



## **BANK OF GREECE**

### **EUROSYSTEM**

#### **REMUNERATION REPORT**

#### **CONCERNING GENERAL COUNCIL MEMBERS FOR THE YEAR 2019**

**(Article 112 of Law 4548/2018)**

This report concerns the remuneration of the Bank of Greece General Council Members for their participation in General Council meetings during the year 2019.

From the outset, note should be taken of the dual nature of the Bank of Greece, whose vested authority includes powers under public law exercised by distinct bodies, as specified in Articles 28, 35A, 55A, 55B and 55C of its Statute, as well as the status of the Bank as a member of the European System of Central Banks (ESCB) and of the Single Supervisory Mechanism (SSM). As a result, the bulk of the Bank's income derives from the implementation of the single monetary policy in the context of the Eurosystem, as well as from public authority functions (Emergency Liquidity Assistance operations, claims on the Greek State and domestic or international organisations, etc.).

Against this background, unlike what is the case with sociétés anonymes that engage in purely business activities, there are no applicable quantitative targets, in the sense of an income budget. Hence, the Bank's performance cannot be assessed by quantitative criteria and, accordingly, there is no procedure in place for the determination of performance.

Regarding the remuneration of the Bank of Greece General Council Members for their participation in General Council meetings, the Bank pays them a fixed monthly remuneration by virtue of their status as General Council Members and a flat remuneration for their participation in General Council meetings.

Article 29 of the Bank's Statute prohibits any remuneration in the form of a commission or share in the Bank's profits. Likewise, General Council members are not entitled to any variable or equity-based remuneration (including stock options), as such forms of remuneration are incompatible with the provisions and principles outlined above.

These assumptions are contained in the "Remuneration Policy for General Council Members", which was approved by the 86th Annual Ordinary General Meeting of Shareholders of the Bank of Greece of 1 April 2019, effective as from 1 January 2019 for four (4) financial years.

Travel expenses for participation in national or international bodies or committees (indicatively, of the ESCB, the SSM, the European Union, etc.) are reimbursed, taking into consideration the Bank's reasonable cost-saving efforts. Furthermore, General Council Members are reimbursed for all travel expenses to and from their permanent place of residence incurred for their participation in meetings of the General Council and committees (regardless of means of transport).

It should be noted, in this connection, that the 86th Annual Ordinary General Meeting of Shareholders of the Bank of Greece approved the remuneration and travel expenses of the Members of the General Council as follows:

- a. Fixed monthly remuneration: €400.
- b. Participation in the meetings of the General Council and Bank of Greece Committees: €30 per meeting.
- c. Travel expenses: General Council members incurring travel expenses to and from their place of permanent residence in order to participate in General Council or Committee meetings are entitled to reimbursement of their transportation expenses (regardless of means of transport), plus an allowance of €60 for other expenses.

The above remuneration and travel expenses have remained unchanged since 2002. Moreover, they are in line with the approved Remuneration Policy of the Bank.

In addition, the annual change in the average wages of full-time employees (excluding senior management) is given below:

CHANGE 2015-2016	<b>2.40%</b>
CHANGE 2016-2017	<b>2.83%</b>
CHANGE 2017-2018	<b>3.47%</b>
CHANGE 2018-2019	<b>2.95%</b>

\* \* \*

*[received favourable votes of the majority of the shareholders at the 87th Annual General Meeting of Shareholders of 20 March 2020, further to the approval by the General Council (Meeting2/17.2.2020)]*