

Alpha Services and Holdings S.A.
Pillar III Remuneration Disclosures
Report for December 31, 2022





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1 Introduction

1.1 General Information

Alpha Services and Holdings S.A.¹ (the “Company”) has established a Remuneration Policy (the “Policy”) that sets the remuneration framework of the Company and the other Companies of its Group (the “Group”) and applies to all Employees under a contract of dependent employment, in accordance with All Applicable Laws, as in force from time to time.

The Remuneration Policy complies with all legislative and regulatory requirements in force, such as specified below and is in accordance with the corporate governance principles:

- Law 4261/2014, as in force, which has transposed Directive 2013/36/EU of 26 June 2013 into Greek law;
- European Banking Authority (EBA) Guidelines on sound remuneration policies under Articles 74(3) and 75(2) of Directive 2013/36/EU and disclosures under Article 450 of Regulation (EU) No 575/2013 (EBA/GL/2021/04);
- Bank of Greece Executive Committee Act 158/1/10.5.2019;
- Law 3864/2010 on the Hellenic Financial Stability Fund, for as long as the Company falls within the ambit of its provisions;
- Articles 110-112 of company law (Law 4548/2018) for listed companies, through which Articles 9a-9b of the Directive 2017/828 (SRD II) were implemented in Greek law;
- Provisions of labor law and the collective labor agreements at national, sectoral and Bank level.

Each Group Company bears the responsibility for applying the Policy in accordance with its activities and complying with the national provisions.

This report is prepared in accordance with disclosure requirements as laid down in Part Eight of the “Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms” (Capital Requirements Regulation, or “CRR”) and the Directive 2013/36/EU, as in force.

1.2 Principles

To ensure competitiveness and effectiveness of remuneration as well as transparency, internal equity and alignment with business objectives, the Policy is defined by the following key pillars:



Long-term value creation

The Remuneration Policy ensures that the Company’s long-term performance is aligned with market practices and the business strategy, while aiming to create value for the Shareholders and other Stakeholders.

¹ Following the demerger of the former Alpha Bank Société Anonyme by way of hive-down on 16 April 2021, “Alpha Services and Holdings S.A.”, is supervised on a consolidated basis and “Alpha Bank S.A” is supervised on a standalone basis by the European Central Bank (ECB) and the Bank of Greece (BoG).



Risk management

The Policy discourages excessive risk-taking to avoid distorted incentives that could lead to any breach of law and jeopardize the Company's and its Group's viability. Additionally, it is adequately formulated to ensure the appropriate capital and liquidity levels needed to support all activities.



Attraction and retention

The Company aims to attract, motivate and retain highly-skilled Employees, while being aligned to corporate governance, legal and compliance standards. It takes under consideration market conditions and promotes the Group's values.



Remuneration linked to performance evaluation

The performance-based elements of the variable remuneration are linked to Key Performance Indicators (KPIs) to ensure focus on the Business Plan objectives. All variable remuneration elements promote the long-term goals determined by the Company's and its Group's Strategy. The variable remuneration is compliant with applicable laws and regulations on acquiring and retaining shares (or other instruments).



Diversity, Equity and Inclusion

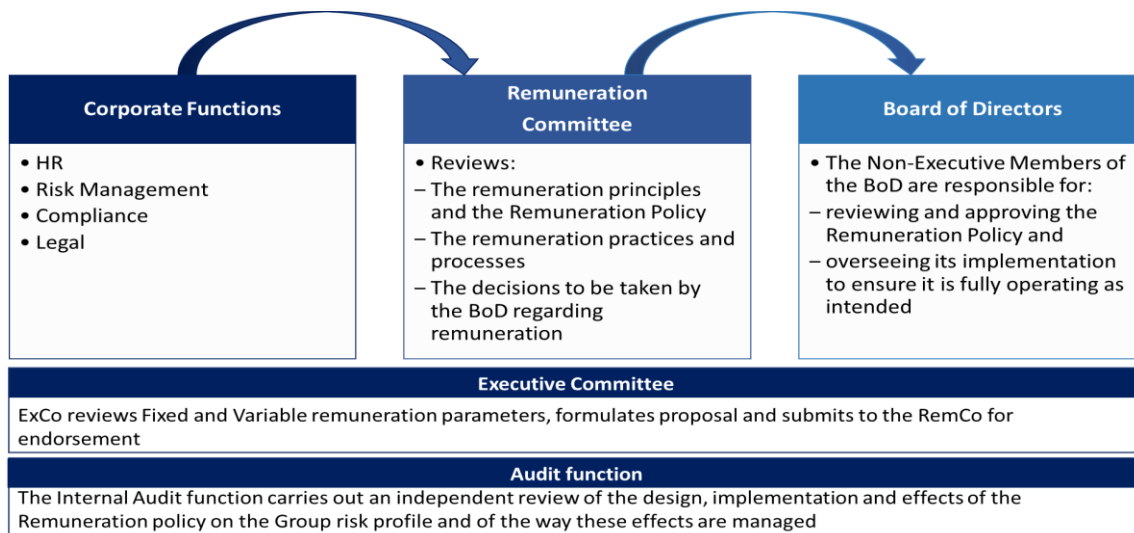
The Policy advances a culture of inclusion based on equal opportunities and non-discrimination. It is gender-neutral, supports equal treatment, promotes inclusiveness, and respects diversity in general.

2 Governance

2.1 Remuneration Policy Governance and decision-making process

The Company’s remuneration governance model aims at ensuring the clarity and reliability of decision-making processes by calibrating the overall remuneration practices and ensuring that decisions are made in an independent, informed and timely manner at appropriate levels. The model is also focused on preventing conflicts of interest, assuring appropriate disclosure and respecting the general principles defined in the applicable legislative framework.

The following diagram briefly depicts the remuneration policy governance in force:



2.1.1 Corporate functions

Human Resources (HR), Risk, Compliance, Legal, and Internal Audit are involved in the development, implementation, review, and control of the Remuneration Policy, depending on their responsibilities. More specifically:

The Human Resources function is the key stakeholder, as it is responsible for designing the remuneration structure, the remuneration levels and the incentive schemes, so as to attract, retain and motivate highly qualified Staff.

The Risk Management function provides assistance and information on the definition of suitable risk-adjusted performance measures (including ex post adjustments) and assesses how the Variable Remuneration structure affects the risk profile of the Company.

The Compliance function analyzes how the Policy affects the Company’s adherence to the applicable regulatory framework, the internal policies and the risk culture. It reports identified compliance risks and cases of non-compliance to the Board of Directors, through the Audit Committee. Additionally, the Compliance function supports the Human Resources function of the Bank when assessing the employees identified as Material Risk Takers, validating the respective list and retaining an annual record as per the “Material Risk Takers” Identification Process. The findings of the Compliance function constitute valuable input for the Non-Executive Members in their processes of approving, revising, or reviewing the Policy.

The Legal Services function verifies the applicable regulatory framework.

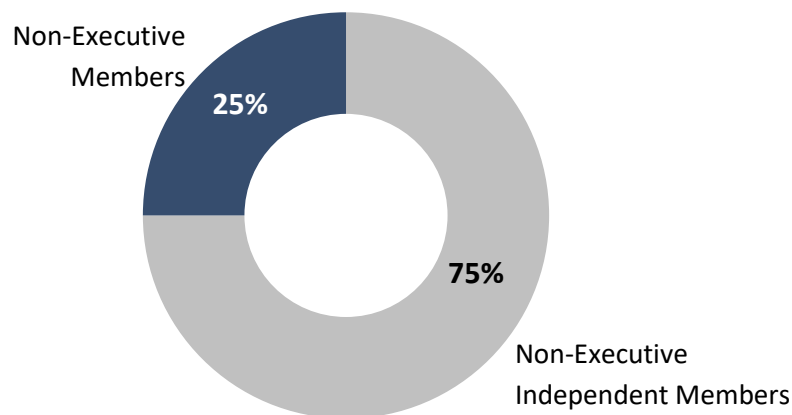
The Internal Audit function reviews Group policies, procedures and internal rules at Group level and reports findings based on their risk assessment in relation to compliance with the regulations.

The respective functions of the other Group Companies have relative responsibilities.

The Committee has been established and operates in accordance with all applicable laws and regulations. The Members of the current Remuneration Committee were appointed by a resolution of the Board of Directors of 22.7.2022.

Chair:	Richard R. Gildea
Number of Members (including the Chair):	4
Number of meetings in 2022:	11
Average participation rate of the Members:	100% (based on the Committee's composition on 31.12.2022)

Remuneration Committee Composition:



(Based on composition of Remuneration Committee on 31.12.2022)

The Remuneration Committee, pursuant to its applicable Charter, reviews and endorses proposals and makes recommendations to the Board of Directors on matters related to the Remuneration Strategy. In particular, the Remuneration Committee focuses on the principles of the Remuneration Policy and the remuneration practices, the structure and governance of the incentive programs as well as on the remuneration of the Members of the Board of Directors and the Senior Management. Moreover, the Committee assesses the effectiveness of controls in place to ensure that remuneration practices are clearly aligned with the Company's risk appetite framework and with regulatory requirements. The Remuneration Committee's Charter lays down its responsibilities and is posted on the Company's website.



2.1.2 Board of Directors

Taking into consideration input from all the involved functions, the Non-Executive Members of the Board of Directors, pursuant to its applicable Charter of the BoD, periodically review and approve the Remuneration Policy and are responsible for overseeing its implementation.

Moreover, they oversee and approve the remuneration of the Senior Management as well as any material exemptions from or amendments to the Policy.

3 Material Risk Takers criteria and identification process

3.1 Criteria

The term “Material Risk Takers” refers to staff whose professional activities have a material impact on the Company’s risk profile in accordance with the criteria set out in the Commission Delegated Regulation (EU) 2021/923.

According to the applicable regulatory framework, the categories of staff whose professional activities have a material impact on the Company’s risk profile shall, at least, include:

- all members of the Board of Directors and Senior Management;
- staff members with managerial responsibility over the Company's control functions or material business units;
- staff members entitled to significant remuneration in the preceding financial year, provided that the following conditions are met:
 - the staff member's remuneration is equal to or greater than EUR 500,000 and equal to or greater than the average remuneration awarded to the members of the Board of Directors and Senior Management;
 - the staff member performs the professional activity within a material business unit and the activity is of a kind that has a significant impact on the relevant business unit's risk profile.

The identification criteria of Material Risk Takers are a combination of qualitative and quantitative criteria to ensure that individual risk profile is considered appropriately.

- **qualitative criteria** – are based on managerial responsibilities, as well as on authority to commit to credit risk exposures or market risk transactions above certain thresholds - calculated as a percentage of the Common Equity Tier 1 (CET 1) capital.
- **quantitative criteria** - are based on the levels of remuneration, considering that the total remuneration awarded to staff reflects the responsibilities, duties, abilities, skills and performance of the staff members as well as of the business line in which they are active.

A staff member is characterized as “Identified Staff” or “Material Risk Taker” if at least one of the criteria mentioned above is met.

3.2 Identification process and governance

The Risk Management and Compliance functions, the business support functions (e.g. Legal, Human Resources, Budgeting and Controlling, Supervisory Issues Management) as well as the Remuneration Committee are involved in the identification process in accordance with their respective role. A proper exchange of information among all competent bodies and functions involved in the identification process is ensured.

The Board of Directors has the ultimate responsibility for the identification process, according to the quantitative and qualitative criteria, while the Non-Executive Members of the Board:

- approve the identification process as part of the Policy;
- are involved in the design of the assessment process;
- ensure that the assessment for the identification of staff is properly made in accordance with Law 4261/2014, Commission Delegated Regulation (EU) 2021/923 and the respective EBA Guidelines;



- oversee the identification process on an ongoing basis;
- approve any material exemptions from or changes to the adopted policy and carefully consider and monitor their effect;
- approve or oversee any exclusion of staff in accordance with Article 4(2) of Commission Delegated Regulation (EU) 2021/923 where the Bank or the other Group Companies deem that the qualitative criteria defined in Commission Delegated Regulation (EU) 2021/923 are not met by the staff, as they in fact do not have a material impact on the Banks' or the other Group Companies' risk profile;
- periodically review the policy in place and, if needed, propose to the Remuneration Committee to amend it.

4 Remuneration principles and elements

4.1 Fixed Remuneration principles

Fixed Remuneration² (considering all mandatory provisions under national law and the Collective Labor Law agreements at Sectoral and Corporate level) includes:

- The base salary (according to the Collective Labor Agreements);
- The role-based Supplement;
- Certain salary packages related to expatriate status;
- The Defined Contribution Savings Plans³;
- Other fixed components assigned, based on standard rules.

Fixed Remuneration is determined based on pre-defined and not discretionary criteria. It reflects primarily the relevant experience of the Staff, considering the educational level, the experience, the seniority level, the level of expertise and the skills as well as the role and the nature of business (job evaluation).

In order to remain competitive and in line with market practices, insights from remuneration surveys conducted by external consultants are considered in the framework of Fixed Remuneration.

Benefits are granted to Staff, in line with market practices, which are determined by the Company's Policies, as amended and updated from time to time, and are subject to the applicable legislation.

Payments or benefits to Staff deriving from Sectoral or Corporate Collective Labor Agreements are promptly implemented by the Company and the Remuneration Committee is subsequently informed thereof.

4.2 Variable Remuneration principles

The variable component of Remuneration:

- Acts as a key driver of motivation and retention of Staff;
- Aims to recognise achievements by directly linking pay to performance outcomes, focusing on sound risk management, in order to guarantee sustainable performance in the medium- and long-term.

Variable Remuneration should be aligned with the Business Strategy of the Company and stakeholders' interests and its award should not affect negatively the financial sustainability of the Company.

It remains at the absolute discretion of the Company to grant variable remuneration and it can be freely, partly or fully revoked at any time unilaterally by the Company.

² Fixed Remuneration set out in Title II Paragraph 7 subparagraphs 131 and 133 of the EBA's Final Report on Guidelines on sound remuneration policies under Directive 2013/36/EU, 2 July 2021 (EBA/GL/2021/04) ("EBA's Guidelines").

³ Defined Contribution Savings Plans are considered Fixed Remuneration, as they are not based on performance and are consistently granted to either all Staff or to a category of Staff, in accordance with local market practice and the company objectives.

Staff is required not to use personal hedging strategies or remuneration- and liability-related insurance to undermine the risk alignment effects embedded in their remuneration arrangements.

Variable Remuneration is not paid through vehicles or methods that facilitate the non-compliance with the applicable legislation. Dividend and interest payments must not be used as a payment method for Variable Remuneration which would lead to a circumvention of the remuneration requirements established by the legislation.

4.3 Variable Remuneration schemes

Currently the following Variable remuneration schemes apply in the Company:

4.3.1 Performance Incentive Program

The applicable Performance Incentive Program has been designed with the key objective to act as a catalyst for the Company and the Bank to achieve and exceed their targets while incentivizing top performers in key areas and levels. The Program is performance-oriented and promotes the long-term targets of the Company and the Bank. It is based on the principle of equal treatment, facilitates collaboration among individuals and Divisions and encourages top performance and prudent risk management.

Performance metrics

The Performance Incentive Program of the Company is linked to Key Performance Indicators (KPIs) that may vary each year and are always subject to the BoD approval. The criteria/conditions which, if fulfilled, will lead to the payment of the variable remuneration are the following:

- Criteria for the Company's financial performance, which include but are not limited to, the achievement of specific financial targets, including KPIs relating to the Company's Business Plan as updated from time to time;
- Non-financial performance criteria that may relate, for example, to the compliance with the Company's risk-taking strategy or to the adherence to the risk management policy;
- Criteria linked with corporate social responsibility and/or wider ESG-related goals, related to the actions and initiatives that the Company may be developing;
- Criteria associating behaviours to the Values of the Group.

4.3.2 Sales Incentive Program

The Sales Incentive Program is a bonus scheme designed to incentivize mainly the Branch Network Employees in alignment with the Bank's strategic priorities. Branch Employees eligible to be awarded a bonus amount are those who have achieved at least a threshold percentage of their sales targets. Branches participate in the bonus pool based on a credits-based system that is designed to reflect the performance of each Branch both on a standalone basis and in comparison with the performance of the whole Branch Network. The Sales Incentive Program bonus pool is awarded to the Branches quarterly but it is paid out to individuals annually.



4.3.3 Severance Payment

In addition to the above, the Bank may offer, at its sole discretion, a severance payment, as per the terms and conditions defined in the applicable “Senior Executives Severance Payment Policy”. The Policy applies to consensual departures of Senior Executives, who depart as “good leavers” and enter into a Termination Agreement with the Bank. Cases of unilateral termination of the relevant employment agreement and/or retirement by the Senior Executive are excluded. Payments under the Policy are subject to All Applicable Laws.

4.3.4 Guaranteed variable remuneration

No guaranteed variable remuneration is included in the remuneration schemes, while it constitutes an exception applying to new Employees only and solely for the first year of employment, in accordance with the legal and regulatory framework.

4.4 Variable Remuneration paid to Material Risk Takers

4.4.1 Deferred payments

Variable remuneration to Material Risk Taker's, is paid partly upfront and partly deferred. There is also an appropriate balance between cash and equity, equity-linked and other eligible instruments, according to Article 86 of the Law 4261/2014. Before paying out the deferred part of cash or the vesting of deferred instruments, a reassessment of the performance and, if necessary, an ex-post risk adjustment is applied to align variable remuneration to additional risks that have been identified or materialised after the award. This applies also where multi-year accrual periods are used.

A deferral schedule is defined by different components:

- the proportion of the Variable Remuneration that is being deferred;
- the length of the deferral period;
- the speed at which the deferred remuneration vests, including the time span from the end of the accrual period until the vesting of the first deferred amount.

Within the deferral schedule which applies to both types of Variable Remuneration, cash and instruments, the Company takes into account the form in which the deferred Variable Remuneration is awarded and differentiates, where appropriate, the deferral schedules across the different categories of Material Risk Takers. Deferred remuneration can either vest fully at the end of the deferral period or spread out over several payments in the course of the deferral period, in accordance with article 86, paragraph 1 point (ib) of Law 4261/2014.

When setting the actual deferral period and proportion to be deferred, in accordance with the minimum requirements under article 86, paragraph 1 point (m) of Law 4261/2014, the following parameters are considered:



- a) Up to 60% of the remuneration awarded to Material Risk Takers, other than Senior Management Members, can be paid within the year in which the allocation has been determined, and at least 40% of the Variable Remuneration component is deferred for at least four (4) years and is aligned with the nature of the business, its risks and the activities of the Staff concerned.
- b) For Senior Management, deferral periods of at least five (5) years are applied and at least 60% of the amount shall be deferred. Remuneration payable under deferral arrangements shall vest no faster than on a pro-rata basis.
- c) For Material Risk Takers, the “proportionality principle” as per Law 4261/2014 (article 86 par. 2) is applied, meaning that Staff whose annual Variable Remuneration is up to Euro 50,000 and does not represent more than one-third of their total annual remuneration are exempted from the provisions pertaining to instruments, retention, and the deferral period. For this purpose, the amounts of Variable and Fixed Remuneration are calculated in each financial year, using the amounts paid for the previous financial year.

4.4.2 Vesting of Deferred Remuneration

The first deferred portion will not vest sooner than 12 months after the start of the deferral period. The deferral period ends when the awarded variable remuneration has vested or where the amount was reduced to zero as malus was applied.

Deferred remuneration can either vest fully at the end of the deferral period or be spread out over several payments during the deferral period in accordance with Article 86, point m) of the Law 4261/2014.

Pro rata vesting means for e.g. a deferral period of four years that at the end of years n+1, n+2, n+3 and n+4, one fourth of the deferred remuneration vests, (“n” is the moment at which the upfront part of awarded variable remuneration is paid).

Vesting does not take place more frequently than on a yearly basis to ensure a proper assessment of risks before the application of ex post adjustments.

4.4.3 Balance between fixed and variable remuneration

The fixed and variable components of total remuneration are appropriately balanced. The fixed component represents a sufficiently high proportion of the total remuneration to allow the operation of a fully flexible policy on variable remuneration components, including the possibility to pay no variable remuneration component. Where Variable Remuneration is awarded, it should be based on the Group’s, on the Business Units’ and on the Staff’s performance. The variable components of total remuneration shall not exceed 100% of the total Fixed Remuneration. Exceptionally and upon approval of the General Meeting of Shareholders, variable remuneration may be decided up to 200% of the total Fixed Remuneration, according to article 86 of Law 4261/2014.

An effective ratio shall be calculated as the sum of all variable components of remuneration, divided by the sum of all fixed components of remuneration.

4.4.4 Ex ante risk adjustment in the award process

The bonus pool and Variable Remuneration to be awarded is based on an assessment of performance and of the risks taken. Risk alignment is achieved by assessing risk-adjusted performance criteria (both quantitative and qualitative) versus predefined targets.

4.4.5 Malus and clawback

Malus or clawback arrangements are explicit ex post risk adjustment mechanisms, where remuneration of the identified staff member is adjusted based on such mechanisms (e.g. by revoking or cancelling awarded cash remuneration or instruments awarded).

Malus and clawback are applicable in instances of employee misbehaviour or material error, material downturn in performance, or a material failure of risk management.

The total (100%) of the variable remuneration is subject to malus and/or clawback arrangements in accordance with Article 86, point n) of the Law 4261/2014, regardless of the method used for the payment, including deferral or retention arrangements. For the application of malus and clawback the following criteria shall be used:

- the staff member participated in or was responsible for conduct which resulted in significant losses to the Group;
- the staff member failed to meet appropriate standards of fitness, propriety, confidentiality, conduct and consistency regarding meeting his/her obligations against Group, including his/her debts;
- evidence of misconduct or serious error by the staff member (e.g. breach of code of conduct and other internal rules, especially concerning risks);
- whether the Bank or the other Group Company and/or the business unit subsequently suffers a significant downturn in its financial performance (e.g. specific business indicators);
- whether the Bank or the other Group Company and/or the business unit in which the identified staff member works suffers a significant failure of risk management;
- significant increases in the institution's or business unit's economic or regulatory capital base;
- any regulatory sanctions where the conduct of the identified staff member contributed to the sanction.

Ex post risk adjustments are always performance or risk related and will not be based on the amount of dividends paid or the evolution of the share price.

Malus and clawback arrangements can only lead to a reduction of the variable remuneration where appropriate. Under no circumstances can an explicit ex post risk adjustment lead to an increase of the initially awarded variable remuneration or, where malus or clawback was already applied in the past, to an increase of the reduced variable remuneration.



5 Remuneration of staff engaged in internal control functions

Staff engaged in the internal control functions (Risk Management, Internal Audit and Compliance) is independent from the Business Units it oversees, and its remuneration is based on the objectives linked to their area of responsibility independently of the performance of the business areas it monitors.

6 Equal Opportunity

The Company is committed to providing equal opportunity in accordance with applicable local law in all areas of people management, including recruitment, employment, assignment, transfer, promotion, compensation, benefits and training. The Company's remuneration policies and practices are consistent with this commitment, they are gender-neutral and support the equal treatment of Staff, promote inclusiveness and respect diversity in general, in alignment to the provisions of the relevant European Banking Authority (EBA) Guidelines.

7 Quantitative information on remuneration awarded in 2022

The quantitative information presented below, refers to gross compensation, awarded to the employees of the Group. Additional information regarding the compensation awarded to employees identified as MRTs, at Group level, is also presented. The data included in this report may be different than the respective accounting data, mainly due to differences between the regulatory consolidation and the accounting consolidation.

7.1 Quantitative information at Group level (amounts in EUR)

	MB Supervisory function	MB Management function	Investment banking	Retail banking	Asset management	Corporate functions	Independent control functions	All other	Total
Number of members (Headcount)	11	2							13
Total number of staff in FTE			282	4,472	16	3,219	408	70	8,467
Total remuneration	1,332,903	904,416	15,959,028	143,365,968	1,132,297	148,163,681	18,974,781	6,712,366	336,545,440
Of which: variable remuneration/severance	0	0	1,639,739	4,722,519	52,216	7,046,315	1,073,963	501,250	15,036,002

7.2 Quantitative information at Group level for employees identified as MRTs (amounts in EUR)

	MB Supervisory function	MB Management function	Investment banking	Retail banking	Asset management	Corporate functions	Independent control functions	All other	Total
Number of members (Headcount)	11	2							13
Total number of staff in FTE			30	40	0	94	48	56	268
Total remuneration	1,332,903	904,416	4,437,512	4,638,999	0	13,727,171	5,081,942	5,944,997	36,067,939
Of which: variable remuneration/severance	0	0	640,867	538,172	0	1,744,687	420,282	477,795	3,821,803