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# Piraeus Financial Holdings S.A.

## Remuneration Report

### for the Year 2020

PIRAEUS  
FINANCIAL HOLDINGS



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# Letter from the Chairman of the Remuneration Committee

Dear Shareholders,

With the completion of an exceptionally challenging year, especially in the area of Human Resources, I am pleased to present our Remuneration Report for the year 2020.

Since February last year, the pandemic has overshadowed all activities but Piraeus Group has managed to successfully address the issues it has caused, secured operational continuity, met our business objectives and safeguarded the health of our employees and customers.

Piraeus Financial Holdings' ability to continue its transformational course despite the prevailing challenges, is more than evident in the area of Human Resources where several seemingly contradictory objectives were achieved. For a sequential year the Group had to implement very aggressive optimization initiatives. A successful Voluntary Exit Scheme (VES) was executed with approximately 1,200 employees opted to participate, underpinning our cost reduction targets. At the same time, a number of other initiatives of strategic importance were implemented. The bank's new organizational model, based on the Job Family Model (JFM) methodology, was implemented that reduced the number of hierarchical levels, introduced a solid remuneration approach and provided clarity in roles, accountabilities and career paths. Additionally, a new assessment process for the senior leadership team was implemented to support succession planning and leadership development. In terms of strengthening our corporate culture, a large-scale risk culture program under the name 'Analyze this' placed risk awareness and ethical conduct right at the core. Finally, the Group was the first in the sector in Greece to introduce a mechanism for long-term savings by establishing an Institution for Occupational Retirement Provision ("IORP"), through which a defined contribution pension plan covering all employees has been introduced.

As Chairman of the Remuneration Committee, I would like to stress the vital importance of the full engagement of our employees to succeed on our transformation journey, to implement our ambitious change initiatives and to meet the financial targets, as depicted in the 2021-2024 business plan which was recently shared with the financial community. It is with this starting point that a number of initiatives will be planned and unfolded in the forthcoming year.

Finally, with this opportunity I would like to thank all of our stakeholders for the meaningful discussions on our remuneration system. I am looking forward to the continuation of our insightful dialogues.

Best regards,



Arne S. Berggren

Chairman of the Remuneration Committee

# 1. General Information

## 1.1. Introduction

The outbreak of the COVID-19 pandemic has had, and continues to have, a material impact on business and the economic environment on a global scale. Despite these headwinds, the confidence towards the Greek banking system by households and businesses in line with the measures taken by the European Central Bank (“ECB”) strengthened the funding and liquidity status of the Greek banking system. In 2020, Piraeus Financial Holdings and its subsidiaries, together Piraeus Group, managed to navigate a number of headwinds, achieving significant milestones that set the foundations of the next day for the Group.

On 30 December 2020, the core banking operations of former Piraeus Bank S.A. were demerged, by way of hive-down, and were contributed into a newly formed credit institution incorporated under the same corporate name “Piraeus Bank Société Anonyme”. Piraeus Bank S.A. ceased to be a credit institution, retained activities, assets and liabilities not related to core banking activities, and changed its corporate name to “Piraeus Financial Holdings S.A.” (“Piraeus Financial Holdings S.A.” or the “Company” or “PFH”).

Piraeus Financial Holdings S.A. is a financial holdings company, directly supervised by the ECB, and remains listed on the Athens Stock Exchange. It is the 100% shareholder of Piraeus Bank Société Anonyme (the “Bank”) and the direct or indirect holding company for all other companies that, prior to the Demerger, comprised the “Group”.

In addition, Piraeus Financial Holdings S.A. as a listed company on the Athens Stock Exchange, maintains information and investor relations services. The Greek Law 4548/2018, 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 of Directors’ members (hereinafter “Directors”), Executives and Non-Executives.

Since the 2020 Annual General Meeting of Shareholders, any remuneration awarded to the Directors of Piraeus Financial Holdings (Executive and Non-Executive Board members) is disclosed in the annual Remuneration Report. The Remuneration Report for 2019 received great support (99.92% positive votes cast), with no material concerns raised. The Remuneration Report for the year 2020, provides a clear and comprehensive total remuneration overview in line with the article 112 of Law 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 Group’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 present Remuneration Report for 2020 was approved by the Board of Directors.

The Board of Directors (hereinafter “BoD”) dedicates significant time and effort to closely monitor the Group’s progress and provide timely feedback and guidance; this is evidenced, inter alia, by the content of the minutes of the twenty-five (25) meetings held in 2020 (scheduled and extraordinary), compared to nineteen (19) during 2019. Moreover, during 2020, a high number of meetings held by Committees of the Board of Directors. Specifically, the Audit Committee convened sixteen (16) times, the Risk Committee twelve (12) times, the Strategy Committee ten (10) times and the Nomination Committee seven (7) times. The Remuneration Committee’s meetings and activities are described in section 1.2.1.

During the challenging period ahead, the Group 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.

On 31 December 2020, the BoD had the following composition:

Table 1: Piraeus Financial Holdings 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
Vasileios D. Koutentakis	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	Independent Non-Executive BoD Member
Andrew D. Panzures	Independent Non-Executive BoD Member
Anne J. Weatherston	Independent Non-Executive BoD Member
Alexander Z. Blades	Non-Executive BoD Member
Periklis N. Dontas	Non-Executive BoD Member, HFSF Representative under Law 3864/2010.

The Board of Directors of the Company consists of members with international leadership expertise and knowhow and particularly in the areas of banking restructurings and the reduction of non-performing loans. Moreover, the members of the Board possess in depth knowledge and experience of the banking market, actively contribute to the improvement of the corporate governance framework, driving the respective required amendments whilst participating in creative debates and the quest for solutions to the challenges faced by the Company and the Group.

Information on the current composition of the BoD and short CVs of its members are available on the Piraeus Financial Holding's website ([Board of Directors Composition | Piraeus Financial Holdings](#)).

## 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 Company and consists of at least three (3) members of the Board of Directors, 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 Group's Risk and Capital Strategy.

The mission of the Remuneration Committee, in alignment with the Group's strategic goal, is to design, monitor the implementation and periodically review the Group's Remuneration Policy, in accordance with the applicable legislative and regulatory framework, as currently in force. In the execution of its duties, the Remuneration Committee takes into account the Risk appetite framework of the Group, the long-

term interests of shareholders, investors and other stakeholders. Within the scope of the Remuneration Committee, the following are 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, b) the overview of the Group'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 Company's objectives and vision. The competences of the Committee relate both to Piraeus Financial Holdings 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. On 31 December 2020, RemCo's composition was as follows:

Table 2: Piraeus Financial Holdings Remuneration Committee's Composition	
Name	Capacity
Arne S. Berggren	Chairman, Independent Non-Executive BoD Member
Enrico Tommaso C. Cucchiani	Member, Independent Non-Executive BoD Member
Venetia G. Kontogouri	Member, Independent Non-Executive BoD Member
Solomon A. Berahas	Member, Independent Non-Executive BoD Member
Anne J. Weatherston	Member, Independent Non-Executive BoD Member
Periklis N. Dontas	Member, Non-Executive BoD Member, HFSF Representative under Law 3864/2010.

During 2020, the following changes were made to the composition of the Committee: Mr. A. Blades ceased to be a member of the Committee on 23 July 2020 and on the same day Ms. A. Weatherston was elected as a member of the Committee.

#### Remuneration Committee activities during 2020

- Provided a statement that the Group Remuneration Policy is in compliance with the provisions of the applicable legislative and regulatory framework in force.
- Reviewed and recommended to the BoD variable remuneration proposals for various categories of staff (Risk Takers, Non-Risk Takers etc.) related to incentives and business objectives.
- Reviewed and recommended for approval to the BoD the identification process for categories of staff who have a material impact on the risk profile (Risk Takers) and the relevant list.
- Reviewed and approved the annual remuneration reporting disclosures to external authorities (Pillar III and the Bank of Greece).
- Assessed the compliance of proposed incentive schemes to current legislation and recommendations as well as their consistency with the Company's risk appetite and strategies.
- Reviewed the existing legal restrictions for the Chairman of the BoD and CEO's remuneration.
- Reviewed and recommended for BoD's approval the Remuneration Report for 2019 which was submitted for vote and discussion to the Annual General Meeting of Shareholders on 26 June 2020.
- Prepared the BoD's proposal to the Annual General Meeting of Shareholders in relation to the annual remuneration of the members of the BoD.
- Updated on the Staff Credit Exposure and Policy.
- Reviewed the Remuneration Policy and recommended its update for approval by the BoD.
- Reviewed and submitted for the BoD's approval the Severance Policy for the Top Management.
- Reviewed and recommended new salary ranges for approval by the BoD.
- Reviewed and recommended the Voluntary Exit Scheme for approval by the BoD.

- Reviewed the main Human Resources projects, such as the completion of Project Galvin, the initiatives aiming to reach the targets in the context of cost optimization, the Company's actions in order to address the Covid-19 pandemic, the potential risks of the corporate transformation, the roll-out of the new organization model for the rationalization of hierarchical levels ("Job Family Model"), the establishment of a new Institution for Occupational Retirement Provision ("IORP"), as well as the Succession Planning for the organization's senior leadership.
- Reviewed the Remuneration Committee's Activity Report for 2020 as well as the planning for its 2021 activities.

The Remuneration Committee held nine (9) meetings during 2020. Information on the responsibilities and the operation of the Remuneration Committee is available on the Piraeus Financial Holdings website ([Board of Directors & Committees | Piraeus Financial Holdings](#)).

### 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 value creation

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 Piraeus Bank in December 2015, the Remuneration Policy contributes to the Group'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 Group, the achievement of long-term goals and the creation of long-term value.
- 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 Piraeus Bank's recapitalization in 2015.

The Remuneration Policy, initially approved by the Annual General Meeting of Shareholders of Piraeus Bank on 28 June 2019, is effective for up to four (4) years thereof unless there is a material change. Following the recent corporate transformation of the Company (and the establishment of the Institution of Occupational Retirement Provision of Piraeus Group that provides for a Defined Contribution Pension Plan for all employees, in which Executive Directors and the Chairman of the BoD may participate, the Policy will be submitted to the 2021 Annual General Meeting of Shareholders 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 2020, the Company had not deviated from its Remuneration Policy.

The Directors' Remuneration Policy is available on the Piraeus Financial Holdings' website ([Board of Directors Composition | Piraeus Financial Holdings](#)).

### 1.2.3 Severance Policy

In December 2020, the Board of Directors approved a separate Severance Policy, which applies to the Top Management (defined as those with level of responsibility of General Manager & above) including the Executive members of the BoD. The main objective of a severance payment is to provide eligible executives with a safety net necessary to act responsibly on behalf of the Group, or in case of a new hire, to empower the decision of high caliber executives from market to join. In parallel, it supports the loss of income and ensures a smooth exit process with all of the Group's legal bases covered. The Severance Policy was designed to:

- Enhance the robust governance structure with clear and transparent processes.
- Allow for a smooth transition and succession at Top Management level.
- Be aligned with relevant market practices in the Greek systemic banking sector that provide for severance payments to senior executives.

Executives are entitled to severance payments related to the early termination of an employment contract in good terms. The criteria, which are taken into consideration in order to determine the award of severance payment in alignment with the specific legal and contractual framework, are: a) the executive's tenure in the Group, b) the performance achieved over time as evidenced and documented by the internal Performance Appraisal mechanism, c) the executive's behaviors and attitudes' alignment with Group's internal policies and rules, as well as d) the proximity to retirement age. These payments can range between 12 and up to 24 monthly gross salaries, with an upfront component, which may not exceed 60% of the total amount, to be payable at the expiration of a 6-month non-compete clause. There is no additional payment for the non-compete arrangement. The rest of the amount (40%) shall be deferred in annual installments of an equal amount within a period of three (3) years or otherwise defined by the existing legislative and regulatory framework, following the Executive's termination date. Severance payments shall be subject to malus or clawback arrangements up to 100%.

Severance Policy enters into force following its adoption by a resolution of the Board of Directors, on the recommendation of the Remuneration Committee. The application of this Policy to the CEO and the Executive members of the Board shall be subject to the approval of the Annual General Meeting of Shareholders to be held within 2021.

The Severance Policy, as part of the Group's remuneration policies/ practices, is subject to an independent review by the control functions, including risk, internal audit and compliance, the feedback of which is incorporated in the Policy. The control functions will be also reviewing any future amendments to this Policy. In addition, compliance, examines how the Policy affects the Company's compliance with the regulatory framework, the legislation and the internal procedures in force.

In accordance with the current legal and regulatory framework, the Policy shall be effective for a period of up to four (4) years. Should material changes occur, the Policy shall be reviewed and submitted to the competent bodies for approval.








## 2. Piraeus Financial Holdings Key Developments

Piraeus Group has a systemic position in the Greek banking market in terms of total assets, which amount to € 71.6 billion as at 31 December 2020, deposits (28.6% market share) and loans and advances to customers at amortised cost (31.3% market share, with 31.9% in business lending).

Piraeus Group's solid operational progress of 2020 is reflected on its fundamentals and its core organic income lines. At the same time, it attained further cost efficiencies thanks to our well rolled-out transformation plan. This progress signifies the potential that Piraeus can realize once the macroeconomic environment recovers.

The most important events for the Group during 2020, which are linked with the information provided in this Report, were the following:

-  On 27 February 2020, the Group activated a plan in cooperation with National Organization of Public Health (EODY) to address any COVID-19 issue. Following the relevant protocol, the Group has activated its Business Continuity Plan, taking among others measures such as proactively segregating critical units, avoiding meetings with physical presence and activating remote access office capabilities for its personnel.
-  At its meeting held on 28 May 2020, the BoD elected Mr. V. Koutentakis, Executive General Manager, as new Executive member, for the remaining tenure of the Board of Directors, in replacement of a previous resigned Executive member.
-  On 26 June 2020, the Annual General Meeting of Shareholders elected the current BoD, including Ms. A. Weatherston and Mr. A. Panzures, who were elected as Independent Non-Executive Directors for the first time. The new BoD has a term of three years, namely until the 26 June 2023, which may be extended until the Annual General Meeting convened after such term has lapsed.
-  In June 2020, the Group announced its new transformation plan for the next 3-5 years, which aims to reduce operating costs by about 20%, and in September 2020 launched its execution phase, under a bottom-up approach with 17 initiative themes, 120 projects and 100 operational key value drivers. The key targets of the transformation plan are:
  - To step up the commercial proposition of Piraeus Bank, boosting business origination via digital services and automation, fully exploiting high-potential businesses.
  - To make Piraeus Bank the Bank of choice, through a customer-centric, digitally-enabled and targeted segment-value proposition.
  - To retain and further develop the Group's talent through mobility and effective talent management.
  - To promote simplification and end-to-end automation across the board to lower cost-to-serve and free-up commercial focus.
-  On 30 October 2020, in the context of its transformation plan, the Group announced a Voluntary Exit Scheme ("VES") for targeted groups of employees. The cost associated with the full implementation of the 2020 VES estimated at €147 million and has been recognized in the Company's and Group's financial statements in the fourth quarter of 2020. Until 31 December 2020, 865 employees made use of this VES. The scheme remains open in 2021.

In early 2021, Piraeus Group took a major step forward in the de-risking agenda it has been rigorously pursuing over the past years, allowing it to focus on core strengths and fund the Greek economy.

The Sunrise Plan, announced on 16 March 2021, consists of a series of landmark transactions that aim to normalize the balance sheet of Piraeus and support an attractive financial outlook, built on sustainable profitable growth.

The €7bn Phoenix-Vega securitization transactions, which are expected to culminate in mid-2021 facilitated by Hellenic Assets Protection Scheme, (“Hercules”) provide PFH with the execution capacity to proceed at a higher pace with its NPE clean-up. An incremental €12bn NPE reduction is scheduled for the next 12 months that will bring PFH faster to a single-digit NPE ratio, enabling it to attain a return on tangible equity above 10% in the medium term.

To facilitate this plan, a series of concerted and comprehensive capital enhancing actions with cumulative benefit of approximately €3.0bn have already been sequenced including a €1.38bn share capital increase that was completed in late April 2021. Actions on top of the share capital increase are either completed or well under way, generating approximately €1bn of capital: (a) €0.4bn gains from our sovereign bond portfolio already booked in Q1.2021, (b) €0.3bn from the sale of the cards merchant acquiring platform and (c) €0.3bn capital benefit from synthetic securitizations of select performing loans. For the cards acquiring sale, as well as the first synthetic securitization, both of which comprise inaugural transactions for the Greek market, the Group has signed of binding agreements with prominent strategic international players.

The execution of the aforementioned strategic pillars of Sunrise Plan will enable Piraeus Group to achieve its medium-term financial aspirations, namely:

- ✔ Single-digit NPE ratio in the next 12 months and below 3% in the medium term, via ongoing organic and inorganic NPE management, incorporating any COVID-19 related inflows. NPEs are expected to decrease from €22.5bn at the end of 2020 to c.€3.6bn in the next 12 months and to c.€1bn in the medium term.
- ✔ Total capital ratio above 16%, following improved organic capital generation and debt issuance as per MREL compliance strategy.
- ✔ RoaTE above 10%, in medium term, unlocking the underlying business potential post NPE clean-up.

The support of its shareholders in the Extraordinary General Meeting that took place on April 7<sup>th</sup>, 2021 and the authorization to the BoD on the share capital increase that was concluded in May 2021, is a testimony to the really positive future that lies ahead for Piraeus, and the returns that PFH will be able to deliver in the coming years. Additionally, the aforementioned General Meeting granted authorization to the BoD of the Company to establish a five (5) year stock option plan in accordance with the provisions of article 113 par.4 of Law 4548/2018 to executives and employees of the Company and its affiliated companies, within the meaning of article 32 of law 4308/2014, in the form of stock option rights (stock options), by increasing the share capital with the issuance of new shares and to determine, without prejudice to the provisions of the Law 3864/2010, the terms of the stock options, at its discretion. The authorization is valid for five (5) years from the resolution of the General Meeting and the maximum nominal value of all shares that may be awarded through the plan will correspond to 1.5% of the paid-up share capital of the Company on the date of the establishment of the plan by the Board of Directors of the Company. On the date of the approval of the present report by the Board of Directors and its submission for an advisory vote to the Annual General Meeting of Shareholders, the Board of Directors had not yet established a stock-option plan by virtue of the authorization granted to it by the Extraordinary General Meeting held on April 7<sup>th</sup>, 2021.

## 2.1. Approval of contracts for Chairman and CEO

In the context of the re-election of Messrs. George Handjinicolaou and Christos Megalou as members of the Board, in the positions of the Chairman and CEO respectively, the 2020 Annual General Meeting of Shareholders granted its specific permission to conclude new contracts for a term of three (3) years, until the expiration of the tenure of the newly elected Board of Directors. The approval of the General Meeting was sought as a result of the adoption in Greece of the new legal framework on sociétés anonymes (Law 4548/2018), the transparency rules for transactions with related parties and in compliance with the Board of Directors' Remuneration Policy. It is also particularly noted that these contracts were proposed under identical financial terms to those that were applicable for the initial mandate contracts and were approved by the Ordinary General Meeting of 28.06.2017, without any increase whatsoever to the contracts' financial terms. Specifically:

- ✔ A non-executive member mandate, between the Company and Mr. George Handjinicolaou, Chairman of the Board, for a total annual gross remuneration of 253,800 euros, participation in the Company's insurance programs, coverage of professional expenses and severance redress equal to 2 years aggregate pay in the event of termination of the contract by the Company without cause.
- ✔ An executive member mandate, between the Company and Mr. Christos Megalou, CEO, for a total annual gross remuneration of 318,000 euros (including pension plan costs), participation in the Company's insurance programs, coverage of professional expenses and severance redress equal to 2 years aggregate pay in the event of termination of the contract by the Company without cause.

Regarding the contracts above, an external audit firm (KPMG Consultants Single S.A.) issued a report, according to the provisions of article 101 par. 1 of Law 4548/2018, assessing that their terms are fair and reasonable for the Company and its non-affiliated shareholders, including the minority shareholders. The Fairness Opinion Report is available on the Piraeus Financial Holdings website ([Investor Relations | Corporate Governance | General Meetings](#)).

## 2.2. Health, Safety (H&S) & Wellbeing

The Group is actively focused on the prevention of the spread of Covid-19, aiming to protect the health of all of its stakeholders. Within 2020, the Group has taken the following measures:

- ✔ In close cooperation with authorities, successfully implemented all recommended measures for transmission prevention and protection of the employees.
- ✔ 24-hour telephone medical guidance and support to all employees in collaboration with the National Public Health Organization (EODY).
- ✔ Implementation of health and safety actions, over and above protocol, in terms of premises' sanitization and business continuity.
- ✔ Special COVID-19 leave for employees in vulnerable groups not eligible for teleworking.
- ✔ Special leave of absence granted to over 3,500 employees with children pursuant to the provisions of the Greek authorities.
- ✔ During the period of the first lock-down, approximately 5,350 employees worked from home following the H&S protocol and according to the business continuity plan. Post lock-first down the Company introduced an on-site rotation plan, and gradually, work-from-home employees were reduced to approximately 1,900.

During the healthcare crisis, the Group focused emphatically in timely, effective and multichannel communication, to provide real time information to all employees. With the tagline **#StaySafe #StayHealthy**, an all employee campaign was launched via all available channels to effectively cascade all

COVID-19 related information. Additionally, a COVID-19 dedicated digital info-point was created in the Group's intranet site, including extended content for protection and safety, awareness videos, instructions and Q&A. Furthermore, to establish an all-access pass to information for all employees, '**Connected**' the new internal digital site was launched.

The Group aims to promote wellbeing with high standards. In terms of safety related topics, the Group continued to train firefighting teams with around 1,000 evacuation exercises. In 2020, no accidents were recorded in the premises. In regards to employee wellness the Company introduced online virtual fitness classes to promote physical activity as it was constrained during the lock down. More than 400 online fitness classes with over 12,500 participations were organized, enriched with nutritionist advise. Mental wellness was supported by the Employee Assistance Programs, through the 24/7 help line and the online counselling sessions with mental health practitioners. In addition, 20 virtual lectures on H&S and wellbeing topics were implemented, related to the needs of the Covid-19 reality with approximately 1,350 employee participations. Finally, around 260 cumulative motherhood related absences were provided.

### 2.3. Professional Development Framework

After successfully introducing the Job Family Model ("JFM"), the central platform on which human resources policies and procedures operate, emphasis was placed on the creation of a framework that will ensure the continuous and uninterrupted utilization of the Model and its connection with policies and procedures related to organizational design and rewards. In view of the above, the Job Family Model Governance Committee was established in Piraeus Bank, with representation from all Business Divisions, with the responsibility to ensure a robust governance and effective implementation of the model.

### 2.4. Pension Plan

In November 2020, the Institution for Occupational Retirement Provision ("IORP") for the Piraeus Group was established. With the IORP's establishment, a single Defined Contribution pension plan was created through which all employees may receive a supplementary lump sum, improving their retirement conditions. Employee's participation in the IORP is voluntary and their contribution is optional: it can range from zero up to 20% of their gross monthly salary. Employee contributions may be modified during employment tenure, depending on the capital that each employee chooses to create for his/her future, always within the maximum ceiling of 20% of the gross monthly salary. The Group as an employer contributes to the employee's individual account a flat 2% of the monthly gross salary paid 14 times annually, as from the date of registration in the IORP. There is no obligation on the part of the employee to contribute to the pension plan. By setting up the IORP, a modern and reliable entity was introduced, which, in addition to providing this benefit, allows effective and long-term savings and insurance coverage.

### 2.5. Principles for Responsible Banking & Sustainability Ratings

At Piraeus Group, we believe that adopting sustainable practices leads to a better corporate culture, a more engaged workforce and greater value for our shareholders. The global drive to tackle the COVID-19 virus has served as a reminder that we need to act together for the wider social good and accelerate the steps we are taking to protect our planet from the impact of climate change and loss of biodiversity.

There is strong and growing evidence that the simultaneous pursuit of sustainability priorities and strong financial performance do not conflict with one another, but rather support each other and help drive stronger customer loyalty and profitability.

The Principles for Responsible Banking (PRB) were launched in 2019 under UNEP FI (United Nations Environment Programme Finance Initiative), following the collaboration of 30 UNEP FI banking members from all over the world. Piraeus Group was the only Greek institution to participate in the development of the Principles. The PRB aim to align the Group's banking operations with the UN Sustainable Development Goals and the Paris Climate Agreement. In the context of its ESG Strategy, Piraeus Financial Holdings Group drafted in 2020 an action plan for its harmonization with the PRB, including products, services and processes that will support sustainable development. Moreover, the Group participates in various UNEP FI working groups, such as the Impact Assessment, the EU Taxonomy (in cooperation with European Banking Federation), that aim to develop measuring tools and assessment criteria for ESG actions. Through the "Portfolio Impact Analysis Tool for Banks", the Group evaluates the positive and negative impacts of its portfolio, which will help the organization set targets for actions that will have a positive impact on society.

The focus on sustainable banking is intensifying and to establish a competitive advantage in the new ESG environment, we will tailor products to specific client segments and create advisory services to assist clients in cutting through the myriad of options to choose solutions that are right for them. We will engage with our stakeholders including our shareholders, investors, authorities, civils society and our employees, and we will be active in international initiatives to foster a strong ESG culture and work toward a better future.

The Group received an excellent "Leadership A" score (scale A to D) in the 2020 CDP Climate Change assessment and is included in the global "A list". CDP, an independent not-for-profit organization that runs the global disclosure system for investors, companies, cities etc. to manage their environmental impacts. MSCI ESG Ratings ranked the Group on level "BBB" (scale AAA to CCC) and oekom research rated the Group with C-, when industry leaders are being rated with C+. The ISS Corporate Solutions rated the Group with excellent scoring "1 - HIGHER DISCLOSURE" in the environmental and social pillars and with a 5 in the governance pillar (10 indicates higher governance risk).

VIGEO-EIRIS (Moody's) assessed the Group's corporate sustainability practices and as a result, both upgraded the Group on the "Advanced Performance" level and listed it in the "Vigeo Eiris' Best Emerging Markets Performers" ranking. Piraeus Bank received a significant distinction for its activities, by the EBRD, in the context of the Green Trade Facilitation Programme. EBRD awarded the Bank with the "Most Active Issuing Bank 2019 - Green Trade" recognizing the Bank's support in environmentally friendly investment plans. Piraeus is enlisted in the "Ethibel EXCELLENCE Investment Register" since 2015, and in 2020 was included in the "Ethibel PIONEER" list.

### 3. Total Remuneration of Directors

The Remuneration structure that applies to Directors in 2020 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 demonstrate the commitment and invest time to the Board.

The annual remuneration of the Non-Executive Directors for 2020, was within the pre-approved amount according to the decision of the Annual General Meeting held on 26 June 2020. Due to same composition of the BoD of the Company with the BoD of Piraeus Bank, a subsidiary of the Company, the Non-Executive Directors henceforth will be paid solely by one of the entities above, and specifically by Piraeus Bank.

#### Executive Directors of the Board

Received a fixed monthly salary, payable in cash. The Group 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 Group 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, an Institution for Occupational Retirement Provision (“IORP”), a non-profit private legal entity, was established through which the Group introduced a Defined Contribution Pension Plan that covers all employees. The IORP is governed by its Board of Directors and operates under the supervision of the regulatory authorities: the Department of Occupational Insurance at the Ministry of Labor and Social Affairs, the National Actuarial Authority and the Hellenic Capital Market Commission. Executive Directors and the Chairman of the BoD<sup>1</sup> may participate to the IORP with the same terms applicable to all employees.
- As a matter of principle, **variable remuneration** is an important component of remuneration for Executive Directors as it enhances incentivisation to promote the Group towards the strategic direction endorsed by the Board and in alignment with shareholder value creation.

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 Company is subject to the provisions of Law 3864/2010, no variable remuneration was paid or/and awarded to the Executive Directors in 2020.

- 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 payments were made in 2020.
- No stock option plan was adopted by the Group during 2020, therefore, no share options were granted to Directors during 2020 (Executives and Non-Executives).

<sup>1</sup> As provided for in the Chairman’s mandate contract that was approved by the 2020 Annual General Meeting of Shareholders.

- All remuneration decisions and proposals made by RemCo in 2020 were in line with the Remuneration Policy, as such was approved by the 2019 Annual General Meeting of Shareholders.

The table below provides an analysis of the Directors' remuneration awarded and paid in 2020 by the Group, broken down by component, as required by the provisions of par.2a of Article 112 of Law 4548/2018.

Table 3: Total Remuneration of Directors

Name	Position	Capacity	Year	Fixed Remuneration <sup>1</sup> in (€)			Pension Benefits <sup>1,5</sup> in (€)	Variable Remuneration <sup>1,2</sup> in (€)	Total Remuneration <sup>1,3</sup> in (€)	Proportion Fixed / Variable Remuneration
Non-Executives				Base Salary	Fees	Other Benefits <sup>4</sup>				
George Handjinicolaou	Chairman of BoD	Non-Executive	2020	-	253,800.00	1,885.66	10,152.00	0.00	265,837.66	100% / 0%
			2019	-	253,800.00	2,574.08	0.00	0.00	256,374.08	100% / 0%
Karel De Boeck	Vice Chairman of BoD & Chairman of Risk Committee	Independent Non-Executive	2020	-	160,000.00	0.00	0.00	0.00	160,000.00	100% / 0%
			2019	-	160,000.00	0.00	0.00	0.00	160,000.00	100% / 0%
David Hexter	Chairman of Audit Committee	Independent Non-Executive	2020	-	156,000.00	0.00	0.00	0.00	156,000.00	100% / 0%
			2019	-	160,000.00	0.00	0.00	0.00	160,000.00	100% / 0%
Arne Berggren	Chairman of Remuneration & Nomination Committee	Independent Non-Executive	2020	-	120,000.00	0.00	0.00	0.00	120,000.00	100% / 0%
			2019	-	120,000.00	0.00	0.00	0.00	120,000.00	100% / 0%
Enrico Tommaso Cucchiani	BoD Member	Independent Non-Executive	2020	-	72,000.00	0.00	0.00	0.00	72,000.00	100% / 0%
			2019	-	72,000.00	0.00	0.00	0.00	72,000.00	100% / 0%
Venetia Kontogouris	BoD Member	Independent Non-Executive	2020	-	65,290.32	0.00	0.00	0.00	65,290.32	100% / 0%
			2019	-	60,000.00	0.00	0.00	0.00	60,000.00	100% / 0%
Solomon Berahas	BoD Member	Independent Non-Executive	2020	-	96,000.00	0.00	0.00	0.00	96,000.00	100% / 0%
			2019	-	96,000.00	0.00	0.00	0.00	96,000.00	100% / 0%
Andrew Panzures	BoD Member (since 26.06.2020)	Independent Non-Executive	2020	-	44,951.65	0.00	0.00	0.00	44,951.65	100% / 0%
			2019	-	-	-	-	-	-	-
Anne Weatherston	BoD Member (since 26.06.2020)	Independent Non-Executive	2020	-	34,371.01	0.00	0.00	0.00	34,371.01	100% / 0%
			2019	-	-	-	-	-	-	-
Alexander Blades <sup>6</sup>	BoD Member	Non-Executive	2020	-	0.00	0.00	0.00	0.00	0.00	-
			2019	-	0.00	0.00	0.00	0.00	0.00	-
Periklis Dontas	HFSF BoD Representative	Non-Executive	2020	-	120,000.00	0.00	0.00	0.00	120,000.00	100% / 0%
			2019	-	4,600.00	0.00	0.00	0.00	4,600.00	100% / 0%
Total Non-Executives			2020	-	1,122,412.98	1,885.66	10,152.00	0.00	1,134,450.64	100% / 0%
			2019 <sup>7</sup>	-	926,400.00	2,574.08	0.00	0.00	928,974.08	100% / 0%
Executives										
Christos Megalou	CEO	Executive	2020	293,000.00	-	18,987.15	11,720.00	0.00	323,707.15	100% / 0%
			2019	293,000.00	-	17,020.22	0.00	0.00	310,020.22	100% / 0%
Vasileios Koutentakis <sup>8</sup>	BoD Member (since 28.05.2020)	Executive	2020	185,801.50	-	8,375.81	3,391.65	0.00	197,568.96	100% / 0%
			2019	-	-	-	-	-	-	-
Total Executives			2020	478,801.50	-	27,362.96	15,111.65	0.00	521,276.11	
			2019 <sup>7</sup>	293,000.00	-	17,020.22	0.00	0.00	310,020.22	100% / 0%
Total Directors										
Total Directors			2020	478,801.50	1,122,412.98	29,248.62	25,263.65	0.00	1,655,726.75	100% / 0%
			2019 <sup>7</sup>	293,000.00	926,400.00	19,594.30	-	0.00	1,238,994.30	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. The Directors' remuneration was paid by Piraeus Bank and they did not receive any remuneration from any other subsidiary.
- Include gross amounts paid by Piraeus 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).
- Employers' contributions in light of the new Defined Contribution Pension plan (IORP). Employees' participation in the IORP has retroactive effect since 2019 and therefore the payments made by the Company in 2020 refer in two years contributions (years 2019 and 2020) in aggregate.
- Mr. Blades, upon his request, relinquished the right to receive any remuneration for the years 2019 and 2020.
- The remuneration of non-active Directors in 2020 is not included in the totals for the year 2019. Including their remuneration, the total amount for the year 2019 is € 1,595,669.82.
- The reported remuneration refers to the time from the date of Mr. Koutentakis's election to the BoD up to the end of 2020.  
Mr. Koutentakis's remuneration derives from his employment contract with former Piraeus Bank S.A. (which was automatically transferred to new Piraeus Bank by virtue of law) and to his role as Executive General Manager in Retail Banking & Distribution Network of Piraeus Bank S.A. He doesn't receive any additional remuneration for his participation in the BoD.



## 4. Comparison of Remuneration and Company's Performance Over Time

**Table 4: Comparative table on the variance of remuneration and performance**  
(as required by the provisions of par.2b of Article 112 of Law 4548/2018)

4.1. Directors' Remuneration <sup>1,2</sup> in (€)			2016	2017	2018	2019	2020
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	265,837.66
		change (%) <sup>9</sup>	3.7%      -0.5%      -2.1%      3.7% <sup>3</sup>				
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	160,000.00
		change (%) <sup>9</sup>	44.4%      0.0%      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	156,000.00
		change (%) <sup>9</sup>	47.1%      0.0%      0.0%      -2.5% <sup>4</sup>				
Arne Berggren	Independent Non-Executive	since 08.06.2016	95,167.00	120,000.00	120,000.00	120,000.00	120,000.00
		change (%) <sup>9</sup>	0.0%      0.0%      0.0%      0.0%				
Enrico Tommaso Cucchiani	Independent Non-Executive	since 15.11.2016	6,000.00	72,000.00	72,000.00	72,000.00	72,000.00
		change (%) <sup>9</sup>	53.0%      0.0%      0.0%      0.0%				
Venetia Kontogouris	Independent Non-Executive	since 28.06.2017	-	24,600.00	60,000.00	60,000.00	65,290.32
		change (%) <sup>9</sup>	26.0%      0.0%      8.8% <sup>5</sup>				
Solomon Berahas <sup>6</sup>	Independent Non-Executive	since 01.11.2016	6,000.00	80,000.00	96,000.00	96,000.00	96,000.00
		change (%) <sup>9</sup>	122.2%      20.0%      0.0%      0.0%				
Andrew Panzures	Independent Non-Executive	since 26.06.2020	-	-	-	-	44,951.65
		change (%)	-      -      -      -				
Anne Weatherston	Independent Non-Executive	since 26.06.2020	-	-	-	-	34,371.01
		change (%)	-      -      -      -				
Alexander Blades <sup>7</sup>	Non-Executive	since 27.01.2016	0.00	0.00	0.00	0.00	0.00
		change (%)	-      -      -      -				
Periklis Dontas	HFSF BoD Representative Non-Executive	since 18.12.2019	-	-	-	4,600.00	120,000.00
		change (%) <sup>9</sup>	-      -      -      0.0%				
Christos Megalou	CEO, Executive	since 08.03.2017	-	279,789.17	317,067.57	310,020.22	323,707.15
		change (%) <sup>9</sup>	-0.3%      -2.2%      4.4% <sup>3</sup>				
Vasileios Koutentakis	Executive	since 28.05.2020	-	-	-	-	197,568.96
		change (%)	-      -      -      -				
Total Directors' Remuneration <sup>1,2</sup> in (€) (only for active members in 2020)			315,299.00	1,178,415.53	1,682,526.26	1,238,994.30	1,655,726.75
Total Directors (including non-active members in 2020)		No of Directors as of 31.12	13	11	11	10	13
		Annual Remuneration <sup>8</sup> in (€)	1,930,626.02	1,703,249.62	1,682,526.26	1,595,669.82	1,655,726.75
		change (%)	0.0%	-11.8%	-1.2%	-5.2%	3.8%

### 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 (2020), taking also into consideration that the current BoD tenure start date is 26.06.2020 and that the tenure of the majority of members was at that time renewed. In all cases, none of the active Directors in 2020 was appointed/elected to the BoD before 2016.
- The increase of remuneration in 2020 (compared with 2019) for Chairman and CEO is due to the payments made by the Company in 2020 in light of the new Defined Contribution Pension plan (IORP), covering two years contributions (years 2019 and 2020) in aggregate, as the participation in the IORP has retroactive effect since 2019.
- Mr. Hexter ceased to be a member of the Nomination Committee on 23.07.2020.
- Ms. Kontogouris was elected as a member of the Nomination Committee on 23.07.2020.
- Mr. Berahas was elected as Independent Non-Executive member on 26.06.2020.
- Mr. Blades, upon his request, relinquished the right to receive any remuneration for the years 2016 to 2020.
- For the Directors, who were not active in 2020, 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.



4.2. Performance <sup>8</sup>		2016	2017	2018	2019	2020 <sup>9</sup>
Quantitative Measures	Staff Costs to Core income ratio <sup>1</sup>	26.61%	26.17%	25.94%	25.76%	23.51%
	change (bps)	-115	-45	-23	-18	
	RoTE <sup>2</sup>	0.15%	0.04%	0.96%	0.52%	-13.79% 4.60% <sup>2.1</sup>
	change (bps)	3,280	-11	93	-44	
	FTEs <sup>3</sup>	13,264	12,913	11,794	10,843	10,429
	change (%)	-7.4%	-2.6%	-8.7%	-8.1%	
	ASSETS / FTEs <sup>4</sup>	5.79	4.87	4.99	5.48	6.72
	change (%)	1.2%	-16.0%	2.4%	10.0%	
Qualitative Measures	TR*M index <sup>5</sup>	82	84	84	86	82
	CDP <sup>6</sup> (level / score)	Management/B	Management/B	Management/B	Management/B	A-listed
	VIGEO-EIRIS <sup>7</sup> (performance / score)		Robust / 51		Advanced / 60	

## Footnotes

- Total staff costs excluding VES costs over (/) total Net Income (Net Interest Income + Net Fee Income) related to the corresponding period.
- Return on Tangible Equity (RoTE) is calculated by dividing the company's profit/ (loss) after tax from continuing operations attributable to shareholders for the year by shareholders' total equity, after excluding intangible assets and CoCos.
- RoTE adjusted is calculated by dividing the company's profit/ (loss) before tax for the year, adjusted for one-off items (staff restructuring costs €147mn and one-off impairments of €695mn), divided by total equity (after excluding intangible assets and including CoCos due to their conversion into share capital on Jan. 4<sup>th</sup> 2021).
- Number of Full-time equivalent at end of year.
- Adjusted total assets over (/) FTEs (amount in million euro).
- Index that shows the overall customer satisfaction and Bank preference.
- 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.
- 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.
- Figures and quantitative measures for the years 2016-2019 refer to Piraeus Financial Holdings (former Piraeus Bank), while for the year 2020 figures and quantitative measures refer to Piraeus Financial Holdings Group.
- Comparable quantitative measures for 2019 at a Group level: Staff costs to Core income ratio 26.72%, RoTE reported 5.06% (vs -13.79% in 2020) and RoTE adjusted 3.01% (vs 4.60% in 2020). Adjustments in 2019 refer to €351mn Intrum transaction gain, 36 mn staff restructuring costs, one-off impairments of €87mn, FTEs 11,615 and Assets per FTE at €5.13 mn.

4.3. Employees' Average Remuneration on a full-time equivalent basis <sup>1,3</sup>	2016	2017	2018 <sup>2</sup>	2019 <sup>2</sup>	2020
Average Annual Remuneration in (€)	29,934.33	30,453.00	29,811.89	30,475.64	31,563.38
change (%)	-1.2%	1.7%	-2.1%	2.2%	

## Footnotes

- 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 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 4.1) has been deducted.  
Average Number of FTEs: Average number of active FTEs as of 01.01 and 31.12.
- 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.
- Due to the hive-down process on 31 Dec. 2020, the Average Annual Remuneration of employees for the years 2016-2019 refers to Piraeus Financial Holdings (former Piraeus Bank), while for the year 2020 refers to Piraeus Financial Holdings Group.

The Company and the Group have established a unified culture based on its corporate values and 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, PFH is committed to constantly create value, to challenge the frontiers, to enthuse its customers and to build relationships of trust.

Piraeus Group adopts best in class remuneration practices with the notion 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 Group, 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. Transformation acceleration will be achieved by applying technologies in a way that will simplify customer interactions, secure transactions, utilize partner services, declutter employee workload and optimize the operating model, making the Group relevant and connected to tomorrow's digital lifestyle.

The Company 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 PFH.

Piraeus Group 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 Group 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 the Group surveys its customers on an annual basis to measure the level of satisfaction with their overall experience. The 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.

The aforementioned performance measures (table 3.2 Company's performance) are considered testimonial both for the solid progress achieved in 2020, as well as to the successful completion of the Sunrise Plan that will enable the Group to focus on its core strengths, to fund the Greek economy and provide attractive returns to its shareholders, while maintaining a strong corporate culture and continuing to contribute towards a cohesive and inclusive society.

## 5. Other Standard Disclosures

Piraeus 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, in line with all applicable legal and regulatory requirements.

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

## 6. Use of the Right to Reclaim

The Group made no use of any right to reclaim any remuneration in 2020.

## 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 Financial Holdings S.A.**

We performed our work, as described below in paragraph "Scope of Work", based on our engagement letter dated 19 April 2021 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 2020 of Piraeus Financial Holdings S.A. (the Company) 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 Company'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 Company, in accordance with Article 110 of Law 4548/2018.

Management is also responsible for designing all necessary internal controls to ensure Company'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 is based on the work performed to determine whether and to what extent the Remuneration Report for the year 2020 of the Company 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 Company's Board of Directors:

- (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 Company and the average remuneration, on a full-time equivalent basis, of the employees of the Company, 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 Company'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 2020 of Piraeus Financial Holdings 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 Company's Board of Directors and shall not be used for any other purposes.

Athens, 28 May 2021

The Certified Public Accountant

**Dimitris Koutsos-Koutsopoulos**

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