

Alpha Services and Holdings S.A.
Pillar III Remuneration Disclosures
Report for December 31, 2021



Contents

1	Introduction.....	3
	1.1 General Information.....	3
	1.2 Principles.....	4
2	Governance.....	5
	2.1 Remuneration Policy Governance and decision-making process.....	5
	2.1.1 Corporate functions.....	5
	2.1.2 Remuneration Committee.....	6
	2.1.3 Board of Directors.....	7
3	Material Risk Takers criteria and identification process.....	8
	3.1 Criteria.....	8
	3.2 Identification process and governance.....	8
4	Remuneration principles and elements.....	10
	4.1 Fixed Remuneration principles.....	10
	4.2 Variable Remuneration principles.....	10
	4.3 Variable Remuneration elements.....	10
	4.4 Variable Remuneration paid to Material Risk Takers.....	11
	4.4.1 Deferred payments.....	11
	4.4.2 Vesting of Deferred Remuneration.....	11
	4.4.3 Balance between fixed and variable remuneration.....	12
	4.4.4 Malus and clawback.....	12
	4.5 Severance payment programs.....	13
5	Quantitative information on remuneration awarded in 2021.....	14
	5.1 Quantitative information at Group level (amounts in EUR).....	14
	5.2 Quantitative information at Group level for employees identified as MRTs (amounts in EUR).....	14

1 Introduction

1.1 General Information

On 16 April 2021, the banking business of the former Alpha Bank Société Anonyme was demerged, by way of hive-down, and was contributed into a newly formed credit institution incorporated under the same corporate name, i.e., “Alpha Bank Société Anonyme” (the “Demerger”). Upon completion of the Demerger:

1. the newly incorporated credit institution “Alpha Bank S.A.” (under G.E.MI. number 159029160000) (the “Bank” or “Alpha Bank” or “Alpha Bank S.A.”) substituted for the demerged entity, former Alpha Bank S.A., by way of universal succession, to all the transferred assets and liabilities of the banking business of the former Alpha Bank S.A.; and
2. the former Alpha Bank S.A. ceased to be a credit institution, retained activities, assets and liabilities not related to the banking business, changed its corporate name to “Alpha Services and Holdings S.A.” (under G.E.MI. number 223701000) (the “Company” or “Alpha Services”) and holds directly and indirectly 100% of the share capital of Alpha Bank S.A. and has become the ultimate parent holding company for all the companies of the Alpha Services and Holdings Group (the “Group”).

Following the demerger, “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).

The Bank has established a Remuneration Policy, which applies to the Bank and the Group.

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:

- 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 by the means of L.4261/2014;
- Commission Delegated Regulation (EU) 2021/923 of 25 March 2021, supplementing Directive 2013/36/EU of the European Parliament and of the Council with regard to regulatory technical standards setting out the criteria to define managerial responsibility, control functions, material business units and a significant impact on a material business unit’s risk profile, and setting out criteria for identifying staff members or categories of staff whose professional activities have an impact on the institution’s risk profile that is comparably as material as that of staff members or categories of staff referred to in Article 92(3) of that Directive;
- 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)
- 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.

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

The Remuneration Policy:

- Is in line with the values, business strategy, objectives and general long-term interests of the Group 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 Group’s risk appetite framework;
- Correlates the remuneration of the Staff with the risks they undertake and manage;
- Is reviewed annually or whenever it is deemed necessary to address new needs.

The Remuneration 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 with or in excess of assigned duties and responsibilities.

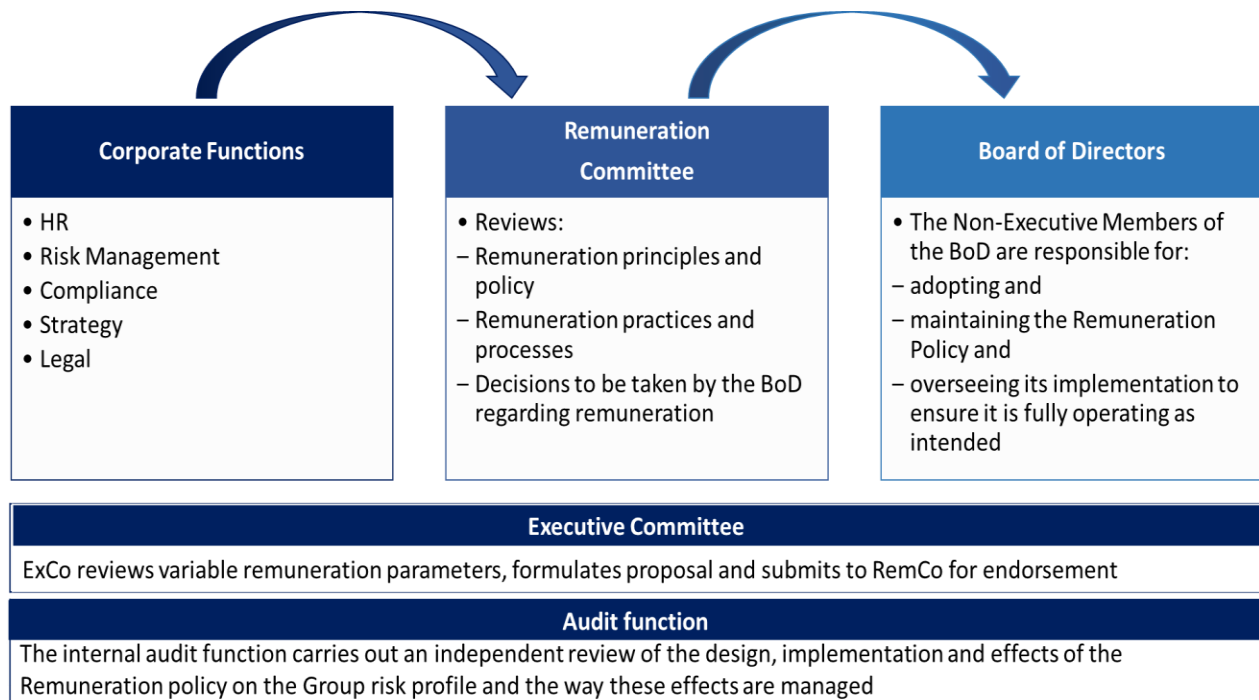
2 Governance

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 Staff but also ensure that the Policy is aligned with the Group’s 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 Group.

Compliance analyses how the remuneration policy affects the Group’s 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 Remuneration policy on the Group risk profile and the way these effects are managed.

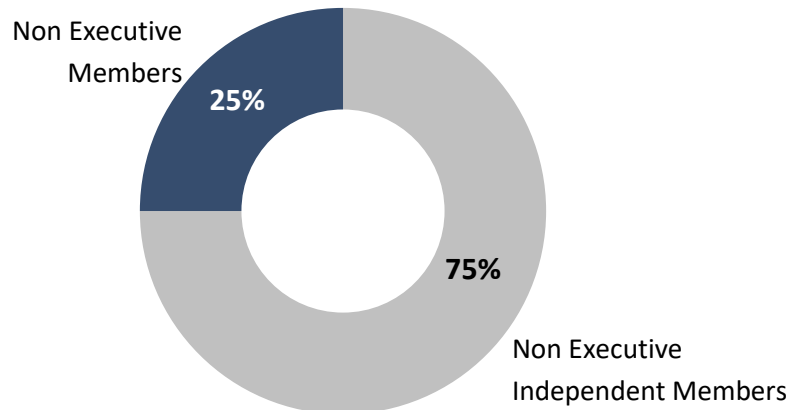
The respective functions of the other Group Companies have relative responsibilities.

2.1.2 Remuneration Committee

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 Annual Ordinary General Meeting of Shareholders of 31.7.2020.

Chair:	Richard R. Gildea
Number of Members (including the Chair):	4
Number of meetings in 2021:	11
Average participation rate of the Members:	100% (based on the Committee’s composition on 31.12.2021)

Remuneration Committee Composition:



(Based on composition of Remuneration Committee on 31.12.2021)

The main responsibilities of the Remuneration Committee include but are not limited to those presented below.

- Assists the Board of Directors in ensuring that the Group Remuneration Policy as well as the “Remuneration Policy of the Members of the Board of Directors as per the provisions of Law 4548/2018” are consistent with the values, culture, business strategy, risk appetite and strategic objectives of the Group.
- Provides its support and advice to the Non-Executive Members of the Board of Directors on the design of the Remuneration Policies for the Company and the Group according to the relevant legislative and regulatory provisions.



- Recommends to the Non-Executive Members the remuneration of the Members of the Board of Directors.
- Reviews and advises on fixed salaries, benefits, and the total compensation within the Company and the Group.
- Reviews the variable remuneration framework, approves variable remuneration schemes, where these are permitted, for Employees across the Company and the Group, and decides on the total envelope for variable remuneration across the Company and the Group.
- Oversees the evaluation process and validates the Evaluation Scorecards and the goals of Senior Executives and Key Function Holders, ensuring that the whole process is implemented and in accordance with the provisions of the respective Policy.

The Members of the Committee should have collectively appropriate knowledge, skills and professional experience concerning remuneration policies and practices, risk management and control activities as well as concerning the incentives and risks that can arise therefrom. At least one Member should have sufficient professional experience in risk management. The specific duties and responsibilities of the Remuneration Committee are set out in its Charter, which is posted on the Company's website (<https://www.alphaholdings.gr/en/corporate-governance/committees>).

2.1.3 Board of Directors

The Non-Executive Members of the Board of Directors are responsible for adopting and maintaining the Group Policy 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 Group's 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 Group’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 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) 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 self - assessment;
- 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

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;
- 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 and refers to Bonuses or other reward schemes that may be offered to staff from time to time. In order for variable remuneration to be enacted, the Group's, Bank's and Unit's 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 Group level, which can contribute significantly to achieving the goals of the applicable business plan.

The total variable remuneration awarded must not limit the 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.

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 Group.

- 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

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.

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 Group's and the Bank's 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 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.



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 2021

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.

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)	41	43							84
Total number of staff in FTE			463	4,802	136	2,246	547	1,628	9,822
Total remuneration	2,236,311	9,452,750	24,491,954	159,782,235	7,694,315	129,535,290	29,141,233	57,646,666	419,980,754
Of which: variable remuneration/severance	0	1,153,830	1,327,602	2,720,497	239,168	1,284,435	1,119,058	2,682,488	10,527,078

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)	41	43							84
Total number of staff in FTE			35	37	3	50	60	81	266
Total remuneration	2,236,311	9,452,750	5,331,533	4,113,334	421,362	7,669,486	7,329,618	10,684,753	47,239,147
Of which: variable remuneration/severance	0	1,153,830	767,031	344,040	74,147	782,764	1,064,812	1,875,149	5,717,733