

Alpha Bank Group
Remuneration Disclosures
Report for December 31, 2020



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1 Introduction

1.1 General Information

Alpha Bank has established a Remuneration Policy, which is applied within the Bank and the Group. The Policy complies with all legislative and regulatory requirements in force, such as specified below and is in accordance with the corporate governance principles:

- The Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013, on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, as in force and as implemented in Greek law L.4261/2014;
- Commission Delegated Regulation (EU) 604/2014 of 4 March 2014, supplementing Directive 2013/36/EU with respect to qualitative and appropriate quantitative criteria to identify categories of staff whose professional activities have a material impact on the institution's risk profile ("Material Risk Takers" or "MRTs"), on a consolidated basis, in all its branches and subsidiaries, including those outside the European Union;
- EBA guidelines on sound remuneration principles 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/2015/22) as incorporated by the BoG Executive Committee's Act 158/1/10.5.2019;
- Law 3864/2010 on the Hellenic Financial Stability Fund, for so long as the Bank 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.

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

The Policy:

- Is in line with the values, business strategy, objectives and general long-term interests of the Bank and the other Group Companies and incorporates measures to avoid conflicts of interest;
- Is consistent with and promotes sound and effective risk management and does not encourage risk-taking that exceeds the level of the Bank and the other Group Companies' risk appetite framework;
- Correlates the remuneration of the Bank's and the Group Companies' Staff with the risks they undertake and manage;
- Is reviewed annually or whenever it is deemed necessary to address new needs.

The Policy, considering criteria on wage setting, makes a clear distinction between criteria for setting:

- basic fixed remuneration, which primarily reflects relevant professional experience, organizational responsibility, as well as the skill sets of an individual as set per job's requirements and responsibilities
- variable remuneration which reflects risk adjusted performance in accordance or in excess of assigned duties and responsibilities.

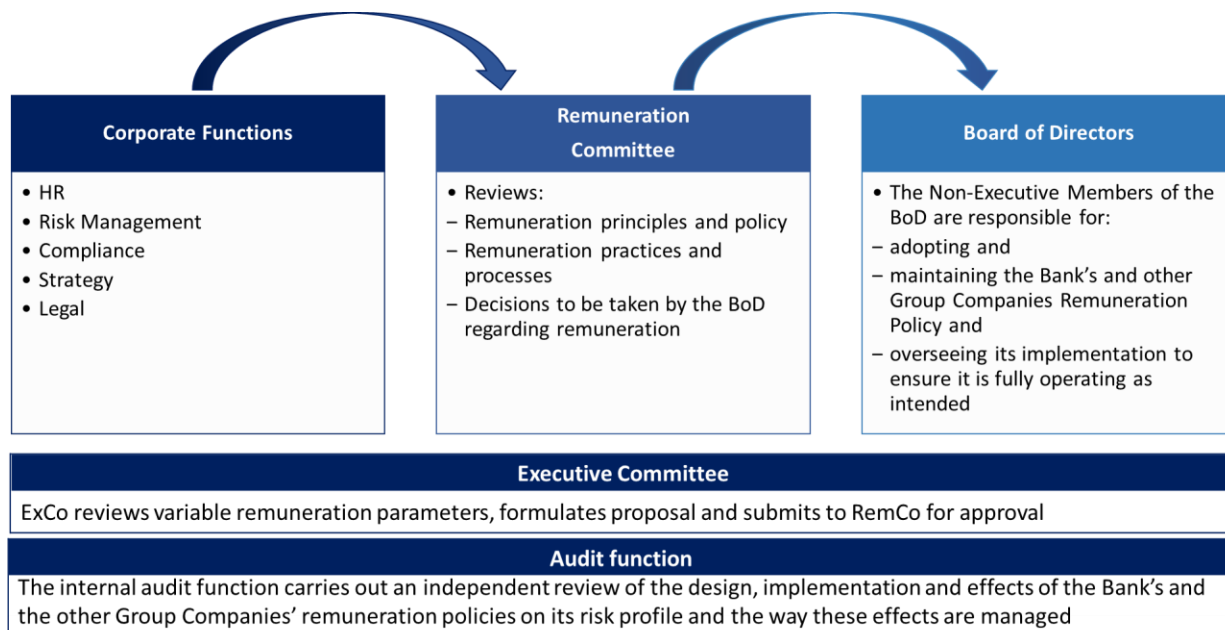
2 Governance

2.1 Remuneration Policy Governance and decision-making process

The governance system set up by the Bank, ensures a thorough review of its remuneration policy and compliance with it.

The decision-making process involves multiple stages of designing and reviewing by competent Functions of the Bank which is followed by the approval of the Board of Directors on the recommendation of the Remuneration Committee.

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



2.1.1 Corporate functions

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

HR participates in and provides information on the drawing up and the evaluation of the Policy, including the remuneration structure, remuneration levels and incentive schemes, in a way that would not only attract and retain the staff the Bank and the other Group Companies need but also assure that the Policy is aligned with the Bank’s and the other Group Companies’ risk profile.

Risk assists in and provides information on the definition of suitable risk-adjusted performance measures (including ex post adjustments), as well as in assessing how the variable remuneration structure affects the risk profile and culture of the Bank and the other Group Companies.

Compliance analyses how the remuneration policy affects the Bank's and the other Group Companies' adherence to the regulatory framework in place, as well as to internal policies and risk culture and reports all identified compliance risks and issues of non-compliance to the Board of Directors. The findings of Compliance provide significant input for the Non-Executive Members in the process of approving or revising the Policy.

Internal audit carries out an independent review of the design, implementation and effects of the Bank's and the other Group Companies' remuneration policies on its risk profile and the way these effects are managed.

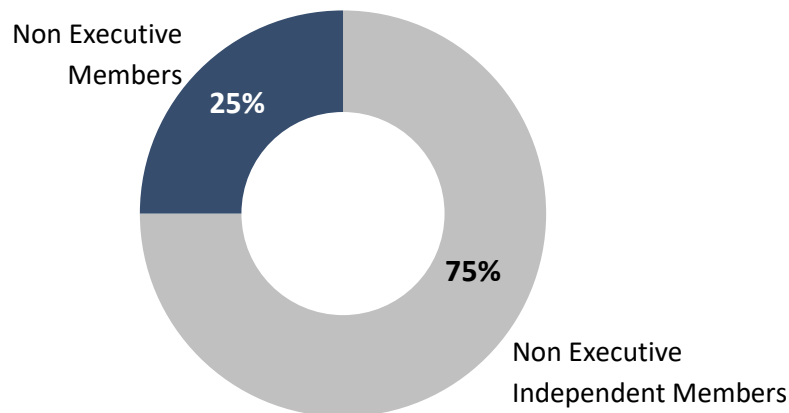
The Group Companies bear the responsibility for applying the Policy in accordance with their activities and complying with the national provisions.

2.1.2 Remuneration Committee

The Board of Directors, at its meeting held on 23.11.1995, resolved on the establishment of a Remuneration Committee for Alpha Bank. At the Board of Directors meeting on 31.5.2012, the Committee's responsibilities were expanded to cover the Group Companies. The Members of the current Remuneration Committee of the Bank were appointed by a resolution of the Annual Ordinary General Meeting of Shareholders of 31.7.2020.

Chair:	Richard R. Gildea
Number of Members:	4
Number of meetings in 2020:	12
Average participation rate of the Members:	96% (based on the Committee's composition on 31.12.2020)

Remuneration Committee Composition:



(Based on composition of Remuneration Committee on 31.12.2020)

The Committee has been established and operates in accordance with all applicable legislation. Pursuant to its Charter, as in force (December 2019), the Remuneration Committee, among other:

- a) Provides its support and advice to the Non-Executive Members of the Board of Directors on the design of the Remuneration Policy for the Bank and the other Group Companies according to the relevant legislative and regulatory provisions;
- b) Supports the Non-Executive Members of the Board of Directors in overseeing the Policy as well as the relevant practices and processes and their compliance with the Policy;
- c) Is responsible for the preparation of decisions on the remuneration of the Members of the Board of Directors to be taken by the Non-Executive Members.
- d) Reviews and advises on fixed salaries, benefits and the total compensation within the Bank.
- e) Operates at Group level. In case of operation of a local Remuneration Committee in a Group Company (currently Alpha Bank London and Alpha Bank Romania), the Group Remuneration Committee may provide guidance and guidelines to the local Remuneration Committees to ensure best practices and consistency across the Group.

2.1.3 Board of Directors

The Non-Executive Members of the Board of Directors are responsible for adopting and maintaining the Policy of the Bank and the other Group Companies and overseeing its implementation to ensure it is fully operating as intended. The Non-Executive Members also approve any subsequent exemptions which materially affect staff member and amendments to the Policy and carefully consider and monitor their effects.

The Non-Executive Members should ensure that the Policy and the relevant practices are appropriately implemented and aligned with the Bank's and the other Group Companies' overall corporate governance framework, corporate culture, risk appetite and the related governance processes.

Conflicts of interests regarding the Policy and remuneration awarded are identified and appropriately mitigated, including by establishing objective award criteria based on the internal reporting system, appropriate controls and the four eyes principle. The Policy seeks to ensure that no material conflicts of interest arise for staff in control functions.

The Non-Executive Members, the Remuneration and the Risk Management Committee work closely together and ensure that the Policy is consistent with and promotes sound and effective risk management and it does not encourage excessive risk-taking.

The Non-Executive Members determine and oversee the remuneration of the members of the Executive Members.

The Non-Executive Members take into account the input provided by all competent corporate functions and bodies (e.g. committees, control functions, human resources, legal strategic planning, budget function, etc.) and business units about the design, implementation and oversight of 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 Bank’s or on the other Group Companies’ risk profile in accordance with the criteria set out in the Commission Delegated Regulation (EU) 604/2014.

According to the applicable regulatory framework, the categories of staff whose professional activities have a material impact on the Bank's or on the other Group Companies’ risk profile shall, at least, include:

- all members of the Board of Directors and Senior Management;
- staff members with managerial responsibility over the Group'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 the Bank’s or the other Group Companies 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) and the relevant committees of the Board of Directors (i.e. Risk, Corporate Governance and Nomination Committee and the Audit Committee) are involved on an ongoing basis 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 the identification process.

The Non-Executive Members of the Board:

- approve the identification process as part of the Policy;
- are involved in the design of the self - assessment;



- ensure that the assessment for the identification of staff is properly made in accordance with Law 4261/2014, Commission Delegated Regulation (EU) No 604/2014 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) No 604/2014 where the Bank or the other Group Companies deem that the qualitative criteria defined in Commission Delegated Regulation (EU) No 604/2014 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

Remuneration is fixed where the conditions for its award and its amount:

- are based on predetermined criteria;
- are non-discretionary reflecting the level of professional experience and seniority of staff;
- are transparent with respect to the individual amount awarded to the individual staff member;
- are permanent, i.e. maintained over a period tied to the specific role and organizational responsibilities;
- are non-revocable; the permanent amount is only changed via collective labor agreements or following renegotiation in line with national criteria on wage setting;
- cannot be reduced, suspended or cancelled by the Bank or the other Group Companies;
- do not provide incentives for risk assumption; and
- do not depend on performance.

Fixed remuneration consists of payments that are mandatory under Greek or other local law, Collective Labour Law Agreements at Federation or at Bank level, as well as of remuneration granted according to the remuneration scheme of the Bank or the other Group Companies and of components that are part of routine employment packages. Fixed salary rewards competence, experience, qualification level, as well as the level of involvement in assigned tasks.

Staff engaged in control functions (Risk, Audit and Compliance) are independent from the business units they oversee, have appropriate authority and are compensated according to the level of fulfilling the objectives linked to their area of responsibility and independently of the performance of the business areas they control.

4.2 Variable Remuneration principles

The variable component of the total remuneration is optional for the Bank and the other Group Companies and refers to Bonuses or other reward schemes that the Bank or the other Group Companies may offer to staff from time to time. In order for variable remuneration to be enacted, the fulfilment of the Bank's or the Company's and the Unit's goals as well as personal performance in accordance with the evaluation criteria in force are taken into account.

The proper application of a variable remuneration policy is considered a required tool for human resources management and for attracting and/or retaining key performers/talented staff at Bank and Group level, which can contribute significantly to achieving the goals of the applicable business plan.

The total variable remuneration awarded by the Bank or the other Group Companies must not limit their ability to maintain or restore a sound capital base in the long term and takes into consideration the interests of shareholders and owners, depositors, investors and other stakeholders. Variable remuneration is not awarded or paid out when the effect would be that the capital base of the Group would no longer be sound.

The total variable remuneration shall not materially limit the ability of the Bank and the other Group Companies to strengthen its capital base.



4.3 Variable Remuneration elements

Variable remuneration can be awarded in various forms, as follows:

- Cash
- Instruments (shares or equivalent ownership rights)
- Guaranteed variable remuneration
- Other means

More specifically:

- i) Instruments

The instruments used for the award of variable remuneration shall contribute to the alignment of staff incentives to the risk adjusted performance of the Bank and the other Group companies.

- ii) Guaranteed variable remuneration

It is noted that no guaranteed variable remuneration is included in the remuneration schemes with the exception of its application to new Staff only and solely for the first year of employment.

4.4 Variable Remuneration paid to Material Risk Takers

4.4.1 Deferred payments

The Bank and the other Group Companies pay variable remuneration to Material Risk Taker's, 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.

The potential variable remuneration includes a part which can be deferred on the basis of the business cycle, the nature of the business activity, the risks it involves and the activities of the Staff Members to whom it pertains.

Up to 60% of the remuneration awarded to Identified Staff can be paid within the year in which the allocation has been determined and at least 40% of the remuneration is deferred for three (3) years.

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 three years that at the end of years n+1, n+2 and n+3, one third 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

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, such awards should be based on the Bank's and the other Group Companies' business units' and staff's performance and take into account the risks taken, whereas the variable components of total remuneration may not exceed 100% of the total fixed remuneration or, exceptionally and upon the approval of the General Meeting of Shareholders, up to 200% of the total fixed remuneration, according to Article 86 of the Law 4261/2014.

The maximum ratio should be calculated as the sum of all variable components of remuneration that could be awarded as a maximum in a given performance year, divided by the sum of all fixed components of remuneration to be awarded in relation to the same performance year.

4.4.4 Malus and clawback

Malus or clawback arrangements are explicit ex post risk adjustment mechanisms, where the Bank or the other Group Companies themselves adjusts remuneration of the identified staff member 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 the Bank and the other Group Companies, 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.

4.5 Severance payment programs

The Bank may offer, at its sole discretion, a severance payment to Senior Executives, as per the “Senior Executives Severance Payment Policy” in effect, in case of termination of their contract on terms and conditions proposed by the Bank. The plan covers, at the discretion of the Bank, cases of both voluntary and involuntary termination of the relevant agreement.

Such severance plan comprises a severance payment of up to 24 gross monthly salaries depending on the period of service of the Executive (i.e. provided that they have been engaged by the Bank for at least 6 years (i) up to 18 gross monthly salaries for an up to 15-year continuous service and (ii) up to 24 gross monthly salaries for continuous service exceeding 15 years). The amount is payable as follows: up to 60% is paid after the execution of the relevant agreement and the remaining (at least 40% of the relevant amount) is paid in three equal annual installments at the annual anniversary of the execution of the termination agreement.

5 Quantitative information on remuneration awarded in 2020

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.

5.1 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)	44	47							91
Total number of staff in FTE			502	5,155	133	2,575	544	1,572	10,481
Total remuneration	1,953,250	8,802,005	24,625,570	169,789,823	6,968,867	102,713,014	24,859,313	77,169,710	416,881,552
Of which: variable remuneration/severance	0	1,111,164	1,437,464	2,660,802	474,085	2,605,120	1,098,357	2,857,653	12,244,645

5.2 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)	44	47							91
Total number of staff in FTE			15	29	2	37	52	38	173
Total remuneration	1,953,250	8,802,005	3,489,483	3,270,834	622,147	6,556,061	6,006,612	9,959,407	40,659,799
Of which: variable remuneration/severance		1,111,164	425,519	200,434	63,943	929,464	556,141	1,189,308	4,475,973