the provisions of par.2b of Article 112 of Law 4548/2018)

3.1. Directors' Remuneration ^{1,2} in (€)			2016	2017	2018	2019
Name	Position / Capacity	Membership				
George Handjinicolaou	Chairman of BoD Non-Executive	since 01.11.2016	42,300.00	263,167.66	261,871.92	256,374.08
		change (%) ⁶	3.7% -0.5% -2.1%			
Karel De Boeck	Vice Chairman of BoD Independent Non-Executive	since 08.06.2016	63,432.00	160,000.00	160,000.00	160,000.00
		change (%) ⁶	44.4% 0.0% 0.0%			
David Hexter	Independent Non-Executive	since 27.01.2016	102,400.00	160,000.00	160,000.00	160,000.00
		change (%) ⁶	47.1% 0.0% 0.0%			
Arne Berggren	Independent Non-Executive	since 08.06.2016	95,167.00	120,000.00	120,000.00	120,000.00
		change (%) ⁶	0.0% 0.0% 0.0%			
Enrico Tommaso Cucchiani ³	Independent Non-Executive	since 15.11.2016	6,000.00	72,000.00	72,000.00	72,000.00
		change (%) ⁶	53.0% 0.0% 0.0%			
Venetia Kontogouris	Independent Non-Executive	since 28.06.2017	-	24,600.00	60,000.00	60,000.00
		change (%) ⁶	26.0% 0.0%			
Alexander Blades ⁴	Non-Executive	since 27.01.2016	0.00	0.00	0.00	0.00
		change (%)	- - -			
Solomon Berahas	Non-Executive	since 01.11.2016	6,000.00	80,000.00	96,000.00	96,000.00
		change (%) ⁶	122.2% 20.0% 0.0%			
Periklis Dontas	HFSF BoD Representative Non-Executive	since 18.12.2019	-	-	-	4,600.00
		change (%)	-			
Per Anders Jorgen Fasth	HFSF BoD Representative Non-Executive	since 28.11.2017 up to 28.11.2019	-	10,800.00	120,000.00	115,400.00
		change (%) ⁶	1.9% 0.0%			
Christos Megalou	CEO, Executive	since 08.03.2017	-	279,789.17	317,067.57	310,020.22
		change (%) ⁶	-0.3% -2.2%			
George Georgakopoulos	Executive	since 20.12.2017 up to 21.11.2019	-	8,058.70	315,586.77	213,693.66
			-	-	-	27,581.86
		change (%) ⁶	3.5% -8.5%			
Total Directors' Remuneration ^{1,2} in (€) (only for active members in 2019)			315,299.00	1,178,415.53	1,682,526.26	1,595,669.82
Total Directors (including non-active members in 2019)		No of Directors as of 31.12	13	11	11	10
		Annual Remuneration ⁵ in (€)	1,930,626.02	1,703,249.62	1,682,526.26	1,595,669.82
		change (%)	0.0%	-11.8%	-1.2%	-5.2%

Footnotes

- The amounts are presented on a gross basis and include fees, base salary, pension and other benefits (including medical care, life insurance, child savings plan, as well as the annual corporate car leasing costs).
- Information is provided for the Directors who performed their mandate under the reported financial year (2019), taking also into consideration that the current BoD tenure start date is 28.06.2017 and that the tenure of some members was at that time renewed. In all cases, none of the active Directors in 2019 was appointed/elected to the BoD before 2016.
- Non-Executive Director from 01.11.2016 to 15.11.2016.
- Mr. Blades, upon his request, relinquished the right to receive any remuneration for the years 2016 to 2019.
- For the Directors, who were not active in 2019, the remuneration amounts for 2016 include fees, base salary and corporate car leasing costs. The relevant amounts include the remuneration of all Directors, who were active during the respective year.
- For the calculation of the % change, the amounts have been adjusted on an annualized basis, taking into consideration, where needed, the relevant remuneration caps.

3.2. Bank's Performance		2016	2017	2018	2019
Quantitative Measures	Staff Costs to Core income ratio ¹	26.61%	26.17%	25.94%	25.76%
	change (bps)	-115	-45	-23	-18
	ROTE ²	0.15%	0.04%	0.96%	0.52%
	change (bps)	3,280	-11	93	-44
	FTEs ³	13,264	12,913	11,794	10,843
	change (%)	-7.4%	-2.6%	-8.7%	-8.1%
	ASSETS / FTEs ⁴	5.79	4.87	4.99	5.48
	change (%)	1.2%	-16.0%	2.4%	10.0%
Qualitative Measures	TR*M index ⁵	82	84	84	86
	CDP ⁶ (level / score)	Management/B	Management/B	Management/B	Management/B
	VIGEO-EIRIS ⁷ (performance / score)		Robust / 51		Advanced / 60

Footnotes

1. Total staff costs excluding VES costs over (/) total Net Income (Net Interest Income + Net Fee Income) related to the corresponding period.
2. Return on Tangible Equity (ROTE) is calculated by dividing the company's profit/ (loss) for the year by total equity, after excluding intangible assets.
3. Number of Full-time equivalent at end of year.
4. Adjusted total assets over (/) FTEs (amount in million euro).
5. Index that shows the overall customer satisfaction and Bank preference.
6. This index is measured by CDP Global, an international non-profit organization, the most trusted and renowned in collecting information on the management of the environmental and climate impact of companies and other entities.
7. Vigeo Eiris, acquired by Moody's in 2019, is a rating and research agency evaluating organizations' integration of social, environmental and governance factors into their strategies, operations and management. Vigeo Eiris' frequency is every two years.

3.3. Average Remuneration on a full-time equivalent basis of Bank's employees ¹	2016	2017	2018 ²	2019 ²
Average Annual Remuneration in (€)	29,934.33	30,453.00	29,811.89	30,475.64
change (%)	-1.2%	1.7%	-2.1%	2.2%

Footnotes

1. The above amounts are presented on a gross basis and calculated by dividing Total Remuneration to Average Number of FTEs, where:
Total Remuneration: The sum of a) Wages & Salaries, b) Other staff costs and c) Retirement benefit charges, as disclosed in Note "Staff Costs" of the Bank's published annual financial statements and the annual car leasing costs for the respective year. The annual remuneration paid to Directors for each financial year (including non- active members in 2019 – table 3.1) has been deducted.
Average Number of FTEs: Average number of active FTEs as of 01.01 and 31.12.
2. Average Annual Remuneration has been properly adjusted for comparability purposes. Excluding these adjustments, the Average Annual Remuneration for 2018 and 2019 would be € 28,023.34 and € 31,683.60, respectively.

Piraeus Bank has established a unified culture based on the principles of accountability, meritocracy and transparency, aiming to be a pillar of stability for the Greek economy, to fuel growth and to promote innovation. Focusing on having a positive and lasting footprint in society, with benefits for its customers, people, shareholders and society, Piraeus Bank is committed to constantly create value, to challenge the frontiers, to enthuse its customers and to build relationships of trust.

Piraeus Bank aims to adopt remuneration practices capable of providing distinctive and effective solutions that best drive Piraeus' overall business and people strategies. A set of key performance indicators (KPIs) based on medium and longer term strategic priorities defined by the Bank enable the timely monitoring of its performance.

One such priority is to maximize its resources' efficiency. This can be achieved through a simplified structure, further operational cost rationalization initiatives, as well as further optimization and automation of internal processes and resources. Piraeus Bank monitors its efficiency course, by recording the Staff Cost-to-Core Income ratio reflected against the value generated to its shareholders as depicted by the Return on Tangible Equity. Both aforementioned KPIs indicate the degree of efficiency that has been attained by the Bank.

Piraeus Bank focuses on leveraging the competitive advantages of its core business in Greece by deepening the existing 5.5 million client relationships, and by further growing. The Bank has identified revenue prospects across all business segments and monitors the evolution of the assets that are managed by its employees.

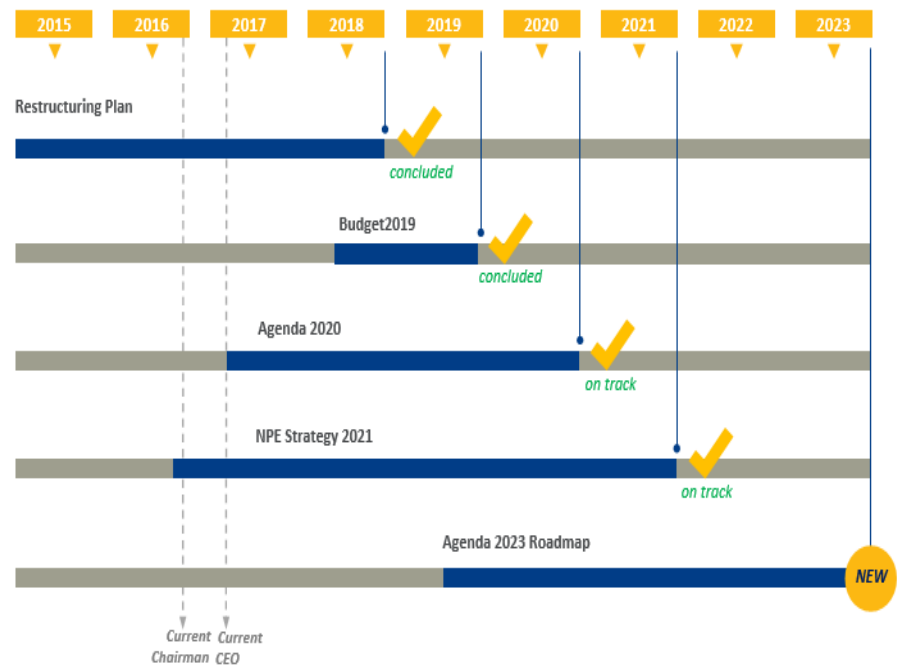
As part of its customer centric approach Piraeus Bank surveys its customers on an annual basis to measure the level of satisfaction with their overall experience. Piraeus Bank's goal remains to maintain a high level of customer satisfaction. The annual survey is conducted by a third independent party over a large sample of customers of the Bank (c 15,000 active customers) and in accordance with international and domestic standards. Piraeus Bank measures, manages and monitors the so called TR*M index that displays the overall customer satisfaction and their preference to Piraeus Bank over other banks.

Piraeus Bank is the only Greek bank that participated in the development of the Principles for Responsible Banking, with other 29 banking members of UNEP FI (United Nations Environment Program Finance Initiative) around the world. The UNEP FI Principles for Responsible Banking provide the framework for a sustainable banking system, and help the industry to demonstrate how it can contribute to achieving society's goals as expressed in the Sustainable Development Goals and the Paris Climate Agreement. These principles are fully harmonised with the Bank's purpose and values. Moreover, the Bank submits to CDP detailed information regarding its climate change strategy, actions and initiatives and scores higher than the average scoring of the financial sector worldwide. Additionally, Piraeus Bank is a constituent of the "Vigeo Eiris' Best Emerging Markets (EM) Performers" sustainability index, following its upgrade on the level "Advanced Performance".

The aforementioned performance measures (table 3.2 Bank's performance) are considered testimonial both for the solid progress achieved by the Bank in 2019 and its commitment to fully leverage on its capacity to generate value, to serve and support customers, shareholders and employees, by implementing Bank's strategy roadmap, **Agenda 2023**:

- Compliance with the supervisory requirements for undertaken risk while focusing on the Bank's increasing profitability - **Strategic Targets**.
- Preserving the Bank's ability to continue unhindered its operations, in order to provide returns and benefits to its shareholders and to ensure the trust of its customers - **Satisfying Stakeholders**.
- Optimization and automation of internal processes to improve efficiency, effectiveness and time to market - **Sustainable Solutions**.

Agenda 2023: Roadmap



Agenda 2023: Key Pillars



5. Other Standard Disclosures

Piraeus Bank Group annually discloses both quantitative and qualitative information (disclosures of the article 450 of (EU) Regulation No. 575/2013, Pillar III) related to the remuneration of Directors, in line with all applicable legal and regulatory requirements.

Detailed aggregate quantitative information on the remuneration of PB Group's Directors (including those of subsidiaries), Senior Management and the categories of staff whose activities have a material impact on the Group's risk profile (Risk Takers), is available on the PB Group's website ([Pillar III disclosures | Piraeus Bank](#)).

6. Use of the Right to Reclaim

The Bank made no use of any right to reclaim any remuneration in 2019.

7. Auditor's Report



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TRUE TRANSLATION FROM THE ORIGINAL IN GREEK

REPORT OF THE INDEPENDENT AUDITOR ON THE REMUNERATION REPORT ACCORDING TO ARTICLE 112 OF LAW 4548/2018

To the Board of Directors
of Piraeus Bank S.A.

We performed our work, as described below in paragraph "Scope of Work", based on our engagement letter dated 6 May 2020 and according to the provisions of paragraph 4 of Article 112 of Law 4548/2018, in order to determine if and to what extent the Remuneration Report (Appendix A) for the year 2019 of Piraeus Bank S.A. (the Bank) includes the information as provided in Article 112 of Law 4548/2018.

Regulatory Framework

Under the provisions of Article 112 of Law 4548/2018, entities with shares listed on a regulated market are obligated to prepare a clear and comprehensive Remuneration Report, which includes an overview of the total remuneration as stipulated in the remuneration policy of the entity, in accordance with Article 110 of Law 4548/2018. The Remuneration Report shall be submitted for discussion to the Annual General Meeting of Shareholders as a separate item of the Agenda. Following the discussion held at the Annual General Meeting of Shareholders, the Remuneration Report is published in accordance with paragraph 4 of Article 112 of Law 4548/2018 and is available for a period of ten (10) years. The same paragraph of this Law also states that the entity's auditors should determine whether and to what extent the Remuneration Report includes the information required by Article 112 of Law 4548/2018.

Responsibilities of Bank's Management

Management is responsible for the preparation and the overall fair presentation of the Remuneration Report in accordance with Article 112 of Law 4548/2018. In this context, Management is responsible to prepare a clear and comprehensive Remuneration Report, which provides an overview of the total remuneration as stipulated in the remuneration policy of the Bank, in accordance with Article 110 of Law 4548/2018.

Management is also responsible to for designing all necessary internal controls to ensure Bank's compliance with the provisions of Articles 110, 111 and 112 of Law 4548/2018, as effective.

Auditor's Responsibility

Our responsibility is limited to the issue of this Report and based on the work performed to determine whether and to what extent the Remuneration Report for the year 2019 of the Bank includes the information required by of Article 112 of Law 4548/2018.

Our work is limited to the items described in "Scope of Work" paragraph below and was performed in accordance with the International Standard on Assurance Engagements 3000, "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information".



Scope of work

Our work was performed to determine whether the Remuneration Report includes, as a minimum, the following information regarding the remuneration of each individual member of the Bank's Board of Directors and the Chief Executive Officer:

- (a) total remuneration awarded, including remuneration of paragraph 2 of Article 109, providing analysis per type, fixed and variable remuneration percentages, as well as an analysis of the implementation of performance criteria and how total remuneration complies with the approved remuneration policy,
- (b) the annual change of remuneration of each member of the Board and the Chief Executive Officer, the performance of the Bank and the average remuneration, on a full-time equivalent basis, of the employees of the Bank, other than directors, over the last five (5) financial years, presented in a manner that allows comparison from the shareholders,
- (c) any remuneration of all kinds from any company belonging to the same group of companies, as defined in Article 32 of Law 4308/2014,
- (d) the number of shares and share options granted or offered to the members of the Board of Directors and the main conditions for the exercise of these rights, including the exercise price and date and any change thereof,
- (e) any share options vested by the Board of Directors under the Bank's share-based remuneration plans,
- (f) information in relation to the use of the ability to recover variable remunerations,
- (g) information in relation to any deviation from the remuneration policy, pursuant to paragraph 7 of Article 110, including a description of the nature of the exceptional circumstances and the indication of the specific elements of the remuneration policy that has been breached.

Conclusion

Based on the work performed and the evidence obtained, nothing has come to our attention that causes us to believe that the Remuneration Report (Appendix A) for the year 2019 of Piraeus Bank S.A. does not include the information required by Article 112 of Law 4548/2018.



Restriction of use

Our Report has been prepared solely for the purpose stated in its first paragraph and is addressed exclusively to the Bank's Board of Directors and shall not be used for any other purposes.

Athens, 28 May 2020

The Certified Public Accountant

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