

ANNUAL REPORT
&
CORPORATE SOCIAL
RESPONSIBILITY
REPORT
2020



ANNUAL REPORT
&
CORPORATE SOCIAL
RESPONSIBILITY
REPORT
2020

CONTENT



6	KEY EVENTS 2020		
9	FINANCIAL HIGHLIGHTS		
9	Balance Sheet		
9	Income Statement		
12	LETTER TO SHAREHOLDERS		
18	FINANCIAL REVIEW		
22	BANK PROFILE AND STRATEGY		
22	Bank Profile and Strategy		
24	Key Stakeholders		
30	CORPORATE GOVERNANCE		
39	RISK MANAGEMENT		
45	CORPORATE BANKING		
45	Corporate Banking		
47	INVESTMENT BANKING AND MONEY MARKET		
47	Treasury Division		
50	COMMUNICATION STRATEGY		
55	RETAIL OPERATIONS		
55	Household Lending Division		
56	Alternative Sales and Partnership Banking Department		
56	Small Business Banking (SBB)		
57	Deposits and Personal Banking Department		
57	Digital Banking and Business Performance Department		
60	COMPLIANCE & AML		
63	TROUBLED ASSETS MANAGEMENT		
63	Troubled Assets Sector		
65	TECHNOLOGY		
65	IT projects		
68	HUMAN RESOURCES		



- 78 | CLIENTS
- 86 | SUPPLIERS
- 90 | LOCAL COMMUNITY
- 97 | ENVIRONMENTAL PROTECTION
- 101 | METHODOLOGY AND
PARAMETERS OF CSR REPORTING
- 104 | SUSTAINABLE DEVELOPMENT
GOALS
- 110 | GRI INDEX AND INDICATORS



Sberbank

KEY EVENTS 2020

KEY EVENTS 2020



MARCH

Eurobank introduced Instant Payments by scanning IPS QR code with no need to use cash or payment cards. In addition to payments made at merchants' points of sale, users can also pay monthly bills containing the IPS QR code issued by various companies.



FEBRUARY

The attractive cash loans offer with the fixed interest rate has been presented within the campaign "If not now – when?" showing clients' needs in different life situations.



MAY

In accordance with the Guarantee Scheme Regulation adopted by the Government of the Republic of Serbia, Eurobank commenced activities related to granting loans for financing liquidity and working capital under favourable interest rates. As a responsible company amidst the COVID-19 virus pandemic, Eurobank in this way supported SMEs and entrepreneurs.



APRIL

Following the beginning of the Covid19 pandemic, Eurobank provided six million dinars for the purchase of the medical equipment required for curbing the coronavirus epidemic. The donation was realized via UNICEF.



JUNE

The selection of the best online teaching examples was held within the "Magic is in Teachers' Hands" contest organized by NALED. Eurobank, as the sponsor, provided awards in two categories.

SEPTEMBER

The fourth donation within Eurobank's "A School Designed for You" project was provided for the Secondary School of Economics "Đuka Dinić" in the city of Leskovac. In 2018, Eurobank launched the stand-alone humanitarian project with the support of the Ministry of Education, Science and Technological Development.

AUGUST

Eurobank provided RSD1.2 million for procuring oxygen flow metres for healthcare institutions in Serbia. The donation was executed via the B92 Foundation and the Serbian Philanthropic Forum with the aim of improving conditions in medical institutions during the coronavirus pandemic.

NOVEMBER

Eurobank supported the jubilee 20th Economic Summit of the Republic of Serbia organised for the first time in online format and under the new name – the Belgrade Economic Forum. For sixteen years now, Eurobank has been providing support to this event, which gathers the highest officials of the Serbian government, diplomatic corps and representatives of financial institutions.

OCTOBER

Marking Savings Week, starting every year on October the 31st, Eurobank has prepared a special offering for term savings in RSD.

DECEMBER

Eurobank continued its tradition of supporting the regional event "Book Night". Culture and education are among the priorities of Eurobank's CSR activities.



EUROBANK FINANCIAL HIGHLIGHTS

EUROBANK A.D. BEOGRAD	in RSD thousand	
INCOME STATEMENT	2020	2019
Net interest income	6,123,942	6,619,775
Net fee and commission income	1,746,534	1,998,638
Profit before tax	796,428	73,009
Income tax	-	-
Net loss from deferred tax assets and liabilities	(71,369)	235,841
Profit after tax	725,059	308,850
BALANCE SHEET	2020	2019
Cash and balances with Central Bank	34,820,922	22,869,217
Pledged financial assets	-	1,833,270
Receivables from derivatives	71,239	74,179
Securities	5,319,171	6,717,417
Loans and receivables form banks, other financial organizations and customers	146,855,320	136,632,247
Investments in associates	28,867	34,320
Intangible assets, property plants and equipment	8,058,558	7,942,146
Other assets, current and deferred tax assets	1,085,181	1,099,991
Total assets	196,239,258	177,202,787
Liabilities from derivatives	76,633	80,363
Deposits and other liabilities due to banks, other financial organizations, Central Bank and customers	139,110,067	120,889,344
Provisions	345,746	269,169
Other liabilities, current and deferred tax liabilities	3,030,770	3,005,798
Total liabilities	142,563,216	124,244,674
Equity	53,676,042	52,958,113
Total liabilities and equity	196,239,258	177,202,787
INDICATORS	2020	2019
Net interest margin	4.14%	4.62%
Interest income/Total assets	3.12%	3.74%
OPEX/Average assets	3.07%	3.40%
Non-Performing Exposures (NPEs)	4.67%	5.46%
90 Days Past Due Loans (90 dpd)	2.28%	2.71%
NPEs Coverage	52.90%	44.69%
90dpd Coverage	108.31%	89.98%
Common Equity Tier 1 (CET1)	24.44%	26.20%



LETTER TO SHAREHOLDERS

LETTER TO SHAREHOLDERS

Dear Shareholders and Partners,

In a year dominated by the coronavirus pandemic, Eurobank Serbia remained on the path of steady growth and expansion. Throughout the year, the Bank adapted quickly and efficiently to the ever-changing circumstances maintaining the continuity of service to our clients. The Bank operations have been adjusted with the measures introduced by the state in order to preserve and protect the safety of our colleagues, clients, partners and the entire society. The Covid19 pandemic was a challenge without precedent as it affected the businesses and redefined the living conditions globally. In such circumstances, as a solid top 10 bank, Eurobank helped reduce economic uncertainty by providing financing both through the state supported lending scheme and our regular sources, at the same time maintaining the well-functioning financial infrastructure.

The turmoil reaffirmed Eurobank as one of the marquee players in the sector. Facing Covid19 effects remains a tremendous challenge, but our experiences from 2020 give us confidence since Eurobank Serbia has consistently demonstrated the ability to adapt and develop. We have both shown solidarity in protecting health and flexibility in achieving business objectives.

The targets set in the business plan for 2020 were achieved to a significant degree despite the overall decline in profitability of the banking sector. However, the Bank still managed to grow in most business segments and will continue to do so in the forthcoming period. As the only Greek banking representative in the country, Eurobank will continue supporting bilateral trade and offering solutions to the companies that operate in Greece and Serbia with the aim of strengthening economic cooperation of the two friendly countries.

Macroeconomic Developments

Serbia entered the coronavirus crisis with quite a solid fiscal layout, allowing the authorities to compile a generous support package worth ca. 12.6% of GDP, one of the largest in Europe. The country's output composition is also to an extent favourable to withstand such downturns with lesser impact, due to the lower contribution of tourism and trade and higher inputs from agriculture and industry. This allowed for a mild GDP drop of just 1.0%, one of the best performances in all of Europe. Services segment, which takes up more than half of Serbian economy, contributed negatively to the final result, with a decrease of 1.5%. On the expenditure side, private consumption declined, while public spending offset the decline with hefty state interventions in an effort to dampen the fall.

Industrial output was 0.4% higher, with mining and energy production contributing to the rise, while the processing industry was flat. Agriculture rose in total output by 4.4% while construction fell some 4.3% (on a huge base from 2019), considered a very solid result.

CPI was expectedly low, at 1.3% by year end 2020 and is expected to return to around 2% in the course of 2021, as economy begins to recover. The Central Bank lowered the KPR by an aggregate 1.25%, to a new historic low of 1.0%, in an effort to alleviate the effects of the crisis. Foreign trade was severely hit in Q2, but began to recover by the end of summer. Overall, exports were down 2.8% for the year, while imports fell 3.8%, for a trade shortfall of ca. EUR 5.9bn. FDIs were not hit as hard as expected and totaled ca EUR 3.0bn, down from 3.8bn the year before. Current account deficit came in at EUR 2.0bn or 4.2% of GDP, while remittances are some 14% lower, at EUR 2.6bn. Following new borrowings aimed to fill the gaps created by the Covid19 recovery plan, the state budget showed a gap of 8.0% for the full year 2020. As a result, public debt to GDP rose from 52.0% to 56.8% and is expected to hover around this level in the next two years.

Retail trade was surprisingly resilient, as it was up in real terms by 4.3%, with consumers turning to online orders and deliveries which are likely to become a trend even after the pandemic ends. Unemployment expectedly rose, but just mildly and below expectations, to 9.9% at the end of the year, just 2pp higher from an all-time low in Q1 of 2020. Average salaries are higher by 7.7% in real terms (to some EUR 530 net), pushed higher by the public sector wages, which were unfrozen the year before. Altogether, GDP is expected to recover by a range of 4.0% to 6.0% in 2021, depending on how fast the Covid19 epidemic subsides.

Banking Sector

As per the official data, there are 26 banks operating in the country, although some takeovers are planned and had not still been formalized as of year-end 2020. The sector is well diversified, with the top 5 largest banks occupying around 53% of the market. Banking business in Serbia are increasingly competitive, as market conditions remain challenging with record-low interest rates in both local and foreign currencies, bringing the net lending interest margins at a decade low of ca. 3.7%. At the same time, the regulatory environment was seriously affected by the Covid-19 crisis. The number of branches was just under 1,600, while the workforce stood at short of 23 thousand, both down by just 1pp, indicating that the sector had withstood the Covid19 hit quite successfully. Total assets of the banking sector rose 12.8%, to ca. EUR 39.2bn, and stand at 84% of the country's GDP. NPLs kept low, and ended the year 2020 at just 3.7%, after having bottomed out at 3.5% to a historical low in Q1.

Corporate and Retail Banking

Eurobank continued to pay equal attention to both retail and corporate customers, despite the tremendous challenges brought upon by the pandemic. The entire network of 80 branches and 5 business centres remained open and operational throughout the year, ensuring adherence to the constantly changing Covid19 regulations and providing services to more than 500,000 accounts of retail and corporate customers.

In spite of the headwinds, as both retail and commercial entities felt the impact of lockdowns and heightened uncertainties, the Bank managed to increase the net loan book by ca. 10% year-on-year (in euro terms), improving performance in the majority of business lines. One part of the positive developments came in from the state-wide lending scheme, worth ca. EUR 1.5bn. In the retail segment, following years of outpacing the market, Eurobank grew at a significantly milder pace of ca. 6%.

In the wholesale segment, the Bank focused on attracting adequate liquidity and also provided favourable financing for large, medium and small enterprises. From June 2020 onwards, the Bank had been focused on the state lending scheme utilising around EUR 106mn worth of funding for its Large Corporate and SME segments. Overall, the Wholesale segment rose at a rate of 23%, now overtaking the household segment for the first time in history in terms of aggregate lending totals.

Eurobank's strategic commitment to providing strong support to the economy and foreign trade in partnership with IFIs has been particularly important during 2020 in view of the changed business circumstances due to the pandemic. As a confirmation of dedication and resilience, Eurobank won the EBRD's award "Most Active Issuing Bank in Serbia in 2020" for the seventh time in a row.

Digital Trends

In order to provide support, but also to encourage our clientele to use digital channels, Eurobank continued with efforts to make day-to-day business safer and easier. Digital technologies have become essential in the development of banking products and services, and Eurobank Serbia is among the leaders in terms of its offer of innovative solutions and user-friendly e-platforms. The Bank further enhanced its digital base during the pandemic, marking growth in the use of all available electronic and mobile app services.

In 2020, the on-line registration for digital services was launched via the Bank's website, thus making it possible to complete the entire process on-line, without a single visit to a branch, printing or signing paperwork. In our mobile banking application, biometric log-in via fingerprint and face recognition was introduced in order to further improve customer experience and meet the expectations of younger mobile banking app users.

As a result of continuous improvements of digital services and efforts of our branch network sales, the total number of digital transactions grew by 34% year on year reaching the number of 3.4 million transactions in total in 2020. In line with its strategic role in the Serbian market, Eurobank is promoting cashless payments in order to show support to addressing the issue of shadow economy and global strengthening of business transparency.

Corporate Social Responsibility (CSR)

Corporate social responsibility has been an important segment of Eurobank operations since its establishment. More than EUR 4.7 million have been invested so far in various CSR projects across Serbia within five strategically defined areas of community support: education, culture, environmental protection, equality and health. In 2020, major initiatives were implemented as a part of Covid-19 response with the aim of supporting the society and healthcare system. With regards to the main CSR pillars, contributions were made also in the areas of education, culture, and inclusion both through long-standing programs and unique projects.

From the onset of the pandemic, Eurobank has been providing unwavering support to the community by numerous donations and commitment to provide solutions to all its clients and partners. In May 2020, Eurobank donated RSD 6 million for the purchase of vital medical equipment in partnership with UNICEF, and in August 2020 an additional donation was realized in amount of RSD 1.2 million for the procurement of oxygen flow metres for healthcare institutions in Serbia. To express solidarity in difficult times, Eurobank provided support throughout the year to the social enterprises, members of marginalized groups, local associations, and cultural institutions.

The CSR project “A School Designed for You” was successfully continued despite the pandemic. During 2020, the donations of IT equipment and software programmes worth RSD 2,4 million in total were realized in three Economic High Schools in Serbia in the cities of Subotica, Leskovac and Belgrade with the support of the Ministry of Education, Science and Technological Development. The project is based on Eurobank affinity Big Heart Mastercard credit card.

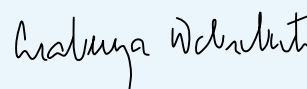
In October 2020, on the National Giving Day, the Serbian Philanthropic Forum and B92 Foundation awarded Eurobank with the *Charter for exceptional contribution in the fight against the coronavirus and contribution in charity and philanthropy promotion*. Eurobank strives to continually strengthen relationship with all stakeholders - customers, shareholders, local communities, and business partners as CSR remains an integral part of our business strategy.

Dear Shareholders and Partners,

Over the course of the difficult 2020, Eurobank Serbia has once again proven that it is one of the most reliable financial institutions in the country. In addition to developing products and services tailored to the needs of our clients, we nurture professionalism, dedication and flexibility that are reflected in the continuous support to the economy and the community in which we operate. Eurobank Serbia shall remain dedicated to further strengthening the relationship of mutual respect with clients, partners, and shareholders. In parallel to designing innovative business solutions, Eurobank contributes to sustainable growth and development, with an aim to deliver achievements that our clients and society needs.



MICHALIS LOUIS
President of the Board of Directors



SLAVICA PAVLOVIĆ
President of the Executive Board



675.43

610.23

0.23

450.11

430.31

430.11

480.61

230.31

FINANCIAL REVIEW

FINANCIAL REVIEW

The year 2020 was dominated by the pandemics caused by the Covid-19 virus, with implications across all segments of life. Economic output was officially 1.0% lower in 2020 vs. 2019, the mildest drop in the region and one of the best figures in all of Europe. The decrease came as expected with the Covid-19 pandemics severely affecting most business segments, especially trade, transport and tourism. The services segment, which makes up more than half of Serbian economy, contributed negatively to the final result, with a fall of 1.5%. On the expenditure side, private consumption declined, while public spending made up for this to a certain extent, due to the hefty state interventions in an effort to dampen the fall.

Industrial output was 0.4% higher at the year end, with mining and energy production contributing to the rise, while the processing industry was flat. Agriculture was higher in total output by 4.4%, while the construction area fell some 4.3%, which is considered a very solid result.

CPI was expectedly low, at 1.3% by year end of 2020 and is expected to return to around 2% in the course of 2021, as the economy begins to recover. In 2020, NBS lowered the KPR by an aggregate 1.25%, to a new historic low of 1.0%, in an effort to alleviate the effects of the crisis. The low rate and the State supported lending scheme are helping to increase overall lending levels.

Foreign trade was severely hit in Q2 and began to recover only in September. Overall, annual exports were down 2.8%, while imports fell by 3.8%, for a trade shortfall of ca. 5.9 billion EUR. The exports to imports ratio is now at 74.3%. FDIs were not as hardly hit as expected, and with a December spur they totaled 2.9 billion EUR, down from 3.5 billion the year before. Current account deficit came in at 2.0 billion EUR or 4.2% of GDP, while remittances are some 14% lower, at 2.6 billion EUR.

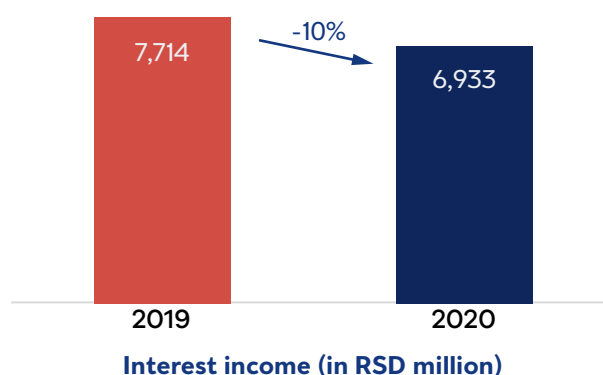
Following new borrowings aimed to fill the gaps created by the Covid-19 recovery plan, the State budget showed a gap of 8.0% for the full year 2020. As a result, public debt to GDP rose from

52.0% to 56.8% and is expected to hover around this level in the next two years. The Covid-19 relief scheme was in total worth 12.6% of GDP, while direct giveaways from the budget amounted to 6.6% (the rest is in guarantee support schemes and other indirect measures).

Retail trade was surprisingly resilient, as it was up in real terms by 4.3%, as consumers turned to online orders and deliveries, which is likely to become a trend even after the pandemic ends. Unemployment expectedly rose, but just mildly and below expectations, to 9.9% at the end of the year, just 2pp higher from an all-time low in Q1 of 2020. Average salaries are higher by 7.7% in real terms (to some 530 EUR net), pushed higher by public sector wages, which were unfrozen the year before. Altogether, GDP is expected to recover by a range of 4.0% to 6.0% in 2021, depending on how fast the Covid-19 epidemic subsides.

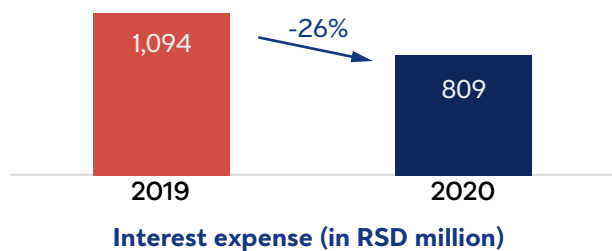
OPERATING REVENUES

INTEREST INCOME



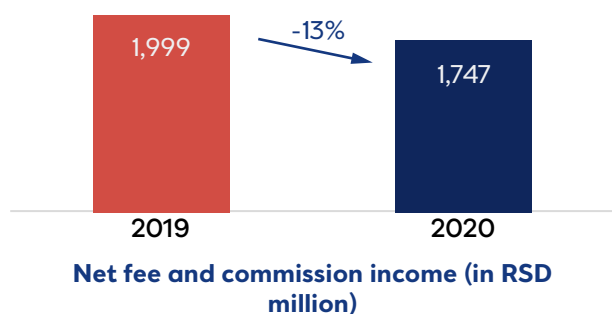
Although the credit portfolio of the Bank grew in 2020 vs. 2019, interest income decreased by RSD 781 mil (10%). The drop in interest income was caused by Covid-19 pandemic and the State response to it, including: KPR cuts, moratoria, no calculation of penalty income during the state of emergency and loans disbursed through guarantee scheme with low interest rates.

INTEREST EXPENSE



Interest expense decreased in 2020 as a result of several implemented initiatives, as well as the general trend of declining interest rates.

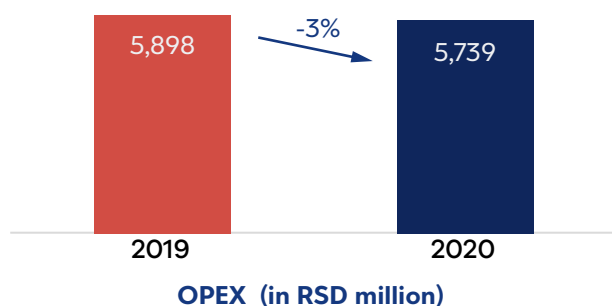
NET FEE AND COMMISSION INCOME



Net Fees and Commissions Income in 2020 went down by 13% year on year.

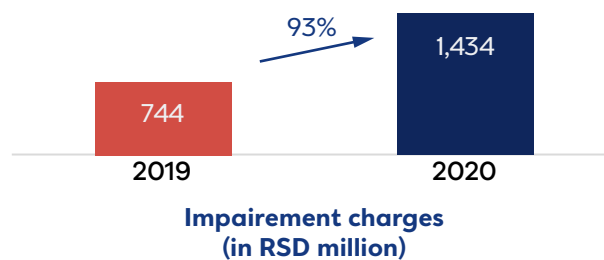
The drop is mostly a consequence of Covid-19 pandemic: lockdown and also an absence of transactions and activities.

OPEX



Operational expenses declined in 2020 by 3% year-on-year after a firm control of costs with the objective to ensure that all additional Covid-19 driven costs should be covered by other savings.

IMPAIRMENT CHARGES



In 2020 the Bank recorded a significant rise in provision expense, booking provisions worth RSD 690 million higher than in 2019. (93%). Despite the facts that the ECL calculation methodology remained mainly unchanged compared to the 31st December 2019 and that significant inflows in default have not been observed due to moratoria and other regulatory measures, the Bank prudently revised the assumptions and estimates applied in the ECL calculation in order to adequately reflect the negative impact of the extraordinary circumstances of the Covid-19 pandemic.

NET RESULT

As of the 31st of December 2020, the Bank recorded net gains of RSD 725 million.

CAPITAL ADEQUACY

As of the 31st of December 2020, the capital adequacy (CAD) ratio of the Bank was 24.44% as compared to the prescribed ratio of 8% (as of the 31st of December 2019: 26.20%). It is necessary to note that retained earnings of the Bank amounting to RSD 12.5 billion were not included in the calculation of CAD, as they have not been distributed yet. Including the retained earnings into CAD would increase the stated CAD ratio by app. 8.5 percentage points.



BANK PROFILE AND STRATEGY

BANK PROFILE AND STRATEGY

EUROBANK GROUP

Eurobank Group is a dynamic banking organisation that operates in six countries with total assets in the amount of EUR 67.7 billion and 11,394 employees. Established in 1990, the Group continues its dynamic growth in stable and decisive steps with a focus on different customer needs. With a network of 625 offices in Greece and abroad, the Group offers a wide range of banking and finance products and services for corporate and retail customers.

www.eurobank.gr

EUROBANK A.D.

Eurobank a.d. has been operating in Serbia as of 2003, and today it is among the leading foreign investors and financial organisations in Serbia, with total assets in the amount of EUR 1.69 billion and a credit portfolio exceeding EUR 1.22 billion (as of 31 December 2020). After more than 15 years of successful operation in Serbia, Eurobank offers its customers a wide range of standard and innovative banking products and services. Eurobank's Business Network comprises 80 offices and five corporate banking centres in major business, cultural, and historical locations. Corporate social responsibility is an important business segment, and as of 2003, our We Invest in European Values programme invested more than EUR 4.7 million in education, healthcare, ecology, culture, and social inclusion.

www.eurobank.rs

Our vision is to become a first-choice bank while building a relationship of trust and operating with a sense of responsibility towards all stakeholders: employees, customers, shareholders, and local communities.

OUR VALUES

MERITOCRACY – We offer equal opportunities to and treatment of our employees.

TEAMWORK – We value teamwork and collective efforts for corporate success.

QUALITY – We are devoted to delivering a high level of quality in our products and services.

TRUST – We build relationships of mutual trust so our customers can rely on our staff and our services.

EFFICIENCY – We seek to achieve our set goals and always aim for the best possible results.

CREATIVITY – We always strive for innovation and seek to introduce new ideas in order to improve the level of our products and services.

RESPECT FOR PEOPLE – We always act with understanding and respect for the needs of our customers, our colleagues, and our fellow citizens.

SOCIAL CONTRIBUTION – Our contribution to local communities in which we operate reflects the orientation of our organization and the values of our stakeholders.

BANK INFORMATION:

Name: Eurobank a. d. Beograd

Address: Vuka Karadžića 10, Beograd

Website: www.eurobank.rs

Email: office@eurobank.rs

EuroPHONE: 0800 1111 44

DOMESTIC PRODUCT	In RSD million	
Group Contribution to Domestic Product	2020	2019
Bank turnover	9,482	8,495
Interest and fees expenses	(1,518)	(1,782)
Provisions	(1,434)	(744)
Domestic Product and Distribution	6,530	5,969
I. Employees		
Gross salaries	2,339	2,422
Health and social insurance	691	681
Income tax	173	171
Total	3,203	3,274
II. Suppliers of goods and services	2,995	2,938
III. Donations/Sponsorships	14	10
IV. State		
Income tax and other taxes	71	(236)
VAT	0	0
Deposit insurance	386	526
Health and social insurance	(691)	(681)
Income tax	(173)	(171)
Total	(407)	(562)
V. Bank		
Profit	725	309
Domestic Product	6,530	5,969

BANK MEMBERSHIPS

Eurobank is an active member of business associations and respectable international chambers of commerce that are engaged in improving the business environment and developing and promoting the corporate social responsibility concept.

American Chamber of Commerce / Foreign Investors Council / Hellenic Business Association / Serbian Chamber of Commerce / Association of Serbian Banks / Responsible Business Forum / Serbian Philanthropy Forum / United Nations Global Compact / Serbian Association of Economists / Serbian Public Relations Association / UNEP Financial Initiative / Serbian Philanthropy Forum.

AWARDS AND ACKNOWLEDGEMENTS

- **Special Award by the Journalist Judges of the Serbian Public Relations Association** for the implementation and communication under the Manchester United Soccer School project;
- **Acknowledgment for an exceptional contribution in the fight against the coronavirus pandemic and development of humanitarianism and philanthropy by the Serbian Philanthropy Forum** for the National Day of Giving;
- **The Most Active Issuing Bank in Serbia** – For the seventh year in a row, Eurobank was awarded the Most Active Issuing Bank in Serbia within the Trade Facilitation Programme (TFP) of the European Bank for Reconstruction and Development.

STAKEHOLDER INVOLVEMENT AND MATERIAL ASPECTS

The Bank seeks to actively consult its stakeholders in its strategic decision-making process. As part of our daily activities, we use

different methods for stakeholder involvement to learn their opinions, attitudes, and expectations.

Key Stakeholders		
STAKEHOLDER GROUP	COMMUNICATION AND ENGAGEMENT CHANNELS	STAKEHOLDER AREA OF INTEREST
EMPLOYEE		
Bank Executive Board and Management	EuroNEWS internal newsletter, printed and electronic version	Preventive action and healthcare during the COVID-19 pandemic
Business Network employees	EuroPORT internal website	Potential for development and improvement
Other employees	My Teams app	Internal communications improvement
Union	Idea Box website platform used for staff ideas for business improvement Corporate Facebook, Instagram, Twitter, Google+, LinkedIn, YouTube accounts Top Management emails Online meetings via MS Teams	Employee satisfaction
CUSTOMERS		
Natural Persons	Customer Service EuroPHONE 0800 11 4444	Preventive action and healthcare during the COVID-19 pandemic
Legal Entities – Small and Medium-Sized Enterprises	Email address: office@eurobank.rs	
Legal Entities – Big Corporate Clients	Bank's website: www.eurobank.rs Corporate Facebook, Instagram, Twitter, Google+, LinkedIn, YouTube accounts and Video chat Bank's Business Network Customer Relations Department	Timely, accurate, and available information on products and services Continuous improvement of support Responsible advertising
SHAREHOLDERS AND INVESTORS		
Minority	Bank's website: www.eurobank.rs	Transparent management
Majority	Annual Report Bank's Annual Meetings	Business results

Key Stakeholders		
STAKEHOLDER GROUP	COMMUNICATION AND ENGAGEMENT CHANNELS	STAKEHOLDER AREA OF INTEREST
STATE-OWNED INSTITUTIONS		
Regulatory Bodies	Annual Report	Transparent management
Ministries/Government Institutions	Meetings and consultations	Business results
	Conferences	Regulatory compliance
LOCAL COMMUNITY		
Local Self-Government	Annual Report	Investment in local community development
	Meetings and consultations	Partnership projects
	Involvement in activities of regional chambers	
	Donations and sponsorships procedure	
BUSINESS COMMUNITY		
Business Associations	Meetings and consultations	Partnership projects
Vendors	Annual Report	
Business Partners	Involvement in business association work groups and boards	Vendor selection transparency
MEDIA		
National	Press conferences in traditional and hybrid formats	Timely and open communications
Local	Press releases, interviews, PR announcements	Business results
	Direct contact with Corporate Communications Department	Investing in the community
CIVIL SECTOR		
Non-governmental/non-profit organisations	Meetings and consultations	Partnership projects
	Donations and sponsorships procedure	Investing in the community
	Annual Report	Promotion of Corporate Social Responsibility
		Volunteering promotion

Eurobank's goals, activities, and plans in the areas defined in the Bank communications as ones of importance for stakeholders are presented in this report under relevant material topics as defined in the GRI guidelines.

MATERIAL TOPICS OVERVIEW:

ECONOMIC IMPACTS

- Economic Performance
- Market Presence
- Anti-corruption

RESPONSIBILITY TO WORK ENVIRONMENT

- Employment
- Training and Education
- Diversity and Equal Opportunity
- Vendor Evaluation in Relation to Work Practices

HUMAN RIGHTS

- Anti-discrimination
- Freedom of Association and Collective Bargaining
- Vendor Evaluation in Relation to Human Rights

SOCIAL IMPACT

- Local Community
- Anti-corruption
- Vendor Evaluation in Relation to Social Community Impacts

PRODUCT RESPONSIBILITY

- Marketing and Communications
- Client Privacy
- Product and Services Portfolio

ENVIRONMENTAL RESPONSIBILITY

- Energy
- Emissions
- Regulatory Compliance

The foregoing material topics are relevant in terms of direct and indirect impacts of the Bank, also including impacts through vendor chain, and product and service impacts. Eurobank's goals, activities, and plans in the areas defined by the Bank as ones of importance for stakeholders are presented in this report under relevant material topics defined in the GRI guidelines.





CORPORATE GOVERNANCE

CORPORATE GOVERNANCE

The Bank complies with the highest corporate responsibility standards based on the principles of good corporate governance and rules provided by the national and Eurobank Group's regulatory bodies. Effective governance is an important part of Eurobank Group and its members' corporate identity and values, where transparency and responsibility are the essential principles of business, which, in their final instance, protect the interests and rights of shareholders and other stakeholders.

The Bank's corporate governance and operations control are ensured by applying good corporate governance principles, which, inter alia, include the following aspects: conducting business in accordance with the highest principles of professional ethics, good business practices, timely and accurate financial reporting, compliance with country regulations and European Union directives and Eurobank Group guidelines, protecting the rights and interests of all stakeholders through a prudent governance system, and adequate reward plan and promotion of talent.

The Bank's Board of Directors is making continuous efforts to improve the Bank's governance processes and policies in order to ensure not only operational compliance, but also a transparent decision-making and responsibility process and advanced corporate culture established on healthy business ethics.

The Bank's controlling functions, as well as other business support units, ensure smooth application of the best business practices and recommendations for continuous improvement, while ensuring:

- regulatory compliance,
- clear management lines and competences,

- transparency and responsibility,
- timely publishing of important information and data, and
- efficient cooperation and communications with all stakeholders.

The Bank has based the overall view of its governance structure on its framework document **Corporate Governance and Internal Control Manual** and a series of individual **policies on risk management, internal control systems, and operational compliance**. **The Code of Conduct and Ethics** comprises individual and general rules and guidelines for ethical business and conduct. The Code of Conduct rules supplement regulatory requirements and are intended to establish a minimum of internal rules and principles of professional conduct and ethics that apply to activities of employees of Bank and Group companies operating in Serbia. **The Conflict of Interest Policy** provides for prevention and management of conflicts of interest, which pertains and applies to all employees. With this Policy, the Bank seeks to establish the rules and principles of conduct in situations that may lead to conflicts of interest while performing business activities and to establish the rules of conduct to be followed by employees in order to avoid such situations. **The Unethical Conduct Reporting Policy** additionally strengthens the framework of the internal control and fraudulent action risk management systems with a focus on the management's zero tolerance for any fraudulent actions by employees or engaged third parties.

The Bank seeks to ensure sustainable growth of its business activities while creating a relationship of mutual trust with the community in which it operates.

GOVERNANCE STRUCTURE, TERM AND MEMBERS OF GOVERNING BODIES

The Bank's Governing Bodies¹ are the Board of Directors and the Executive Board, while the Bank's highest body is the Shareholders' Meeting.

The Shareholders' Meeting appoints members of the Board of Directors in accordance with local regulations. Board of Directors members have a four-year term which can be renewed upon expiry. Board of Directors members have a good business reputation, extensive experience in finance and appropriate qualifications in accordance with the regulations of the National Bank of Serbia. In late 2020, the Bank's Board of Directors consisted of 9 (nine) members including the Chairperson, 1/3 of which being independent members.

The Bank's Board of Directors meets at least quarterly and more often, as necessary. One of the most important duties of the Board of Directors is to provide strategic guidance to the Bank's management and to ensure compliance of operations with the laws, regulations, and policies of the National Bank of Serbia, as well as the Bank's internal policies and the Group's guidelines, in achieving the Bank's long-term operating goals.

The Bank's Board of Directors has specialised boards and committees that provide assistance in performing risk management and internal control activities, in accordance with the local regulatory framework, the Bank's internal regulations, and the Group's policies and guidelines.

In 2020, the Bank's Board of Directors held 13 meetings. The official start of the COVID-19 pandemic in Serbia in March 2020, the state of emergency declared on 15 March 2020 (revoked 6 May 2020), and continuously imposed healthcare

¹ Members of Governance Bodies and other Boards and Committees as of 31 Dec 2020 is provided in a separate table.

measures and recommendations in 2020 resulted in most of the meetings being held using appropriate audio and video communication tools. The Bank observed all healthcare measures and recommendations for the prevention of occurrence and spreading of the epidemic throughout last year, as it does today, for the duration of the pandemic.

In terms of strategic and business decisions, some of the most important areas of discussion were regular monitoring of the Bank's financial and business performance, strategic and business initiatives, especially regarding to handling the situation resulting from the COVID-19 pandemic, considering the matters of risk management, internal control system, operational compliance and internal auditing, and consideration of key activities of the Bank's boards.

The Bank's Executive Board, as a governance body appointed by the Board of Directors, comprised five members including the Chairperson in late 2020.

Last year, the Bank's Executive Board had 63 meetings. The main duties of the Bank's Executive Board are monitoring the Bank's daily business operations and ensuring that the Bank's overall organisation adequately supports the implementation of the business strategy and achievement of business goals.

The Bank's Executive Board has also established its functional committees, which provide assistance in performing the Board's duties and which are dedicated to considering broader risk management matters, operational compliance regarding anti-money laundering and counter-terrorism financing matters, monitoring of matters related to employees, information technology, operations, project management, etc.

INTERNAL CONTROL SYSTEM

The Bank's internal control system, in addition to governance bodies, also includes the risk management function, compliance function, and internal audit function, which are independent and which report to the Bank's governance bodies and the Audit Board and the Risk Committee, as well as relevant management levels of Eurobank Group.

The Bank applies a comprehensive approach to risk management through strategies, policies, procedures, instructions, and other internal regulations defining risk management principles and methods and mechanisms for identifying, monitoring, measuring, reporting, and mitigating potential risks. The risk management and internal control system are subject to regular monitoring of the Bank's Board of Directors, Audit Board, Executive Board, and Risk Committee.

CODE OF PROFESSIONAL CONDUCT

The Code of Professional Conduct has been set up following the Bank's founding and it is regularly updated, while the Compliance Department, in cooperation with the relevant organisational units, makes efforts to inform employees of its importance and to enable its implementation in every aspect of the business.

In 2020, promotion included a series of carefully planned activities with the aim of introducing employees, in an affirmative and proactive manner, to the aim of addressing the key elements of the Code of Professional Conduct, such as relationship of trust with the

customers, financial security, professional ethics, respect among co-workers, protecting the property of the Group and the Bank, and social responsibility. The adjustments made to business operations during the pandemic, which included more frequent promotion of various content using electronic channels for all Bank employees with the aim of reminding them and raising their awareness of compliance risks, were finalised by the regular annual test on the risk culture levels, with an impressive employee response of over 95%, as well as with lectures organised for representatives of all organisational units.

In cooperation with our colleagues in Human Resources, IT, Marketing, and Business Network, as well as Compliance Partners, materials related to the newly adopted Conflict of Interest Policy and the Ethics in Regulation programme were distributed along with Code of Professional Conduct questionnaires and brief reminders of the recently published regulations. Additional improvements were made to the materials for new employees to reflect the needs of special user groups. In order to raise risk awareness at all Bank levels, a summary report on the results of implementation of ethics policies at Bank level was presented to the top management at the end of the year.

In the event of a need to report unethical behaviour, employees can send an email to ethicshotline@eurobank.rs, or ethicshotline@eurobank.gr, while, regarding Code matters, Compliance can be reached at ComplianceEthics@eurobank.rs.

REMUNERATION AND PERFORMANCE LINK

The Bank's policy on salaries and other benefits constitutes an integral part of good corporate management and it has been defined using the Bank's operational model, business strategy, and risk management strategy, with its basic principle being balancing individual goals of employees and long-term business goals of the Bank, as well as long-term creation of value for shareholders and stakeholders.

Remuneration has a major role in attracting and retaining talent, whose share in and contribution to the overall performance of the Bank is of exceptional importance. Remuneration mechanisms include principles that take into account employee skills and performance while supporting long-term business goals. The total employee salary is comprised of a fixed and a variable component.

The Bank's policy on salaries and other benefits supports reasonable and cautious risk taking and the employee reward system is based on achievement of business goals and it is symmetrical (e.g., the entire variable component value is defined in accordance with the achievement of business goals and includes the bonus-malus principle).

This policy applies to all Bank employees. Remuneration for certain employee categories is approved by the Board of Directors, upon proposal from the Remuneration Board, following approval by the Remuneration Board of Eurobank Group and the Supervisory Remuneration Board of Eurobank Group.

The Board of Directors prepares and submits to the Shareholders Meeting a proposal on remuneration for its independent members for their engagement and following proposal by the Supervisory Remuneration Board of Eurobank Group. This proposal is prepared based on the Bank's Policy and the best banking practices so as to take into account the dedicated time and performance of the members of the Board of Directors.

SUSTAINABILITY MANAGEMENT

The Bank's mission and vision include the principles of corporate social responsibility. The Bank defines the principles of corporate social responsibility (CSR) and main directions of action in the CSR strategy, which constitutes an integral part of the corporate communications strategy. Marketing and Corporate Communications is in charge of implementing CSR activities and reports directly to the Chairperson of the Bank's Executive Board and, as necessary, reports to the Bank's Board of Directors on the planned strategic approach in the area of corporate social responsibility.

In the coming period, the Bank will make efforts to additionally strengthen the management structures and framework to ensure strategic management, continue development and monitoring of best practices, and set as measurable goals as possible, with special care for and attention to the highest interest of its employees, shareholders, and stakeholders.

		Board of Directors	Executive Board	Audit Committee
Non-executive Directors	M. Louis	Chairperson		
	S. Ioannou	x		
	M. Vlastarakis	x		
	A. Chatzistamatiou			
	V. Gkioulmpaxiotis			
	A. Nikolaou	x		
	K. Vouvounis	x		
Independent	T. Karakasis	x		x
	A. Tschrintzis	x		x
	I. Vujčić	x		
	I. Vigka	x		
Non-executive	L. Y. Demosthenous			Chairperson
Executive Directors	S. Pavlović		Chairperson	
	P. Janković		x	
	V. Zečević		x	
	M. Vičentić		x	
	D. Mihailović		x	
	V. Tofoski			
	A. Bursać			

Risk Committee	Regional Credit Committee	Country Credit Committee	ALCO	Remuneration Committee
x	x			x
	x	x		
			x	
Chairperson				
	Chairperson			
				Chairperson
				x
x		x	x	
x		x	x	
			Chairperson	
		x	x	
			x	
			x	
			x	



RISK MANAGEMENT



RISK MANAGEMENT

BASICS OF RISK MANAGEMENT PROCESS

Risk taking is an integral part of the banking business. To ensure adequate management of risks, the Bank has defined policies, models, methodologies and processes, aiming to identify all risks at an early stage, assess their impact on the realization of goals and establish a framework that enables effective control and management of those risks. The risk management framework is established in compliance with the Law on Banks, the regulations and requirements of the National Bank of Serbia, Basel standards, International Financial Reporting Standards (IFRS/IAS), policies and guidelines of the parent bank and best banking practice. The risk management system is established by the Bank's Board of Directors and monitored, besides the Board of Directors alone, by the following Bank's bodies: Audit Committee, Risk Committee, Executive Board, Operational Risk Committee, Assets and Liabilities Committee and Troubled Assets Committee. The functioning of the risk management system is regulated by the adopted internal policies, guidelines and procedures for each materially important risk type and independently assessed by the Internal Audit function.

The risk management system has been designed in accordance with the size and organizational structure, nature, scope and complexity of the Bank operations i.e. its risk profile.

With regards to the organizational structure of the Bank and basic principles of risk management, the risk management system is established and continuously improved in order to ensure clearly defined competences and responsibilities, transparent and consistent lines of communication and exchange of information, and a separation of risk taking activities from risk management activities.

A strategic framework for risk management is determined by the Risk Management Strategy, Capital Management Strategy and Risk Appetite Policy. Principles and rules are further regulated by individual risk management policies, and operationalized and implemented through guidelines, procedures and methodologies.

Main risk management goals of the Bank are to secure, in the long term, the adequate capital level of the Bank in order to cover all materially significant risks that Bank is or may be exposed to in its operations and to increase economic value for shareholders, to optimize capital utilization through a system of risk limits, allocation of total internal capital requirements and strategic planning. Moreover, the risk management system has been conceived to ensure that all risks are identified, measured, controlled in a timely manner and reported to appropriate decision making bodies.

In the course of 2020, the Bank continued to enhance its risk management system by improving internal documents, methods and processes in the light of harmonization with guidelines and policies of the Parent Bank, as well as with the amendments to the domestic and international (EU) regulations and recommendations of the Internal and External Audit.

In response to the Covid-19 Pandemic, the following regulatory measures, that have an impact on the Bank's portfolio, have been introduced:

- State Guarantee Scheme aimed at small and medium enterprises in performing status, for liquidity and working capital loans;
- Temporary measures for preserving financial system stability and enabling i.e. moratoriums on existing loan obligations;
- Various other NBS relief measures related to LTV for mortgage loans, maximum tenor of consumer/cash loans, credit file completeness relaxation for loans up to RSD 90 thousand etc.

Existing Expected Credit Loss (ECL) models were subject to the regular review. New models have been introduced as well (Prepayment Rates for all segments, Credit Conversion Factor for credit cards). In the context of the economic disruption caused by Covid-19, special attention was paid to include the expected impact of the crisis in ECL parameter estimates. This included:

- Refinement of macroeconomic models for PD forecasting;

- Case-by-case analysis and override of Corporate credit ratings, wherever a negative impact of the crisis is expected on the borrower;
- Updating of behavioral ratings for Retail based on behavioral information pre and post moratoria;
- Reclassification to stage 2, where based on the industry in which a Corporate borrower is operating a significant increase in credit risk can be considered to have occurred with respect to that borrower;
- Override of expected prepayment rate to 0% for all exposures classified to stage 2.

In accordance with NBS requirements, during 2020 the Bank began activities related to the implementation of the new definition of default, based on NBS guidelines. This project is in progress.

Additionally, a project related to FX loans to legal entities limitation in accordance with the NBS requirements (Decision on Capital adequacy and Decision on risk management by banks) is also in progress. The project is related to setting up of a full risk management framework for FX induced credit risk including limits for total portfolio and new disbursements.

RISK MANAGEMENT FRAMEWORK

Risk management processes include the Bank's boards and committees, competent units responsible for identification, measurement and assessment, monitoring, limiting and reporting, and control, as well as risk taking units.

The Risk Committee (RC) is a committee of the Board of Directors (BoD) and its task is to assist the BoD to ensure that the Bank has a well-defined risk and capital strategy in line with its business plan and an adequate and robust risk appetite.

The RC assesses the Bank's risk profile, monitors compliance with the approved risk appetite and risk tolerance levels and ensures that the Bank has developed an appropriate risk management framework with appropriate methodologies, modeling tools and data sources along with sufficient and competent staff to identify, assess, monitor and mitigate risks.

The Bank's Risk Management Division which is headed by the Chief Risk Officer (CRO), operates

independently from the business units and is responsible for the monitoring, measurement and management of risks, with the focus on credit, market, operational and liquidity risks. It comprises of the Credit Risk Department, the Credit Control Department, the Market Risk Department, the Operational Risk Department, the Risk Modeling Department, the Integrated Risk Management Department and the Data Management Unit¹.

The risk management process comprises several phases:

- risk identification;
- risk measurement and assessment;
- limitation and mitigation of risk;
- risk monitoring and risk control;
- risk reporting.

The process is entirely based on documented policies, guidelines and procedures that are regularly reviewed in terms of their comprehensiveness, accuracy and quality.

MAJOR FINANCIAL RISK MANAGEMENT POLICIES

LIQUIDITY RISK

Liquidity risk is the negative effects risk on financial results and capital due to the inability of the Bank to settle its due obligations. Liquidity risk occurs due to:

- withdrawal of the existing funding sources as well as due to the inability to attract new sources (funding liquidity risk) or
- difficulties in conversion of assets into liquid assets due to market disruptions (market liquidity risk).

In order to ensure cautious liquidity risk management, within its Market, Counterparty and Liquidity Risk Management Policy, and in accordance with the Group liquidity risk management guidelines, the Bank defined liquidity risk management specifying the manner of liquidity measurement, monitoring, and management. The Policy includes projections of cash flows, minimal liquidity levels, functions involved in liquidity risk management, liquidity risk monitoring and review functions, limit monitoring roles and responsibilities, escalation

¹ In Q1 2021 the independent Model Validation Department has been established, while Risk Modeling Department and Data Management Unit merged to Predictive Analytics Department

procedure for limit breaches, etc. In addition, in order to ensure an efficient process of managing liquidity risk and stable functioning of the Bank in circumstances requiring increased monitoring and liquidity management, within the Methodology – Contingency Business Plan, the Bank defined:

- procedures for identifying possible liquidity problems;
- a list of indicators for early detection of possible problems related to the Bank`s liquidity;
 - the process of reporting, communication, the way of accessing available or potential sources of liquidity;
- persons and relevant Bank bodies responsible for identifying problems related to the Bank`s liquidity;
- persons and relevant Bank bodies responsible for making decisions in such situations.

The goal of Bank's liquidity risk management is to ensure:

- that necessary liquidity management policies and procedures are established and implemented;
- sufficient liquid assets and adequate liquidity enabling a cautious implementation of operations and settlement of Bank's due obligations;
- high quality of liquid assets enabling the Bank to successfully face a funding crisis;
 - regular monitoring and control of the interbank financing capability, stability and diversity of the deposit base, total liquidity status of the Bank and external market environment;
 - regular daily and continuous monitoring of the liquidity position through banking operations;
 - assessment of Bank liquidity adequacy in the crisis through stress testing;
 - fulfillment of regulatory requirements.

Liquidity risk measurement includes assessment of the risk under normal market conditions and under stress scenarios. Scenarios, which are defined based on historical data and case studies, should allow the bank to evaluate the potential adverse impact these factors can have on its liquidity position. Liquidity risk is monitored through a set of short term limits. Following the NBS methodology, the Bank has defined a minimum level of liquidity expressed in terms of

short term liquidity ratio and liquidity coverage ratio. For internal methodology purposes, limits are defined in terms of acceptable levels of short term liquidity mismatches.

According to internal methodology for liquidity gap, the Bank projects future cash flows (including future interest) of assets/liabilities and off-balance items and allocates them into time buckets according to contractual maturity dates. The Bank calculates early repayment/withdrawal rates taking into account statistical analysis based on historical experience. For all items without a contractual repayment schedule, the Bank allocates cash flows into time buckets according to statistical analysis, trends, seasonality and unpredictability factors. Assessment of the deposits stability is based on both statistical analysis and Basel committee guidelines.

The Assets and Liabilities Management Committee (ALCO) regularly monitors and analyzes the Bank's operational liquidity, while the Treasury Division performs operational liquidity management on a daily basis.

CREDIT RISK

Credit risk is the risk of financial loss due to an obligor's failure to fulfil their obligations to the Bank. The Bank is exposed to credit risk mainly in terms of loans and placements to customers and off-balance sheet items, but also in respect of exposure to banks and securities.

Given that the granting of a loan is a core activity of the Bank, credit risk is the primary risk that the Bank is exposed to.

The Bank applies the best international practices concerning credit activities, and has a well-defined credit approval process, independent review of the granted loans and an efficient credit risk management function.

The main objectives of credit risk management are:

- Maintain sound credit-granting standards;
- Monitor and control credit risk;
- Properly evaluate new business opportunities;
- Identify and manage problem credits.

To properly manage its credit risk, the Bank has formed an organizational structure that is well suited for the volume, type and complexity of activities the Bank engages in. This structure ensures that the defined goals and credit risk management principles are adhered to, while also maintaining the independence of organizational units with risk control and management function (the Risk Management Division) from organizational units with risk taking function.

The following departments of the Risk Management Division are included in credit risk management: Credit Risk Department, Credit Control Department, Collateral Management Department, Risk Modeling Department² and Integrated Risk Management Department.

Credit risk management processes include the main Bank's bodies: Board of Directors, Executive Board, Audit Committee, Risk Committee, Credit Committees, Troubled Assets Committee etc.

The Bank has established in its internal documents, specifically in the Risk Management Strategy and policies and procedures, the responsibilities of the said organizational units and bodies within the Bank in the credit granting process, as well as in the process of monitoring and managing the granted credits and managing the credit risk arising from those activities.

The Bank manages the credit risk at the level of the entire credit portfolio, as well as at the level of individual clients and transactions.

The Bank measures the credit risk at the level of individual clients and transactions, by assessing the client's financial situation, i.e. their creditworthiness, where the type of indicators used depends on the type of the client and the specific nature of the client's business and legal status. Besides assessing the client's financial situation, i.e. the client's creditworthiness measured through quantitative indicators, the Bank uses a number of qualitative indicators, such as the business sector in which the client operates, the client's credit history, the quality of management, relationship with the client to date, etc.

The Bank assesses the credit risk at the level of the entire portfolio by monitoring credit risk indicators, calculating expected credit losses in accordance with IFRS 9, as well as by establishing the capital requirement for credit risk coverage in accordance with internally

² See previous footnote

defined methodology. To investigate the impact of negative developments arising from credit risk exposure, the Bank also conducts stress tests for credit risk, where the Bank includes the impact of potential events or future changes in economic conditions, as well as stress scenarios related to the development of main credit risk parameters, the delinquency rate and the loss caused by the failure to meet obligations toward the Bank.

For the measurement of impairment on exposures held at amortized cost in accordance with the IFRS 9, the Bank uses the expected credit loss (ECL) model. A loss allowance is recognized for expected credit losses and is measured at each reporting date.

The main elements which constitute the framework of IFRS 9 implementation in the Bank are:

- Definition of default,
- Stage allocation criteria,
- Differentiation between collective and individual assessment,
- Expected Credit Loss (ECL) measurement.

Within credit risk, the Bank is exposed to the following sub-categories of credit risk: foreign-currency induced credit risk, concentration risk, residual risk and interest-rate induced credit risk. Accordingly, the Bank controls and manages the aforementioned risks in parallel with managing the credit risk.

MARKET RISK

The Bank is exposed to market risks that arise from open positions in interest rates, currency and equity products, all of which are exposed to general and specific movements and changes in the level of volatility of market rates or prices such as interest rates, foreign exchange rates and equity prices.

Foreign exchange risk

The Bank is necessarily exposed to foreign exchange risk, i.e. to the risk of changes in FX rates since it operates with different foreign currencies. Daily FX transactions cause possible loss to the Bank due to uncertainty of the FX rate at which an open FX position can be closed, as well as in terms of negative effects of the revaluation of net open FX positions in individual currencies in the event of adverse movements in foreign exchange rates.

In order to protect the Bank's equity and financial result the Bank identifies, measures, monitors and manages exposure to foreign exchange risk on a daily basis.

The Bank manages the exposure to foreign exchange risk in a manner that ensures compliance of the currency structure of its assets and liabilities with the limit prescribed by the National Bank of Serbia, as well as with the limits prescribed in the internal acts enacted by the Bank's management and Risk Committee.

Interest rate risk

Interest rate risk is defined as the Bank's exposure to adverse movements in interest rates which can cause negative effects on the Bank's earning and economic value of capital. Interest rate risk could come in a variety of forms, including repricing risk, yield curve risk, basis and optionality risk.

In order to protect the Bank's equity and financial result, the Bank identifies, measures, monitors and manages exposure to interest rate risk on a monthly basis, in total and per all major currencies.

In measuring and assessing interest rate risk the Bank applies the following techniques:

- Gap analysis of interest rate risk
- Scenario analysis
- Stress testing
- Analysis of embedded options.

According to internal methodology for interest rate gap, the Bank projects future cash flows (including future interest) of assets/liabilities with fixed interest rate and off-balance items and allocates them into time buckets according to contractual maturity dates. For items with a floating interest rate, principal and future interest (only the part maturing until the next repricing date) is allocated according to repricing date. The Bank calculates early repayment/withdrawal rates taking into account statistical analysis based on historical experience. For all items without a contractual repayment schedule, the Bank allocates cash flows into time buckets according to statistical analysis, trends, seasonality and unpredictability factors. Assessment of the deposits stability is based on both statistical analysis and Basel committee guidelines.

OPERATIONAL RISK

Operational risk is the risk of possible negative effects on the financial result and capital of the bank caused by human error, inadequate internal procedures and processes, inadequate management of the information management of the information system and other systems in the bank, as well as by unforeseeable external events and includes legal risk. Legal risk is the risk of adverse effects on the bank's financial result and capital arising from court or out-of-court proceedings relating to the bank's operation (contracts and torts, labour relations, etc.).

Operational risk processes consist of risk identification, exposure assessment (including measurement and valuation), control management and risk mitigation, operational risk reporting and performance improvement applying following operational risk methods: Risk and Control Self-Assessment (RCSA), Key Risk Indicators (KRI), Operational Risk Events Management, Operational Risk Reporting, Operational Risk Capital Charge Calculation and Allocation and Operational Risk Stress Testing.

The Bank includes in its risk management system all risks that arise from outsourcing activities and from the launching of new products and services.



CORPORATE BANKING

CORPORATE BANKING

Despite the specific situation caused by the COVID-19 pandemic and fiercely competitive market conditions, the Corporate Banking Division had a very successful business year. Performances across all business areas have been further significantly improved.

SME SEGMENT

In the field of cooperation with the SME segment, Eurobank has been continuously increasing loan volumes despite very strong market competition.

Volumes of ACR loans have increased by 13% (EUR 23 million), reaching EUR 208 million in 2020, while volumes of issued DBD products rose by 8,5% reaching EUR 41 million. The volume of deposits has increased by 23%, reaching EUR 75 million in 2020 and together with IFIs financing covers 60% of the entire SME portfolio. The business was preserved through our key and most valuable clients and with utilization of loans covered with the Program of the State Guarantee scheme in the amount of EUR 62 million.

We have increased our ROA by 13% (585 thousand EUR) and commission income by 4% (35 thousand EUR) which represents an excellent overall result considering the COVID-19 situation and tough competition on the local banking market.

LARGE CORPORATE SEGMENT

In the business environment marked by unprecedented conditions due to the Covid-19 pandemic, this was another successful year. In challenging circumstances, although mainly working from home, the Eurobank team managed to maintain good relationship with clients, providing a further portfolio increase. Annual data showed growth of the loan book of 15%. In the last quarter, significant reduction of revolving loan balances (EUR 36 million) confirmed the strength of our clientele and resilience to the current demanding environment. The portfolio of existing clients has been maintained, while with some of

them cooperation has even been extended. A new name added to our client base, a leader in the field of sport fashion and a regional distributor, further strengthened the portfolio.

In real estate financing, we continued with the fruitful projects. Geographically, Belgrade remained our main point of interest. However, we are extending our area of presence to Novi Sad and Zlatibor, besides Kragujevac and Leskovac. The biggest project in 2020. is, for sure, our participation in financing of “BW Galerija”, the biggest shopping mall in Balkans and new landmark of Belgrade. Our Syndicated Loans Unit recorded two new big transactions – acting in the role of Agent bank in distinguished local projects.

Due to market changes deposits in the Q4 were heavily overpaid by the market, resulting in volumes recording deviation from the budget of around 7%. However, it is important to mention that Eurobank managed to attract a few new strategic depositors and strengthen the client base in this area.

In terms of profitability, it is worth mentioning that during 2020 pre-provision income increased by EUR 0.2 million compared to the previous year.

IFIS

During 2020, the Bank secured additional funds to support the local economy under EBRD’s Resilience Framework in the amount of EUR 40 million which was used entirely to finance and support its corporate clients during these challenging times of the Covid-19 pandemic.

Additionally, the Bank continued to actively use its limit under the EBRD’s Trade Facilitation Program of EUR 100 million to support trade (export/import) activities of our corporate clients. Following our extensive participation in EBRD’s Trade Facilitation Program, Eurobank was awarded as the Most Active Issuing Bank in Serbia by the EBRD this year as well.



TREASURY DIVISION

TREASURY DIVISION

The year 2020 was very challenging due to the COVID-19 pandemic where all business activities required quick adaption to the new environment, including a work at home regime, securing our employees' and clients' health and ensuring business continuity. On the other hand, the year 2020 was very successful for the Treasury Division. The main priority for the Treasury Division in 2020 was to ensure liquidity, sustain profitability, decrease risk and develop further client-oriented operations, continuations and further development of cooperation with IFIs.

Eurobank continued in 2020 with a very clear and strong development strategy first of all based on strengthening the liquidity position. Liquidity coordination and capital management was instrumental for dealing with all the challenges that the Bank faces.

During 2020 cooperation with EBRD London was successfully continued (a new financial arrangement worth EUR 40 million was concluded).

Involvement of our Trading department in FX, Money Market and bonds trading was strong and visible. Seeking to disperse risk, the Trading department also managed to achieve the most

important goal this year – to ensure liquidity with excellent cost management. Continued performance of the T-bills portfolio, following business units needs in funding, made a highest revenues return.

Continuously developing client-oriented operations including offering different kind of products and services to international and domestic clients, small, medium and large-sized enterprises and institutional and private customers was the main goal in 2020 in order to give our clients the opportunity to protect themselves from the different risks on financial markets. Using our group presence in the region, we managed to meet our clients' needs outside Serbia as well where cross-selling became a very important part of the Treasury's sales activity.



Rešenja kreirana

baš za mene

Briga o klijentima

Pouzdanost

Zato što vrhunski stručnjak sve ume da objasni i reši na jednostavan način.

Inovativnost

Jednostavno moja

Kvalitet usluge

Odgovornost

Zato što je moje sve ono što razumem, čemu verujem i što formira moj život.

Društvena odgovornost

Fokus na klijenta

inovacije i inspiracija

Profesionaliz

COMMUNICATION STRATEGY

COMMUNICATION STRATEGY

The Communication Strategy defined for 2020 was quickly and efficiently adjusted in view of the global developments caused by the Covid-19 pandemic. Key communication messages during the past year focused on providing support to the economy, clients, and the entire medical system, while preserving health and safety of all stakeholders. In parallel, Eurobank ensured that all communication subjects remain in line with its mission and vision, as well as to provide base for further development of activities that reflect the Bank values, strengthen image, and promote socially responsible initiatives.

During 2020, Eurobank managed to maintain balance in communication of its key products and innovative services, as well as various activities implemented countrywide with the aim of showing strong support to the society in times of unprecedented circumstances. An optimal mix of modern communication tools and channels was used to regularly address the internal and external public.

COVID-19

A special page was created on the Bank's official website containing all up-to-date information on steps taken by the Bank with the aim of curbing Covid-19 and ensuring that the health and safety of employees, clients and partners remain a priority.

Last year brought a challenge in maintaining communication with journalists without meeting them in person and having live press conferences. In light of new communication topics, Eurobank

successfully turned to modern channels and maintained excellent relationships with media representatives, marking an impressive number of published media articles, record-breaking website traffic and visits to its social network pages.

All relevant business information resulting from urgent measures in response to Covid-19 were continuously shared via all available channels. Regular publishing of news on our website informing all stakeholders about the implementation of moratorium, pensions withdrawal mechanisms, SGS loans for businesses and entrepreneurs generated an increase in number of website visits by 60% in one-month period (March 15 – April 15). Overall, there was a 25% increase in new visitors to the website in 2020.

Social networks were utilised as an important channel of communication that has reduced pressure on branches and the Call Centre. Rapid response to changing situations resulted in an increase of interactions and the number of impressions doubled in May 2020 reaching 1 million.

Aiming to ensure a constant reminder of the importance of preventive measures, informative posters were designed and distributed across the entire Network and HO premises.

In order to keep the internal public well-informed and involved, a special electronic edition of our internal magazine dedicated to initiatives and actions taken as a response to Covid19 bankwide was issued.

SOCIETY

As a first response to the Covid19 pandemic, Eurobank provided six million dinars for the purchase of medical equipment required for curbing the coronavirus epidemic. The donation was realized via UNICEF and jointly communicated to the wider public. Following this donation, in August 2020 Eurobank provided RSD 1.2 million for procuring oxygen flow metres for healthcare institutions in Serbia via the B92 Foundation and the Serbian Philanthropic Forum.

The initiatives within Eurobank's stand-alone humanitarian project "A School Designed for You" were continued despite pandemic. In 2020, three modern classrooms were equipped in the secondary schools of economics in the cities of Subotica, Leskovac and Belgrade. The opening of new classrooms was organised respecting all preventive measures and in line with the recommendations. The project is based on "Eurobank Big Heart" Mastercard affinity credit card.

EUROBANK MANCHESTER UNITED PARTNERSHIP

Information on Eurobank's Covid-19 response, including numerous humanitarian activities, were regularly shared via the Partner's Hub at Manchester United website.

ECONOMY

In line with the Guarantee Scheme Regulation passed by the Government of the Republic of Serbia, Eurobank communicated the loan offer for financing liquidity and working capital under favourable interest rates. Eurobank in this way supported SMEs and entrepreneurs as a responsible company aiming to support economy amidst the COVID-19 virus pandemic.

As a traditional sponsor, Eurobank supported the jubilee 20th Economic Summit of the Republic of Serbia organised November 23-24 for the first time in an online format and under the new name – the Belgrade Economic Forum. For sixteen consecutive years, Eurobank has been providing support to this event, which gathers the highest officials of the Serbian government, diplomatic corps and representatives of local and foreign financial institutions. The forum focused on the current economic situation, the coronavirus impact, and relevant global developments and their effect on Southeast Europe. Slavica Pavlović, President of Eurobank's Executive Board, participated in a panel discussion on the banking sector, digital transformation, and new forms of business operations in pandemic conditions.



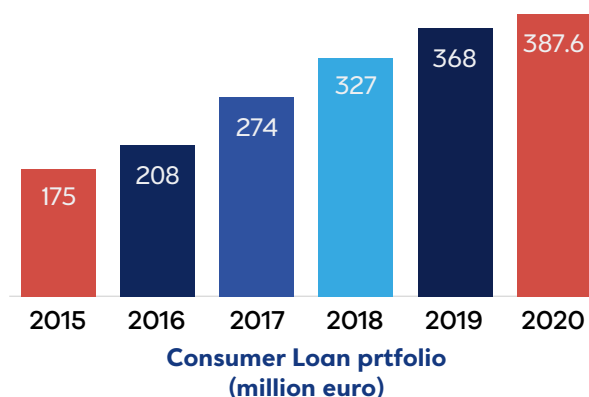
RETAIL OPERATIONS



RETAIL OPERATIONS

HOUSEHOLD LENDING DIVISION

During 2020, the activities and business results of the Household Lending Division were directly related to the new circumstances created as a result of the Covid19 pandemic. Changed conditions had a strong effect on the whole market environment, affecting sales activities as well as imposing mandatory regulatory activities on Banks. In 2020, as a support to clients using loans, Banks conducted three moratoriums, enabling delays in loan payments during 2020 as well in the first half of 2021. Taking into account the new situation, Eurobank additionally adjusted its credit criteria in order to mitigate the possible negative consequences of the pandemic on credit risk. Nevertheless, in addition to operating in new, difficult, market circumstances, faced with the decrease of number of credit clients and focused on activities related to implementation of facilities for credit clients, Eurobank achieved loan disbursement in the amount of EUR 121.3 million in 2020. Eurobank closed the year with a consumer loan portfolio of EUR 387.6 million, achieving a 5 percent increase versus previous year.



In addition to moratorium activities for loan users, Eurobank also developed and presented to all interested clients [the cash loan offer](#) for 2020. The new marketing campaign “When, if not now?” through an interesting ATL interpretation and with an attractive loan offer ensured that Eurobank once again stand out from the competition and confirmed the Bank’s position

among the clients’ top-choice banks in the area of cash loans. The campaign broadcasting was approached with a high level of attention by the Bank in three bursts, taking into account the situation and business circumstances. As a result, more than 10 thousand new customers applied for a cash loan in Eurobank during 2020. Competitive and transparent lending conditions, an efficient approval process and a high level of service to clients, characterize Eurobank’s cash loan business.

In the [credit card](#) area, Eurobank has confirmed its position as one of the most active banks in the market. During the year, the total number of credit cards in the bank portfolio grew by 3,3 thousand compared to the previous year. Eurobank ended the year with a market share of 21 percent in the total number of credit cards in Serbia.

Eurobank is one of the pioneers and leaders on the market in the field of financing purchase of consumer goods through credit cards. The possibility of purchase in installments without interest is one of the synonyms for Eurobank cards, for which the bank is known on the market. Long-term successful cooperation with leading retail chains of white goods has resulted in sales of 32 thousand credit cards through this channel in 2020. Keeping up with new technologies, the Bank has developed an application for dividing transactions into instalments, which can be downloaded for free from the Google and Apple online stores and used simply and easily on all mobile phone devices; which ensures safe and secure usage of the service to the cardholders.

As the exclusive partner of the Manchester United football club, the Bank had marketing issues due to the fact that the cardholders could not actively use the benefits due to pandemic crisis. However the size of the portfolio has been kept on the same level and the Bank has decided to continue its successful cooperation with the football team for the next 5 years.

In the area of [mortgage loans](#), during new circumstances in 2020, Eurobank disbursed mortgage loans in the amount of 9.2 million EUR. The year closed with a mortgage loan portfolio of EUR 115,6 million. During 2020, Eurobank

continued development of cooperation with the Bank's corporate partners and financing purchase of apartments from the Bank's project financing. Business growth and maintaining the loan portfolio quality remain imperatives for further development of the housing loan segment.

In the segment of **current accounts**, Eurobank continued to grow its customer base and ended the year with over 130 thousand active current accounts. Continuous growth is a result of the high-quality content of the current account packages, as well as the comprehensive offer of other products for private individuals.

ALTERNATIVE SALES AND PARTNERSHIP BANKING DEPARTMENT

Alternative Sales Channels recorded a relatively steady level of sales in 2020, placing EUR 22.8 million through independent channels (POS and DSA) and acquiring 42,000 clients, out of which almost 29,000 were new clients for the Bank. Through dependent channels (Bancassurance, Telemarketing) an additional € 14.7 million was placed which represents an achievement of EUR 37.5 million in total.

Through a partner network of retail outlets, EUR 10.6 million was disbursed. Eurobank continues to be among the market leaders in consumer durables financing. Through a partner network, Eurobank acquired more than 35,500 clients, out of which almost 23,000 are new clients for the Bank. The POS team comprises 150 sales agents located at the Bank's partners.

The DSA team of mobile bankers consists of 90 sales agents, who mediated the acquisition of more than 7000 clients during the year, with a disbursement of EUR 12.2 million.

The telemarketing department team, consisting of 7 members, managed to contact around 117,500 clients with a special offer in 2020 and mediated the disbursement of over EUR 12.6 million. Within a service call it is registered more than 17,000 clients for Notify me functionality.

In 2020, Bancassurance achieved significant results with an income of over € 0,7 million. This result was achieved owing to the extraordinary cooperation and support of the partner insurance company through the implementation of planned actions and promotions, as well as the exceptional work and dedication of employees of the Bank authorized to perform insurance business.

Eurobank Serbia will continue developing alternative sales channels in the future aiming to provide quality service to its customers, wherever necessary.

SMALL BUSINESS BANKING (SBB)

During 2020, despite the global crisis caused by the COVID-19 virus, Eurobank placed a special focus on small enterprises and entrepreneurs, thus providing the economy with significant support in non-standard conditions for conducting business activities.

Taking into account the health aspect, the Bank had to come up with a business model that would adequately meet the needs of its clients. Therefore, the Bank took a responsible approach to the planning of the process of work, thanks to which we managed to provide great support to our clients, and consequently to achieve excellent business results. Namely, during 2020, Eurobank managed to maintain the level of credit activity. SBB disbursed loans in the amount of almost 80 million euros, which resulted in a similar level of loan disbursements as in 2019. This result also had a positive impact on the growth of total outstanding balances by 26% , i.e. the growth of performing portfolio by 40% compared to the previous year.

During 2020, Eurobank intensively provided additional support to the economy through numerous state programs. Therefore, for clients from the SBB segment, Eurobank successfully implemented moratorium 1 & 2 (96 percent and 86 percent of clients respectively). Also, the Bank actively participated in the implementation of the guarantee scheme as another state COVID relief. Within the scheme, during 2020, Eurobank disbursed 45 million EUR loans for almost 1,000 users. Thanks to these business results, Eurobank ranked as one of the most active banks in the guarantee scheme program. Additionally, at the end of the year, Eurobank successfully started the implementation of moratorium 3, which is still offered by the Bank for users whose business is affected by the pandemic crisis.

SBB also continued to improve and adjust conditions for lending products in order to adapt in a more suitable manner to the business conditions during COVID.

In 2021, SBB plans to maintain the level of credit activity with an acceptable level of risk. Therefore, we are planning to continue with

the implementation of guarantee schemes, so customers and our economy could overcome the consequences of the pandemic crisis as soon as possible. Also, Eurobank will strive to further improve credit processes and conditions in the upcoming period. Bearing in mind above, SBB wants to further develop our activities regarding business support of our customers in a more suitable manner, in order to increase further lending support to our economy, and to increase the market share of Eurobank in this customer segment.

DEPOSITS AND PERSONAL BANKING DEPARTMENT

In accordance with the Bank's management strategy, the Deposits and Personal Banking Department successfully managed to achieve and surpass business targets for 2020.

In this extremely challenging year, Retail deposits volumes increased by EUR 49 million. With continuous IR cost rationalization in 2020, the costs were reduced and total cost amount for 2020 was 3.8 million EUR, which is significantly lower than the previous year when it stood at EUR 6.1 million.

Key activities in 2020 were focused on defending the existing portfolio and gathering new funds. In order to collect new deposits, a special deposit action was launched. In accordance with the Bank's strategy focused on continuous growth and improvement of banking products and services in November 2020, besides other offers for "Savings Week", a very attractive product with great benefits for savings in RSD was introduced. In this action which lasted until the end of December, a significant amount of new deposits was collected. Matured term deposits were renewed at lower rates thereby reducing financing expenses.

DIGITAL BANKING AND BUSINESS PERFORMANCE DEPARTMENT

The Digital Banking and Business Performance Department continued with digitizing banking products and improving existing Digital services.

Within the online segment, the on-line registration for digital services was launched via the bank's website, with no need to visit a branch or print any paper. With a 35% share of registered customers, on-line registrations for digital services

became a crucial option for enabling of customers to access their financials.

In the mobile banking application, biometric login (fingerprint and face recognition) was introduced in order to improve the customer experience, as well as usage of mobile banking application.

As a result of constant improvements of digital services and branch network sales results, the total number of digital transactions reached 3.4 million, which is a 34% growth compared to the previous year, while the total turnover exceeded EUR 3.8 billion.

Our self-service network remained approximately the same as in the previous period, with 138 deployed ATMs at EOY processing 2.5 million transactions from the bank's customers, which represents a 1.5% increase vs. last year. In parallel, we marked a continuous growth of additional transaction types implemented during the previous year.

We continued with the implementation of Digital Signage solution in redesigned branches, with two 24/7 zones, enabling our customers to communicate with our staff via video-link, outside branch hours.

The Contact Centre replied to over 233K of customer calls which is a 12% growth compared to the previous year. An increase in the use of new customer communication channels was recorded (over 9.5 thousand chat conversations), as well as customer migration to IVR services (with more than 50 thousand requests).



COMPLIANCE AND AML

COMPLIANCE AND AML

The Compliance Department is established by the Board of Directors (BoD) following proposal by the Audit Committee (AC) of the Bank. The Head reports directly to the Audit Committee (AC) of the Bank, to the Eurobank Group Compliance and for administrative purposes to the CEO.

The AML Department is established as a separate organizational Unit with the approval of the BoD. It is a permanent function and independent from the Bank's business activities. The Head of the AML Department is the Money Laundering Reporting Officer (MLRO) of the Bank. The MLRO has direct responsibility to the Bank's ExBo and a direct reporting line to the CEO as well as to Group Compliance. In order to safeguard the independence of the AML Department, the MLRO periodically reports on AML activities and related risk issues to the Bank's AC and BoD and to Eurobank Group Compliance in accordance with global governance and Group standards.

The mission of Compliance and AML Departments is to promote, within the Bank and the Group subsidiary companies based in Serbia, an organizational culture that encourages ethical conduct through integrity and a commitment to compliance with Laws and regulations as well with international governance standards.

The main objective of Compliance and AML Departments is to ensure that the Bank has established an adequate system of internal controls that allows it to operate in accordance with the ethical set of values contained in its Code of Conduct and Ethics and in compliance with applicable laws, regulations and internal policies as well as international best practices.

More specifically, Compliance and AML departments are mandated to:

- Provide advice to the Board of Directors, Audit Committee and Senior Management on the bank's compliance with applicable laws, rules and standards and keeping them regularly and timely informed of developments in the area, through regular reporting process or more frequently, if needed;
- Issue policies, procedures and other documents such as compliance manuals, internal codes of conduct and practice guidelines in order to provide guidance to staff on the appropriate implementation of applicable laws, rules and standards;
- Ensure that staff is adequately educated about financial crime prevention and compliance issues by designing training programs and co-operating with HR for their implementation;
- Provide guidance on the application of regulation in practice;
- Review new products service lines and outsourcing and advise on potential compliance and ML/FT risks;
- Develop a robust compliance and AML/CFT risk identification and assessment framework;
- Support and challenge, if required, business line management regarding the completeness and accuracy of the compliance and AML/CFT risk management activities;
- Monitor and test whether staff effectively applies the particular internal processes and procedures aimed at achieving regulatory compliance, report on potential breaches and required improvements and follow up on implementation;
- Review staff accounts in order to monitor staff adherence to the Code of Conduct and Ethics and/or indications of fraudulent activity;
- Monitor timely submission of reports to competent authorities and report any delays and fines for any alleged breaches of regulations to the AC;

- o Fulfil any statutory responsibilities and liaise with regulators and external bodies on AML/CFT and compliance issues.

In the context of all the above, in 2020, Compliance and AML Departments were focused on the following:

- Financial crime including laws and regulations on Anti Money Laundering (AML and CFT), and aligning with legislation aimed at combatting tax evasion such as FATCA from a quality assurance perspective;
- The processes of internal controls on adherence to ML/TF activities and risks by conducting the planned internal control reviews during on-site and remote reviews of business units;
- Enhancing the AML/CFT RA Methodology relevant for measuring risk exposure and identification of new ML/TF risks;
- Providing continuous AML/KYC training material through on-line sessions to the Top Management and new employees, Branch staff and corporate managers, Merchant and DSA employees as well as obligatory annual e-learning training and testing of all relevant Bank staff in accordance with the training program and plan;
- Continue the development and documentation of the Bank's methodology for Compliance Risk Assessment (CRA) at a Bank level;
- Develop or update Business and Internal Conduct rules including Conflict of Interest regulations, internal codes of conduct and anti-bribery and anti-corruption legislation and Competition laws and regulations;
- Periodically inform the Audit Committee and Management of the results and effectiveness of the Anti-bribery program;
- Enhancement of communication with the Supervisory Authorities, through system solution for monitoring timely response to their requests, and confirming that all the units of the Bank abide by their obligations for the timely submission of reports;
- Training on the specific topics for the compliance community (compliance partners) of the Bank.

For 2021, Compliance and AML Departments shall place emphasis on the following:

- To further improve Bank's framework and process standards with Group guidelines and FATCA regulation and monitor regulatory changes that will come into force in 2021, including, among others, the changes in legislation concerning Anti-Money Laundering and the regulations related, to payment services, consumer protection, advertising and electronic documents storage;
- Further development and documentation of the Bank's framework for Compliance Risk Assessment (CRA) and Sanctions;
- Obtain mandatory certification of the AML staff and trainings in relation to AML CFT area;
- Automation of internal acts governance through system solutions of notifications on the changes in regulations and monitoring of adequacy and accuracy of internal acts;
- To complete with IT division CD's initiatives regarding CoC adherence;
- To develop or update internal policies regarding the professional conduct of the Bank's personnel, such as, among others, the Code of Conduct and Ethics and Policy on External Engagement, Policy Reporting Unethical Conduct and adequately reporting to Audit Committee and Management regarding ABC issues;
- To expand the training curriculum and to keep staff awareness in order to enhance the personnel's knowledge on issues of AML/KYC, business ethics and regulatory compliance.



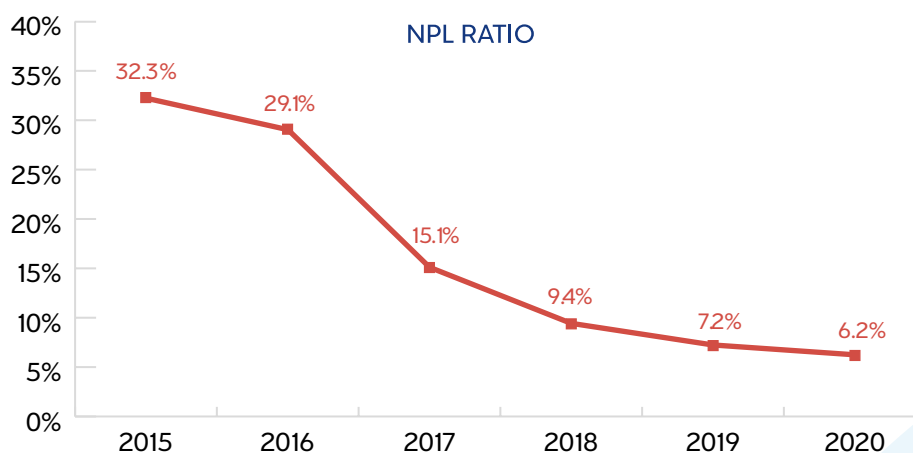
TROUBLED ASSETS SECTOR

TROUBLED ASSETS SECTOR

During 2020, in spite of the health and economic crisis triggered by the Covid-19 pandemic, the Bank continued its successful remedial management activities and fully implemented necessary NPE resolution strategies.

Eurobank participated in initiatives of the National Bank of Serbia and the Serbian government for effectively addressing specific problematic portfolios. Full coordination of monetary and fiscal policy measures enabled reduction in potential negative effects from the international environment.

The results of those activities are most evidently depicted in the below evolution of NPL ratio.



The NPL ratio improvement in 2020 compared to 2019 came from an increase of the performing loan portfolio, write-offs and other closure measures, but also due to aforementioned measures implemented by NBS and Serbian Government. It is important to add that the inflow into the NPL status has been proactively controlled by the relevant bank's sector by very effective

early collection activities and, when needed, application of debt restructuring measures.

It seems that COVID-19 and the global slowdown has had a less severe impact in Serbia than in other European countries, due to achieved macroeconomic and financial stability, growth momentum, fiscal space created in previous years, large and timely aforementioned monetary and fiscal package, and the favorable structure of the economy.

Considering the anticipated negative effects from Covid-19 pandemic, this positive trend should temporarily reverse during 2021, and be followed by further on with the positive evolution.

THINK DIGITAL



TECHNOLOGY

TECHNOLOGY & IT PROJECTS

At the beginning 2020, the Information Technology Department as well as other sectors in the Bank found themselves in a situation without precedent.

It was necessary to quickly transform the traditional business of the Bank and enable uninterrupted work from home for all employees. Within a very short period of time, the entire equipment, installations and training for work from home were provided to all colleagues representing core of the business. Shortly after moving to work from home, IT faced new challenges in the form of the implementation of complex projects guided by regulatory requirements, as well as the dynamic needs of a new type of business with very short deadlines.

REGULATORY PROJECTS:

NBS Moratorium 1 and 2 – New Temporary measures (TM) enabled clients to introduce moratorium on all active loan accounts for the specific period of time. The portfolio affected with moratorium encompassed approximately 80 thousand contracts.

State Guarantee Scheme (SGS) – Utilization of the SGS in the most optimal way (minimizes losses and maximizes assistance to the real sector). Over 100million EUR have been utilized within the program.

Opening Dedicated Accounts for Direct Payments – Opening of new account classes for dedicated accounts for: resident legal entities, non-resident legal entities, entrepreneur as part of government help for industry.

Opening Dedicated Accounts for Direct Payments for PI – Open new account classes for dedicated accounts for private individuals within government help program.

NBS Pensions – Delivering of pensions at client house address.

Opening e/m banking accounts through the Bank's website – In accordance with the NBS instruction, a form has been set up on the bank's website for enabling clients (individuals) to complete the registration process for e-Services through the bank's website in accordance with existing regulation.

ATM - Dina EMV – The purpose of this project was to provide accepting Dina chip card on Bank ATM's network including fallback transaction per request from National Bank of Serbia.

ORGANIZATIONAL AND OPERATIONAL IMPROVEMENTS PROJECTS:

Full automation of international payments and ten days reporting – Main objective was to effectively support massive international payments transactions and regulatory reporting and thus to align banking operations with business strategies.

Communication Efficiency – The coronavirus epidemic introduced initiative for change of the Bank model in the future, and as a result Post covid-19 Era Program has been initiated: Adoption of cloud-based collaboration tool, Policy for the conduction of meetings, committees, full adoption of electronic workflow system for the internal circulation and signing of documents. 3 main categories:

- **Smart Working** – Teleworking technology, Design of office space, Organization Redesign, Digital Communication
- **Retail projects** – Network efficiency, Self-service banking, Predictive analytics
- **Cost efficiency**

Bank Transformation Project – Bank wide change of implementation capability limitations in order to improve key functions and capacity required to support bank strategy and transformation initiatives.



HUMAN RESOURCES

HUMAN RESOURCES

WORK ENVIRONMENT

Since its foundation, the Eurobank Group has determined one of its major priorities to be the development of human resources, bearing in mind that contribution of all employees is crucial to achieving business success. Supporting all employees, the Human Resources division is responsible for selecting, developing, training, evaluating, and rewarding our employees, as well as for employee compensation and benefits, labour relations administration and regulation, and internal communication.

Given the COVID-19 pandemic during 2020, special attention was paid to employees' wellbeing. In accordance with the epidemiological measures, employees were working from home whenever possible. Regular information sharing was being done through internal communication channels, especially about the preventive measures during the pandemic. Additionally, the Bank has created several manuals aiming to assist all employees who were working in changed circumstances.

1 EQUAL EMPLOYMENT OPPORTUNITIES

Responsible employment practices

Eurobank has clear procedures in place applied to the recruitment and promotion of employees. Equal employment opportunities for all persons meeting the requirements for any position at the Bank are guaranteed by the employment policies and procedures, which all executives are well familiar with, as well as by other documents governing this field.

In view of the conditions in the local market and in accordance with business plans, in 2020 we maintained almost the same number

of employees (1,294 employees in 2020 compared with 1,307 in 2019). The average age of Eurobank's employees in 2020 was 43, of which 96 were under the age of 30, 929 under the age of 50, and 269 above the age of 50. Compared with the previous year, the differences are insignificant: 105 employees were under the age of 30, 936 employees under the age of 50, and 266 above the age of 50. The age structure of the Executive Board is in accordance with the average age of the Bank's employees. In line with modern trends in the field of financial services, women prevail in relation to men employed at the Bank — there are 72% of women and 28% of men. Gender representation among the Bank's management is balanced — the senior management comprises 49% of women compared with 51% of men, while the representation among other employees is 74% of women and 26% of men.

The Bank's Head Office is located in Belgrade, with 65% of its employees working there. Besides Belgrade, Retail business operations are divided into another three regions (Novi Sad, Niš, Kragujevac), while Corporate has another three business centres outside Belgrade and branch offices in Novi Sad, Central Serbia, and Niš. Eurobank upholds a practice of employing the local workforce, which means that the regions' (regional centres') workforce employed is exclusively made up of locals, who also occupy managerial positions within their respective organisational units.

Selection of candidates

In accordance with the business needs during 2020, the Bank offered a number of new jobs with the aim of attracting new future colleagues to achieve mutually beneficial relationships. Characteristics required by

- Total number of employees

By location (region)		
	2020	2019
Belgrade:	892	894
Kragujevac:	156	160
Niš:	121	123
Novi Sad:	125	130

By employment type and agreement		
	2020	2019
Fixed-term agreement:	45	73

Structure of employees by region								
	Belgrade 2020	Belgrade 2019	Kragujevac 2020	Kragujevac 2019	Novi Sad 2020	Novi Sad 2019	Niš 2020	Niš 2019
Employees men	34%	33%	28%	27%	31%	31%	30%	29%
Employees women	66%	67%	72%	73%	69%	69%	70%	71%
Employees with fixed-term agreements	7%	7%	12%	12%	10%	10%	17%	17%

- Total number and rate of employee turnover

- › Retirements: 2020 – 16; 2019 - 15
- › Newly employed: 2020 – 94; 2019 – 139
- › Employment agreement termination: 2020 - 81; 2019 - 134
- › Turnover in 2020 was at 6.26%, while in 2019 it stood at 9.50%
- › There were 70% women and 30% men among the employees whose employment with Eurobank terminated during 2020

the Bank in candidates included technical knowledge, team spirit, agility, and willingness to participate in the process of ongoing improvement, while the key criteria in the selection of new employees were expertise and professional approach to professional commitments. The majority of the needs for new work posts came from the IT Division and the Network Division.

The educational profile of the candidates is high: 75.27% are employees with college and university education and 24.73% are with secondary education.

The process of candidate selection is based on the values of the Eurobank Group and relevant job requirements, and the criteria for selection include interviews, psychometric methods, foreign languages proficiency, and possessing

other specialised skills and/or knowledge. In the process of searching and selecting candidates, the Bank has continued its active partnerships with relevant institutions such as the Centre for Career Development, University of Belgrade, Faculty of Organisational Sciences, Faculty of Economics, and Belgrade Banking Academy. In addition, the Bank uses standard digital channels for candidate searches, such as social media. In view of the COVID-19 pandemic in 2020, no professional internships were offered for high school or university students.

During 2020, the Bank participated in the government programme *Moja prva plata*, aimed at providing young people with opportunities to obtain their first work experience. As part of the programme, 14 young people got the opportunity to learn how to work independently.

2. PEOPLE DEVELOPMENT

Achievement assessment system

The Bank's results were achieved by our employees' individual contributions, abilities, and efforts and our team spirit. For this reason, great importance was placed on objective assessment of each employee's contribution. The work performance assessment process is designed to enable transparent evaluation based on clearly defined procedures. The system of assessment refers to the level of goal achievement and demonstrated employee competence, whereby integrated quantitative and qualitative criteria provide a bigger picture of achievements. The assessment of

achievements is conducted for all employees (100% of employees) who have been working for at least three months in the year to which the assessment relates. All employees who are assessors in the annual assessment process are trained in employing objective assessment of employees' work performance, in accordance with the annual assessment policy. Also, an integral part of this process is defining the development areas where an employee needs to be provided with further training and development. Each employee has the opportunity to give opinion on their assessment and present their interests in terms of further development. The goal setting and work performance assessment process were fully automated, which made the process faster, more user-friendly, and more transparent, offering everyone a more comprehensive view of the potential areas for development.

Training

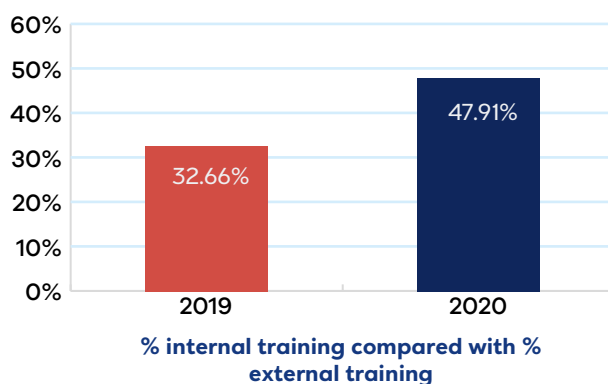
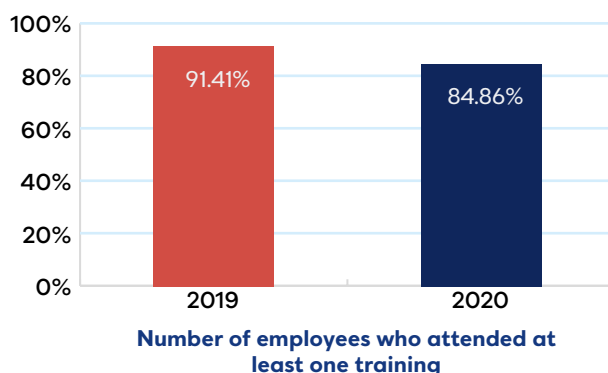
The training at Eurobank is intended for all employees and adapted to the specificities of the work operations performed at the Bank. The programmes are designed to contribute to continuous improvement of knowledge and skills in accordance with the annual training plan prepared in partnership with all divisions of the Bank and in line with their business needs and market circumstances. The training is based on a combination of theoretical and practical knowledge, and the internal training is also held by colleagues from different divisions who convey their knowledge to the participants. Given the COVID-19 pandemic, all programmes were offered in the online format,

apart from exceptional cases mandated by regulatory requirements.

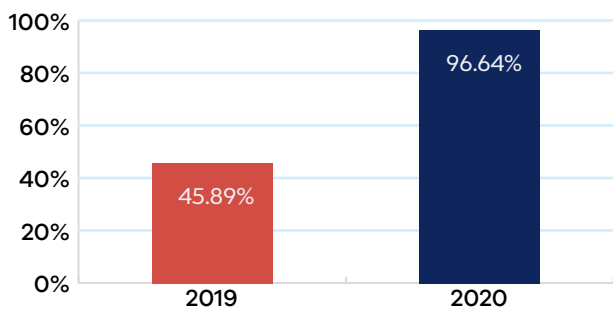
For the purpose of fast and efficient integration of new employees in the work environment, the Bank has put in place a customisable introductory training programme (Induction Programme), covering several areas and depending on the job type of the new employee. The unique programmes include: the basics of banking operations (General Banking Knowledge), the basic principles of working with customers (Customer Service), skills required for sales (Sales Skills), training for working on the Bank’s operating systems (IT Training), and specialised training prescribed by legal regulations, such as training on prevention of money laundering and financing of terrorism. The above training (prevention of money laundering and financing of terrorism) was carried out in the electronic form and attended by 1,032 employees. In addition, as part of a continuous process of communication and training on anti-corruption policies and procedures of the Bank, all employees attended the programme on information security (IT Security Awareness), GDPR, and Code of Professional Conduct.

Using e-learning and online tools, the training was available to all employees within a shorter period, with significant cost savings. Some of the regular training programmes that were available in the electronic form included: prevention of money laundering and financing of terrorism, information security, GDPR, and training on the Microsoft Teams application, which is the recommended digital channel of communication at the Bank. In line

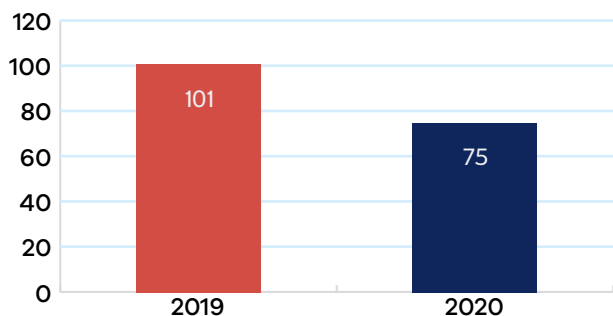
with the practice of a responsible employer that takes proper care of its employees and with the legislation of the Republic of Serbia, supported by external expert lecturers and trainers, the Bank successfully held trainings on occupational health and safety and fire protection.



The percentage of employees who attended at least one training programme during 2020 is 84.86%. The total number of training hours was 11,605. On average, the same number of hours of training was organised for both managers and employees, where the average time in manager training amounted to 11 hours and in employee training to 12 hours. By gender, the average number of training hours was balanced: the average number of training hours for women was 14.20, while the average number of training hours for men was 11.45.



Percentage of e-learning hours



Number of conducted training programmes

Specialised seminars

During 2020, we continued with the practice of having Eurobank employees take part in specialised seminars and conferences held by professional organisations — such as the Association of Banks of Serbia and the Serbian Chamber of Commerce — and dedicated to different business areas, including risk management, business compliance control, internal audit, corporate banking, and finance. In partnership with the Serbian Chamber of Commerce, we organised an online training for obtaining and renewing insurance licenses issued by the National Bank of Serbia on the grounds of successfully passed tests. By the provision of the National Bank of Serbia on cash flow processing and monitoring, the employees of the Business Network Department were sent to NBS trainings on the entire territory of Serbia.

Certification programmes

In accordance with the practice of the Group, Eurobank supports its employees in obtaining necessary certificates for performing certain types of jobs. During 2019, the Bank covered the costs of training and certification such as the ACCA (Association of Chartered Certified Accountants), CIA (Certified Internal Auditor), and certificates necessary for our colleagues in the IT division.

3. EMPLOYEE SATISFACTION

Employee rights

Eurobank guarantees its employees the right to join an association without discrimination based on membership in associations or unions.

The trade union at Eurobank was established in March 2011 and has 163 members. As the employer, Eurobank supports its active and successful operations and maintains regular communication with the union representatives. The main idea of having a trade union at Eurobank Belgrade is for it to be a place that provides support and assistance to all colleagues. Moreover, representatives of the trade union organise additional activities such as travels, celebrations, member education, and the like. Until the conclusion of the collective agreement, employee rights are governed by the Rules of Procedure.

The collective agreement has not existed previously, and the rights of all employees have been governed by the Rules of Procedure, which is fully in line with the Labour Law. If the collective agreement is concluded, it will apply to all employees in the same manner as the applicable Rules of Procedure.

Eurobank performs its legal obligations in the field of occupational health and safety and implements proper protective measures, such as employee training on occupational safety, training on fire protection, and training on first aid and regular control of potential risks in the workplace. Eurobank has adopted documents titled Regulations Occupational Health and Safety and Risk Assessment Act, in addition to having appointed a person in charge of security

affairs, of which all employees have been notified. The Risk Assessment Act is formulated based on the Law on Safety and Health at Work, which is consistent with international standards; the Bank operates in accordance with these, although it does not follow the OHSAS 18001 standard. Furthermore, the Bank has enabled work from home in accordance with the epidemiological measures, which reduces the risks brought on by COVID-19.

Given the fact that the Risk Assessment Act does not define any roles with an increased risk in terms of occupational health and safety, in 2020 there were no deaths related to accidents at work or occupational diseases that would result in prolonged absence from work. In 2020, a total of four occupational injuries were recorded, three of which were occupational injuries in the Belgrade region and one in the Kragujevac region. From the total of four occupational injuries, two were classified as severe (bone fractures) and two as minor injuries. These four injuries in the course of 2020 resulted in the employees spending a total of 1,408 working hours on sick leave. All employees who were forced to go on sick leave on account of injuries suffered at work or related to work were being paid the full salary amounts during the period of sick leave, without any deductions applicable to other types of sick leave.

During 2020, there were 26 maternity leaves at the Bank, compared with 35 in the year 2019. All cases of maternity leave were related to female colleagues. As in 2019, all 26 employees (100%) returned to work after the end of maternity leave and continued to occupy the positions they held before their leave.

STAFF CARE

Compensation (money compensation) and other benefits

The compensation and benefits policy is based on the principles of competitiveness and achievement-based rewarding.

At Eurobank, the employees' compensation comprises the fixed part and the variable part, where applicable. The fixed part is determined by the grading system, which provides the position structure within the organisation based on the data from the local labour market and the employee's professional qualifications (educational level), previous work experience, and qualifications. The variable part includes bonuses and rewards for outstanding achievements.

In 2020, we continued our partnership with the renowned Bel Medic General Hospital, where the Bank provided free regular medical examinations for all employees and, when necessary, further examinations for employees and members of their families at special prices and discounts. In addition, we continued with the Medifree programme for employees and the Medifree Kids programme for employees' children under the age of 18. These programmes comprise of an unlimited number of examinations by doctors from certain specialities. Within the Medifree Kids programme — besides free examinations — discounts are offered for certain medical services for children.

In addition, all Eurobank employees are insured in case of surgery and/or serious disease, injury and/or temporary or permanent work incapacity, as well as accidents in line with the insurance policy covered by the Bank. Also, scholarships for children of deceased colleagues are paid during their regular schooling.

Complaint mechanisms

If Eurobank employees think they have a reason to make a complaint, they may do so by following a regular procedure defined either legally or by internal policies and procedures: Law on Prevention of Harassment at Work, Law on Protection of Whistle-blowers — Rules of Procedure on the Internal Alerting System, Policy on Reporting Unethical Conduct, and Procedure for Handling Customer Complaints. Additionally, employees are free to contact their manager or HR representative directly and to submit any request or complaint, which is then processed in line with the presented content. In 2020, as well as in 2019, there was not a single complaint submitted in relation to violations of human rights. During 2020 and 2019, there were also no employee complaints regarding discrimination based on race, sex, or religion.

INTERNAL COMMUNICATION AND EMPLOYEE INVOLVEMENT IN CSR ACTIVITIES

High-quality internal communication can significantly contribute to increasing motivation and productivity — it is the basis for good relations in the organisation and it preserves

understanding between management and employees. If internal communication functions properly, employees are more committed to the organisation and its values and have a stronger sense of belonging, as they perceive the company as their own.

A major goal of Eurobank's internal communication is to strengthen employees' view of the Bank as a socially responsible company that takes good care of its employees, customers, shareholders, and business environment. Through various communication channels (the Intranet, EuroNews internal magazine, email, regular division meetings), employees can learn about and stay up to date with all current events, especially pertaining to COVID-19 preventive measures, business decisions, and changes within the Bank. They can propose ideas for improving communication, work and business operations, and the like via the Idea Box platform. During 2020, employees have shared a total of 101 ideas in the Idea Box.

Another way of involving employees in socially responsible projects implemented by the Bank is volunteering. Employees have shown understanding for the most vulnerable and sensitive social groups, and besides campaigns organized by the Bank, they have independently organised necessary supplies drives for all vulnerable groups.

IMPLEMENTED IN 2020:

- Providing safe working conditions for employees during state of emergency caused by the Covid 19 pandemic
- Regularly informing employees about all taken epidemiological measures, relevant information related to health protection and instructions on the organization of work in changed circumstances (including providing work from home for all employees where applicable)
- Creating manuals for working from home and working in changed environments during the Covid 19 pandemic and providing support to employees who needed it
- Intensifying work on promoting and implementing creative ideas and initiatives of employees
- Digitalization of all business processes under the jurisdiction of the Human Resources Division (recruitment, administration, training, compensation and benefits)
- Further promotion of defined values

GOALS 2021:

- Ensuring a safe working environment in accordance with prescribed epidemiological measures
- Implementation of new operational models that provide for work from home or other location on an increased scale
- Further improvement and digitization of HR processes
- Further improvement of employee benefits



Eurobank

CLIENTS

RESPONSIBILITY TO CUSTOMERS

Eurobank, as a stable and systemic bank, strives to respond to the various needs of its customers in the most efficient and best way. For this reason, Eurobank is constantly making efforts to provide its customers with customized and individual solutions, in order to maintain their trust and to commit to creating and maintaining healthy and long-lasting mutual relationships. The new situation resulting from the COVID-19 pandemic meant doing business in difficult market circumstances, but the common goal was to build partnerships with customers and offer tailored and individual solutions that are best for them.

As the coronavirus crisis has posed new challenges for all of us, Eurobank's priority is to be a responsible employer and to protect its employees and their families, but also to provide its customers with undisturbed use of all services and products while ensuring business stability. In this regard, the recommended protective measures have been in place in all business premises of the Bank in accordance with the official recommendations and instructions given by competent institutions, including regular disinfection of work areas and ATMs, obligation for employees to wear masks, disinfection of footwear before entering the Bank's branches and business buildings, and other prevention activities.

The Bank has further improved its service with a view to providing its customers with alternative and digital channels for smooth execution of transactions, without the need to visit a branch. In order to reduce social contact and protect its customers and employees, Eurobank advised the use of e-b@nking and m-b@nking applications for banking operations, and the use of ATMs for money withdrawals. Additionally, registration for e-services through <https://www.eurobank.rs/stanovnistvo/stanovnistvo.1845.html> has been

enabled. Moreover, for further enquiries, instead of customers visiting the branches, the Bank referred them to its contact center, social media, and website, where the most important activities and recommendations were being actively communicated.

In the situation where our fellow citizens and the economy required the necessary liquid funds, Eurobank enabled its customers to use money that would otherwise be needed to repay bank loans for other activities. In line with the Government of the Republic of Serbia's measures, Eurobank has offered delayed repayment of liabilities — a moratorium on loan repayment — while citizens over the age of 65 have been given the option to have their pensions collected based on a one-time authorization given to a trusted person.

PRODUCTS AND SERVICES

- **Credit cards** — Eurobank holds a 21% market share in the total number of credit cards in Serbia. **MasterCard charity credit card "Eurobank Big Heart"** — By using the card, the Bank's customers contribute to the renovation and modernization of high school classrooms throughout Serbia.
- **Cash loans** — In addition to activities related to the application of facilities for existing credit customers, more than 10,000 new customers have applied for a cash loan.
- **Medifree Kids** — In partnership with the renowned health care provider Bel Medic, the Bank has created the Medifree program within the EuroPLATA Premija, EuroPLATA Sport, and Exclusive account plans, which provide plan users' children (under the age of 18) with a suite of free specialist examinations by pediatricians, physiatrists, ENT specialists, as well as free skin tests for food and air allergens.

- **Growth in lending activity** — Eurobank continued to be very active in the market in the SBB segment in 2020, despite extraordinary circumstances caused by COVID-19. During 2020, loans in the amount of 80 million euros were approved, which has led to an increase in the loan portfolio by 26%.

- **Guarantee scheme** — Amidst the COVID-19 pandemic, Eurobank has been strongly supporting its customers in the SBB segment by approving and disbursing guarantee scheme loans. We disbursed EUR 45 mil. in the SBB segment through the scheme, which further supported our business entities in the conditions of crisis and uncertain circumstances.

- **Moratorium** — During 2020, three moratoriums were implemented, which gave our customers the opportunity to adjust their business to the new conditions due to the COVID-19 pandemic by delaying the payment of loan liabilities. The first two moratoriums were used by the majority of credit customers (over 90%), while the third moratorium was used by about 2% of SBB customers.

- **Authorized overdraft** — Eurobank is the only bank in the market that grants to its current account customers an overdraft of up to two salaries for two years.

- **Current account database** — More than 130,000 active current accounts.

- **Biometrics** — A new way of identification that allows our customers to log in to the m-B@nking application via fingerprint ID or face ID, instead of entering username and password details.

- **Digital on-boarding** — Our retail customers can register for the m-B@nking application on the bank's official website by concluding a distance contract, without coming to a branch.

- **IPS payments** — In accordance with the National Bank of Serbia's initiative, the Bank enabled its mobile application users — both natural and legal persons — to make payments at the point of sale by using an IPS QR code generated or read by the merchant at the POS or cash register.

- **Contactless ATM** — Eurobank customers can withdraw or deposit funds at its new generation ATMs, using contactless technology or by placing the card onto the ATM. This increases the speed of transactions and the security of ATM use, while reducing the number of customer complaints about retained cards.

- Eurobank does not charge fees or additional costs to accounts intended for raising humanitarian aid, neither to charitable organizations nor individuals.

- Credit card transactions made via the mobile banking application can be divided **into installments**.

- Existing customers can apply for individual or family **travel insurance**, without visiting a branch.

- Existing customers can apply for an **online loan** without visiting a branch.

CUSTOMER CARE

Eurobank is strategically oriented towards providing quality customer service and fully committed to building a competitive advantage on that basis.

- **A well developed business network:** — 80 branches and 5 business centers in 45 cities throughout Serbia.

- **A modern branch design** that lends a more modern look of the interior space with the — **Brand wall, Focus wall** and **Digital Corner**.

Special attention is paid to the implementation of the “digital moment” by combining information and advertising screens, **Video Walls**, and other modern and aesthetically appealing means of advertising and communication with customers inside the branch. The Digital Corner enables customers to get acquainted with the Bank’s electronic services, general business conditions, price list, and latest information, as well as charge their mobile devices.

- **A special department** dealing with customer care, customer satisfaction, and service quality research is tasked with the ongoing development, management, and administration of the Bank’s projects, processes, and activities that affect the provision of quality customer service, i.e., customer satisfaction and loyalty levels. One of the main objectives is to measure the quality of services and consider critical areas for improving the services provided by the Bank. Standardization in basic communication with customers and orientation towards meeting their needs are also among this department’s key activities. As a result, the basic indicators of the Bank’s position in the market, brand dynamics, and measurement of key indices are continuously monitored over a given period to help determine the standards of the appropriate level of service quality. At the same time, the harmonization of standards and practices between the Bank and its main competitors is monitored in order to provide qualitative market insights.

- **Accessibility of products and services to persons with disabilities** — Eurobank continuously supports the inclusion of persons with disabilities in everyday life and workflows by making its facilities accessible to all through adjustments to its branches and headquarters and removal of physical barriers. The Bank’s headquarters is fully adapted in accordance with the Design for All principles, as well as the principles of the UN International Convention on the Promotion and Protection of the Rights and Dignity of Persons with Disabilities.

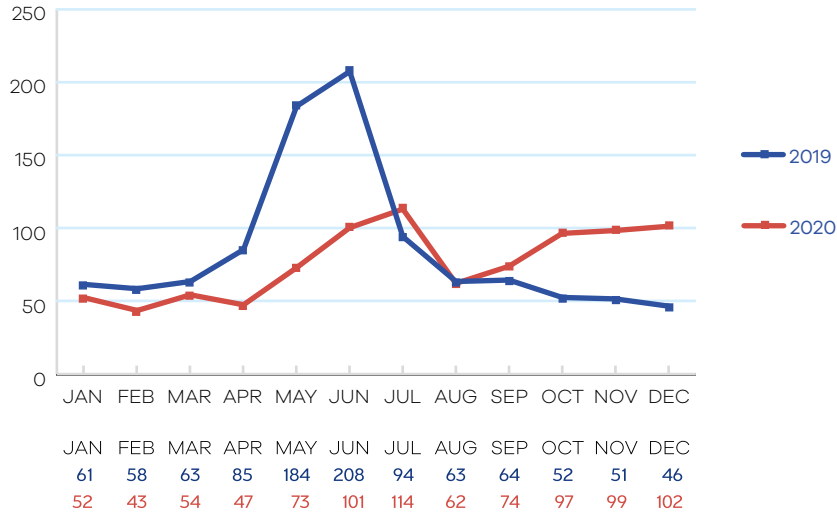
- **Your Opinion is Important to Us** — A comprehensive platform that, in fact, connects all networks and communication channels in the Bank–customer relationship. All channels that provide customers with timely information or with an opportunity to express their requests/needs/questions/concerns are actively used. Customers have access to:

- The contact center – EuroPHONE
- The Bank’s official website and email address: www.eurobank.rs; office@eurobank.rs
- The Bank’s official accounts on social media (Facebook, Instagram, Twitter, LinkedIn, Google+)
- The network of 80 branches and 5 centers for corporate customers

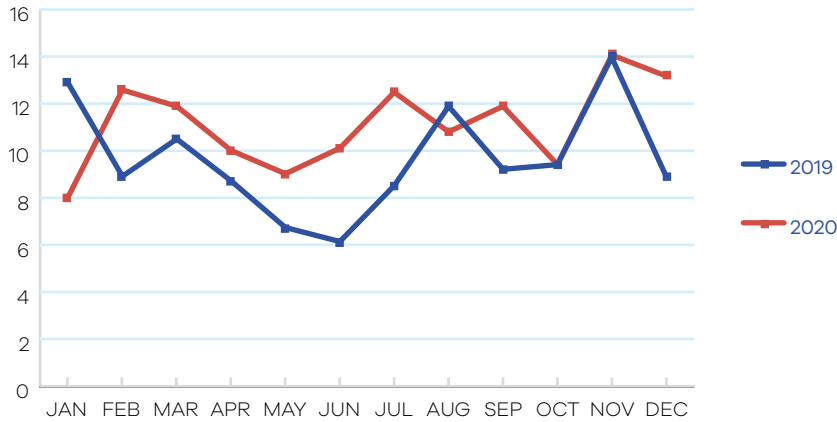
- **Personal banking** is a unique service created for VIP customers that is tailored to provide continuous and personalized support available through all Eurobank channels. Eurobank is the first bank in the market that, back in 2010, adopted a new way of doing business with customers with the VIP status. The business–financial relationship between the personal banker and these customers includes asset management (current and savings accounts, debit cards), credit cards, deposits, loans, and all banking services (text message, standing orders, e/m-banking). The privileges of personal banking for customers include the exclusive personal banker service, dedicated areas at the branches that ensure discretion and privacy, proactive identifying of financial needs, as well as design and provision of adequate proposals.

- **Internal surveys by the Customer Satisfaction Management and Research Department and increase in productivity and profit through quality services** — The research results serve to define action plans for the observed departments whose fulfillment at a highly satisfactory level would provide the highest possible standard when it comes to approaching customer care.

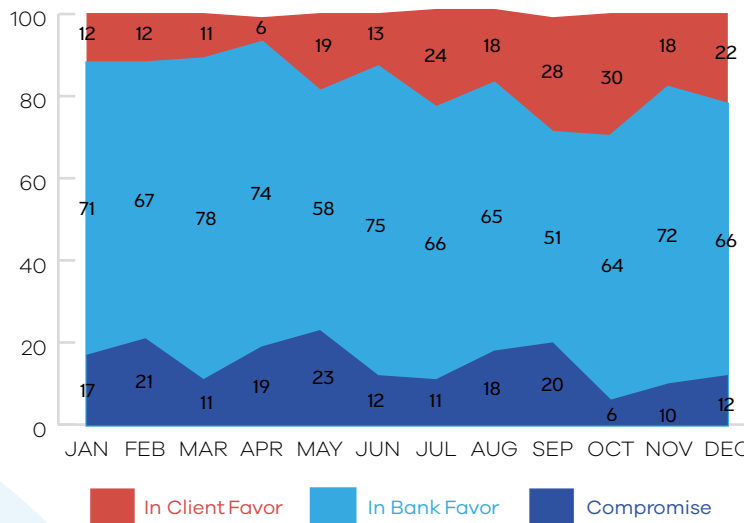
OVERVIEW OF RECEIVED COMPLAINTS
2019/2020



AVERAGE TIME REQUIRED FOR
COMPLAINT RESOLUTION 2019/2020



OVERVIEW OF REASONABLENESS OF
COMPLAINTS 2019/2020



- **Qualitative research** being conducted is utilized by other organizational units within the Bank to examine in more detail customers' attitude and aspects of importance concerning a particular product, with a view to more accurately determining improvements to communication, product characteristics, and sales methods, and in turn adequately matching customer needs and the Bank offering.

DIGITAL TRANSFORMATION

The digital transformation during 2020 and the availability of electronic communication 24/7 required increased engagement and extended working hours to respond to the quadrupled inflow of user/customer requests. Due to the specific work circumstances, users/customers sought and received meaningful and clear answers to all their questions, concerns, and objections by electronic communication in a short period of time.

Great engagement increased the number of registered email addresses and the number of users of m/e-banking applications; questions were being answered about the delivery of debit cards, especially at the beginning of the pandemic when the branches were closed; checks were being made regarding unrecorded/incorrect payments; credit cards were being closed based on user requests made from registered email addresses without visiting branches; monthly reports were being submitted.

The number of complaints did not increase thanks to our commitment to resolve everything we can quickly and efficiently in order to have a satisfied customer who will continue to use our services in the future.

In the total number of complaints in 2020, Eurobank did not record a single customer complaint related to violations of human rights or discrimination.

ALTERNATIVE COMMUNICATION CHANNELS

- **m-B@nking** — An application for mobile devices that enables easy execution of financial transactions to individuals and legal entities via a mobile device, without visiting a branch. A new login option via biometrics has been introduced.

- **e-B@nking** — Without going to the Bank, customers can quickly and easily manage their accounts, cards, and other Bank products, as well as submit requests for various services.

- **Online registration** — With a share of over 35%, online registration has become an essential channel that allows customers to access services without physical access.

- **Electronic communication** — Customers can receive a monthly account/credit card statement, as well as other important notifications, by email or text message.

- **The number of digital transactions** during 2020 reached 3.4 million and a 34% growth compared with 2019.

- **ATM** — A device that allows customers to withdraw cash 24/7 at 138 locations throughout the country. Eurobank ATMs recorded more than 2.5 million transactions by the Bank's customers, which is an increase of 1.5% compared with the previous year.

Na bankomatima Eurobanke zabeleženo je preko 2,5 miliona transakcija klijenata banke uz rast od 1,5% u poređenju s prethodnom godinom.

- Official [Facebook](#), [Instagram](#), [Twitter](#), [LinkedIn](#), and [Google+ pages](#), as well as a [YouTube channel](#), [chat](#), and [Video chat](#) represent an important component in communicating with customers, the main goal being to establish a closer relationship with customers, as well as to develop a unique platform that will assist the Bank's further improving its image as a modern and transparent customer-oriented institution.

RESPONSIBLE ADVERTISING

Eurobank's marketing communications are fully compliant with the Law on Advertising, as well as with the Law on Protection of Financial Services Consumers. Information on the Bank's products and services is available on the Bank's website.

Eurobank prepared an internal document (Working Instruction) that relates to responsible advertising and represents an ethical standard and confirmation that the Bank operates as a good corporate entity. Its standards are applied in all types of public marketing communication, with a special emphasis on advertising. In cases where an advertisement for deposits or loans contains an interest rate or any numerical data related to

price or income, the following information is given on a representative example: type of deposit or loan, total amount, amount and variability of annual nominal interest rate, amount of effective interest rates, contract period, and costs to be borne by a user.

During 2020, due to the situation caused by the emergence of the coronavirus, product and service advertising was suspended because it would require visiting branches. This reduced contact and appealed to customers to use alternative channels of communication.

Customer Complaint Service — works closely with the National Bank of Serbia (Consumer Protection Center) in order to ensure transparency and objectivity in the Bank's managing customer relations. Also, during 2019 there were no cases of non-compliance with regulations or voluntary codes related to marketing communications.

PERSONAL DATA PROTECTION – GDPR

The Law on Personal Data Protection (Official Gazette of RS, No. 87/2018) has been in force since August 21, 2019. It was enacted based on the European General Data Protection Regulation (GDPR). The provisions of this Law apply to the Bank as the Controller of data on persons who are interested in cooperating with the Bank or who have already established a contractual relationship with the Bank, as well as on other persons whose personal data are processed by the Bank.

Early in 2018, as a member of the European Banking Group, our Bank promptly implemented the GDPR harmonization process, in accordance with the strategic decisions of the Group. We have established and implemented a framework that prescribes personal data protection at the Bank, in accordance with the requirements of EU regulations and the national Law.

Apart from regulatory compliance, another impact of this process was the improved quality of data processing by the Bank and business processes, increased employee awareness regarding the protection of their own and customer data, and compliance with regulatory requirements in other areas (AML, PSD2, Law on Payment Services, Law on Information Security, etc.).

We have implemented the new regulatory requirements by introducing the principle of legal, fair, and transparent collection of data. We may only process data on our customers in a manner appropriate to the purpose for which they are collected. We have limited the permissibility of data processing to those data that are really necessary for a certain purpose, and the data must be accurate. The processing of incorrect data is not allowed, and such data must be updated or deleted, within the framework defined by law. The time limit for data retention is also related to the purpose, so the data cannot be kept longer than necessary to fulfill the purpose for which they were collected or longer than the legally defined deadlines. Data security is established as a principle, so the processing of personal data is allowed only in a way that ensures their confidentiality and integrity, including their protection against unauthorized or illegal processing and against accidental data loss, destruction, or alteration.

The Law on Personal Data Protection, as well as the GDPR, represents the largest regulatory change in the field of data protection in recent years, allowing regulators to prescribe significant penalties and requiring major changes in any organization that processes personal data.

Banks are entrusted with large amounts of personal data. This provides many opportunities for service development and creation of offerings, but it also creates new challenges. The development of regulations in this area goes hand in hand with the growing awareness of individuals about data protection. During 2020, the Bank received 20 requests for the exercise of data subjects' rights in accordance with the Law, and two customers directly addressed the Office of the Commissioner, with both requests having been positively resolved. In addition to our commitment to doing business in accordance with regulations, we are also aware that strengthening the protection of privacy at the same time means strengthening our relationship with customers and the wider community.



SUPPLIERS

RESPONSIBILITY TO SUPPLIERS

Eurobank builds and nurtures transparent relationships with its suppliers and business partners on a win-win basis. The basic guidelines for the procurement of goods and services are defined in line with the Procurement Policy both for the Bank and for the Group member companies in Serbia. In this way, the Bank sets transparent tender conditions with the aim to ensure equal treatment of all participants.

Eurobank expects high quality goods and services from suppliers, compliance with safety standards, competitive prices, compliance with laws and regulations, undertaking business activities and procurement of goods and services to protect the environment.

Given the outbreak of the coronavirus, 2020 was dedicated to emergency procurement in accordance with the situation, in order to create adequate working conditions in emergency circumstances. Thanks to good relations with suppliers, we were able to procure everything we needed at any given moment (masks, gloves, disinfectants) at competitive prices. All that time we were guided by our standards, Procurement Policy, and other procedures relevant to the procurement process.

If necessary, the employee responsible for environmental protection checks the certificates related to the supplier quality management system (ISO 9001, ISO 14001) and to the products (eco-label) in order to verify the correctness of the offered certified services and products.

Thanks to the e-invoicing application intended for electronic records and the creation and electronic verification of invoices and other payment documents implemented in mid-2019, the employees in charge of preparing invoices for payments to suppliers were able to perform this part of the work smoothly from home, ensuring timely fulfillment of obligations to suppliers.

The Logistics Department coordinates the procurement of goods and services and facilitates the procurement organization process within its competences. The Procurement Committee is a steering committee established by the Bank's Executive Board and it has performed its function all the time during extraordinary circumstances and made decisions on urgent procurements.

The Bank treats its suppliers fairly and consistently while fostering high standards in communication, which is clear, transparent, and professional.

1. TRANSPARENT SELECTION AND COMMUNICATION WITH SUPPLIERS

In order to improve business operations and ensure transparent business conduct, the Bank regularly researches the market so as to expand the pool of potential suppliers that participate in the tender process for the procurement of goods/services. Requests for tenders and invitations to bid, which are in accordance with the Procurement Policy, determine the obligations of suppliers, which — while respecting the specifics of the goods/services to be procured — are the same for all, thus avoiding discrimination or favoritism. The Bank uses the electronic tender platform Ariba, and as a result the entire tender process is automated and transparent. Once the supplier is selected, the contract is the form that regulates all the necessary details.

Suppliers under contract with the Bank are evaluated annually, with the involvement of the department that is the end user of the service/product. The two-way evaluation is not mandatory but is conducted on a voluntary basis and it depends on the Bank's suppliers. Complaints and claims from suppliers are defined by the Supplier Evaluation Procedure, as well as by the procurement contract. Local suppliers are

predominant, but Eurobank engages mainly foreign suppliers when it comes to IT procurements, which are centralized at Group level.

2. CSR CRITERIA IN SUPPLIER SELECTION

As a socially responsible company, Eurobank also strives to promote socially responsible practices among its business partners. In addition to the economic and technical criteria on which the supplier selection is based, the invitation to bid includes other criteria such as contribution to environmental protection, respect for human rights, etc.

In accordance with the request for tenders, suppliers are required to submit the following evidence of responsible business when submitting their bids:

- Certificate of regular salary payment to employees: A certificate issued by the Tax Administration that includes all public revenue liabilities administered by the Tax Administration, as that they also include regular payments of taxes and contributions related to the payment of salaries to employees;
- Certificate that the company has not been convicted of violations of the Labor Law over the last five years, on the company's letterhead;
- Certificate confirming that over the past 12 months the company has not had any serious negative events that affected its reputation in relation to social or labor issues, on the company's letterhead.

All suppliers, subcontractors, and business partners — a total of 100 in 2020 — passed the check on compliance with human rights, which is an integral part of the Request for Submission of Bids in tender procedures.

By adopting social responsibility rules, the Bank encourages and positively influences suppliers and

raises their awareness in terms of better-quality attitude towards the product/service they offer, employees who work for them, participation in charitable activities, cost reduction and increased contribution to environmental protection, eco-product labeling, introduction of ISO standards.

Eurobank expects high-quality goods and services from suppliers, compliance with safety standards, competitive prices, compliance with laws and regulations, and undertaking business activities and procuring goods and services to preserve the environment. Eurobank applies the principles of green procurement, with the aim of purchasing products that contribute to reducing environmental threats. As a result, the Bank exclusively uses FSC paper and buys devices and equipment of highest energy efficiency and vehicles with low CO₂ emissions. An advantage is certainly given to products that have less negative impact on the environment compared with their equivalents.

Eurobank also buys some products from social enterprises, including them in its supply chain.

IMPLEMENTED IN 2020:

- Regular supplier quality control
- New suppliers undergoing CSR evaluation

2021 GOALS:

- Applying the Code of Conduct to suppliers (entry of additional obligations, suppliers signing the CoC)
- Strengthening support for social enterprises
- Further improving the green procurement system



LOCAL COMMUNITY

LOCAL COMMUNITY

Corporate social responsibility has been an integral part of the Eurobank strategy since its establishment in Serbia in 2003. Eurobank has elected to provide strong support to the local community through various projects and initiatives and to continuously invest in areas such as education, healthcare, environment, culture, and social inclusion, while supporting the most vulnerable population and the society as a whole. The Bank operates in 45 cities and towns where it has offices (among which the towns of Bor and Priboj are parts of underdeveloped areas) and, so far, the Bank's We Invest in European Values programme has invested over EUR 4.7 million in the community.

Eurobank started the year 2020 ready to face the numerous changes and challenges in the business. The coronavirus pandemic has become maybe the greatest challenge of 2020, not only for the Bank, but also for the entire local community. Even under such extraordinary circumstances, Eurobank continued to support the community in which it operates and demonstrated the importance of corporate social responsibility. The focus was clear: providing aid to those in need through timely initiatives and activities directed at different social groups. In this way, Eurobank has shown what it means to be in solidarity even in such trying times, with a high level of responsibility toward its stakeholders — employees, customers, and partners.

CORPORATE SOCIAL RESPONSIBILITY STRATEGY

Marketing and Corporate Communications creates, plans, and implements projects within the scope of the corporate social responsibility strategy, which constitutes an integral part of the communications strategy. The strategy

is presented to the Bank's Executive Board at the beginning of the calendar year and revised as necessary during the year. Successful implementation of the strategy is contributed to by all of the stakeholders: employees (donating knowledge and skills, volunteering), customers (the funds donated through Eurobank's Big Heart Mastercard charity credit card are used to purchase equipment for classrooms of secondary schools throughout Serbia), partners in projects implemented by the Bank (state administration and local self-government, non-governmental organisations), and the PR agency (informing the public via press conferences, events, interviews, press releases, etc.).

SUPPORT TO THE HEALTHCARE SYSTEM AND MOST VULNERABLE POPULATION DURING THE CORONAVIRUS PANDEMIC

Since the start of the coronavirus pandemic, the Bank has refocused most of its corporate social responsibility activities to providing support to the Serbian healthcare system.

Eurobank has shown its solidarity by providing financial support to the healthcare system immediately following the declaration of the state of emergency. In order to ease the severe stress on the healthcare system, healthcare workers needed aid to make their work easier and patients needed the best possible healthcare. Eurobank, upon UNICEF's request, donated PPE for healthcare workers: surgical and N95 masks, protective gowns, surgical gloves, face shields, coveralls, and mobile ventilators, all in the amount of RSD 6 million.

During the second wave of the pandemic, a donation of 36 oxygen flow meters for the oxygen therapy of COVID-19 patients was made to

the Clinical Centre of Serbia, Clinical Centre of Kragujevac, and Clinical Centre of Niš. Donations were also made through the B92 Fund foundation and the Serbian Philanthropy Forum, the latter having awarded Eurobank for its exceptional contribution to the fight against the COVID-19 pandemic and promotion of humanitarianism and philanthropy.

Even after these significant donations, Eurobank continues to be involved in ongoing initiatives — beyond starting its own — by providing support to the most vulnerable population groups. These include the vendors of the LICEULICE magazine, who, on account of the state of emergency and special coronavirus protective measures, were faced with an insurmountable obstacle — sales coming to a complete halt, which meant no income for them. Furthermore, Eurobank provided funds for the supply of Power Tech, a device for disinfection of art pieces and historical pieces at the National Museum in Belgrade, in addition to aid to the families involved in the Autizam Valjevo Association.

A major part of Eurobank's corporate social responsibility is based on personal involvement of employees, who have, over the years and especially during the pandemic, taken part in numerous volunteering initiatives.

EDUCATION SUPPORT SCHOOL DESIGNED FOR YOU PROJECT

In 2020, the Bank continued the implementation of its long-term project titled School Designed for You, which is supported by the Serbian Ministry of Education, Science and Technological Development. The purpose of the project is the improvement and development of working and learning conditions at Serbian high schools, and

it is the result of the synergy between Eurobank and its customers — funds are allocated from each transaction made with Eurobank's Big Heart Mastercard charity credit card. Eurobank Big Heart is a standard credit card with an additional charity value and numerous options such as contactless transactions, transaction repayment in instalments, deferred payment for up to 50 days, emailing of monthly reports, transfers between the card and the current account using the Bank's m-b@nking and e-B@nking apps, etc.

Thanks to a donation in the amount of RSD 1 million, the students of Bosa Miličević High School of Economics in Subotica got a state-of-the-art virtual bank classroom to help their professional development. Eurobank provided new equipment for electronic language laboratory and laptops for the library of the Stana Milanović High School of Economics in Šabac. The coronavirus pandemic did not affect the implementation of the Bank's project, thanks to which computer equipment was donated to the Đuka Dinić High School of Economics in Leskovac, providing the school with a modernised classroom.

Thanks to the project, more than 90 computers were donated in 2020 in the amount of more than RSD 2.4 million — comprising an electronic language laboratory, virtual bank, and accounting classrooms — while 3000 Serbian high school students who will graduate high school as 'banking and insurance clerks' were given the opportunity to improve their knowledge.

In addition to computer equipment donations, the project has another important component — through lectures held by the Eurobank employees, high school students are provided with new theoretical and practical knowledge of banking.

PROJECT COMMUNICATIONS

For these donations, 56 press releases were prepared and donations were subsequently mentioned in interviews and statements of Eurobank's representatives. Announcements made on the Bank's social media accounts achieved excellent results with the target audience:

- reach of over 400,000 users
- over 450,000 impressions
- over 1,500 reactions.

SUPPORTING DISTANCE LEARNING IN PARTNERSHIP WITH NALED

As a company whose corporate social responsibility is rooted in promoting education and culture, Eurobank supported important projects even during the pandemic. Immediately following the declaration of the state of emergency, schools throughout Serbia suspended their classes and the Ministry of Education, Science and Technological Development started its distance learning activities. This required that the teachers adapt to the new circumstances in a very short time and move from classrooms onto digital platforms.

In recognition of their effort and with the desire to reward their dedication, upon NALED's invitation and as one of the sponsors, the Bank joined the competition for the best online teaching example called Magic is in Teachers' Hands. The competition was meant for elementary and high school teachers in Serbia who designed and performed distance teaching. The Bank secured two laptops with installed e-book reading software as rewards for two categories — the best interactive teaching and the best use of information technology in teaching.

PARTNERSHIP WITH THE SASA'S ACADEMY OF ARTS & SCIENCES FOUNDATION

The partnership between Eurobank and Academy of Arts & Sciences Foundation of the Serbian Academy of Sciences and Arts started in 2009, and Eurobank has been actively supporting this foundation ever since. Slavica Pavlović, Chairperson of Eurobank's Executive Board, is one of the members of the Board of Directors of the Foundation, which has been established with the aim of securing conditions for the education of young, exceptionally capable and talented students and their creative development in science and arts, supporting science and arts studies, and in turn promoting the protection and improvement of science and education. Every year, the Foundation holds a competition for scholarships to third- and fourth-year students of accredited studies with a grade average of at least 9 (nine), for which Eurobank, among other donors, provides funds.

DONATIONS AND SPONSORSHIPS

Stakeholders can send applications and queries for sponsorships and donations to corporate-communication@eurobank.rs to be reviewed by the relevant department. Corporate Communications checks whether the proposed projects are in line with the defined support areas and responds to such proposals within 30 days. The approval for donations/sponsorships and further activities is defined by the internal Procedure for Management of Sponsorship and Donation Applications.

PROJECTS AND ORGANISATIONS SUPPORTED IN 2020:

- Tijana Jurić Foundation, for activities related to Safer Internet Day
- Laguna, sponsorship of Book Night event
- BELhospice, charity bowling tournament
- UNICEF, supply and purchase of medical and protection equipment for combating the coronavirus
- National Museum, supply of the Power Tech device for art disinfection
- Vuk Karadžić Cultural Centre, sponsorship of Vuk's Fair
- NALED, procurement of laptops for improved distance learning
- Academy of Arts & Sciences Foundation, implementation of a student education programme
- MOTO Association, organising a summer opera school
- KBC Zvezdara, furniture donation
- KBC Zemun, oxygen mask donation
- KBC Dragiša Mišović in Dedinje, hospital beds for the intensive care unit
- B92 Fund, donation for improvement of conditions for coronavirus patient treatment
- TGI Group International, sponsorship of the Belgrade Economic Forum
- Plava školjka Association, financial support for the construction of the House of Hope, residence for children with disability
- Donation of office and computer equipment to various institutions and associations

IMPLEMENTED IN 2020:

- Implementation of the School Designed for You project
- Support to the Serbian healthcare system

2021 GOALS:

- Involvement of relevant stakeholders in the selection of high schools to be included in the School Designed for You project (competition for employees, proposing of schools by the local self-government)
- Further contribution to improving online teaching through lectures held by the Bank's employees on areas of interest for the students



THE ENVIRONMENT



ENVIRONMENTAL PROTECTION

In 2020, the year of the coronavirus pandemic, Eurobank remained dedicated to environmental protection. Despite the reduction in the consumption of energy, paper, water, and other natural resources in the circumstances of the pandemic, the Bank continued to implement established environmental protection practices and measures in order to mitigate negative environmental impacts. In 2020, no penalties have been imposed on the Bank for noncompliance with environmental laws and regulations.

ENVIRONMENTAL PROTECTION MANAGEMENT SYSTEM

By continuing its operation as a socially responsible company and in compliance with environmental principles, the Bank continuously implements key initiatives with the aim of reducing negative environmental impact:

1. Rationalisation of energy consumption and reduction of greenhouse gases;
2. Rational use of natural resources (water and energy);
3. Green Procurement principles
4. Responsible Waste Management: reduction in generated waste, recycling, and safe disposal of hazardous waste
5. Responsible Financing: Environmental and Social Risk Management System
6. Digital Transformation

ENVIRONMENTAL AND SOCIAL RISK MANAGEMENT SYSTEM

Environmental and social risk management is an important part of Eurobank's strategy and development. The Bank continues to implement the Environmental and Social Risk Management System in its loan approval process, in accordance with international standards and best practices. In addition, when approving sponsorship and donation applications, an environmental impact assessment is also taken into account as one of the decision-making and project funding criteria.

PRESERVING NATURAL RESOURCES

ENERGY AND WATER

Direct energy consumption is related to burning natural gas for heating, while indirect consumption is related to electric energy used for daily business activities of the Bank.

The Bank monitors and keeps record of energy consumption at its business premises. In 2020, electric energy consumption was 3,898,139 kWh.

TOTAL ELECTRIC ENERGY CONSUMPTION (kWh)		
Year	2019	2020
Consumption	4.309.470	3.898.139

PRIMARY ENERGY CONSUMPTION

	2019	2020
Natural gas used for heating	245.369 kWh (25.405 m ³)	313.219 kWh (32.430 m ³)

WATER CONSUMPTION

	2019	2020
Water consumption (m ³)	10.106	6.799

*The Bank is supplied with water from the public waterworks

ENERGY MANAGEMENT

The Bank seeks to impact reduction in greenhouse gas emissions by implementing energy management programmes and reducing energy consumption. To this end, the Bank takes the following steps:

- Installation of energy efficient lamps and bulbs (LED lamps and bulbs) on all of its new and renovated premises
- Installation of energy efficient air-conditioners on all of its new and renovated premises
- Installation of recuperators in the ventilation system, which additionally save energy by preparing fresh air with the energy of used air
- Replacement of all neon lamps that are active 24/7 as emergency lights (in safe rooms and IT rooms) with LED lamps
- Gradual replacement of outdoor advertising with new models with LED illumination.

Despite the fact that the Bank mostly has an indirect effect on greenhouse gas emissions (through electricity consumption), the importance of monitoring the effects on climate change is among our environmental protection priorities.

TOTAL, DIRECT, AND INDIRECT EMISSION OF GASES PER WEIGHT

Total emission of CO₂ was measured based on the consumption of direct and indirect energy.

CO ₂ Emissions (t)		
Energy resource	2019	2020
Natural gas	49,55	63,25
Electric energy	3,274,97	2,962,38

COMPANY VEHICLES

The Bank uses hybrid vehicles for business purposes. The petrol and diesel engine vehicles were replaced with new hybrid engine vehicles, which directly resulted in the reduction of fuel consumption and in turn emission of CO₂.

Fuel consumption (l)	
2019	2020
79.347	58.075

SOLID WASTE MANAGEMENT

At its offices and buildings, the Bank implements a solid waste management programme that includes collection and recycling of paper and plastic waste, used toners, and discarded electric and electronic equipment. The collected waste is regularly delivered to an authorised operator for further treatment.

PAPER RECYCLING AND CONSUMPTION

For purposes of preserving natural resources and reducing generated wastepaper, Eurobank implements a paper saving programme. In 2020, Eurobank continued to implement the following activities:

- Sending electronic bank statements;
- Extending the scope of document digitalisation;
- Improving printing management systems, such as two-sided printing.

In 2019, the Bank recycled 5.59 tons of paper, or 79.5% of the total purchased paper.

In 2020, the Bank recycled 4.43 tons of paper, or 8.90% of the total purchased paper.

TONER RECYCLING

As of 2011, the Bank implements the used toner management system. All used toners and cartridges at Bank offices and buildings are sent for recycling. In 2020, 0.15 tons of used toners were recycled.

ELECTRONIC AND ELECTRIC EQUIPMENT MANAGEMENT

In compliance with the laws on hazardous waste disposal, Eurobank has signed an agreement with an authorised operator for transport, disposal, and treatment of hazardous waste. In 2020, the Bank delivered two tons of electric and electronic waste for recycling.

TOTAL QUANTITY OF ELECTRIC AND ELECTRONIC WASTE PER YEAR (t)	
2019	2020
8,48	2,00

RECYCLING OF OTHER TYPES OF WASTE

In 2020, the Bank delivered 0.84 tons of other types of waste (metal, wood, plastics, textile) for recycling.

IMPLEMENTED IN 2020:

- Continued support to implementation of environmental and social risk management principles in loan processes
- Cooperation with the relevant Bank departments in the continuous monitoring of legal regulations and ensuring compliance of the Bank's activities in an efficient way
- Involvement in the Bottle Cap for a Smile campaign
- Providing support to employees concerning specific waste management activities.

2021 GOALS:

- Ensuring compliance of Bank activities with environmental regulations and best practices
- Cooperation with an external consultant concerning analysis and control of risk related to customers' business operations
- Providing support to employees concerning specific waste management activities
- Continued involvement in the Bottle Cap for a Smile campaign.



REPORTING METHODOLOGY AND PARAMETERS

REPORTING PARAMETERS

The Bank published its [first Corporate Social Responsibility Report](#) in 2009, as a separate issue (for the previous year 2008) along with the Annual Financial Report.

[The Corporate Social Responsibility Report for the year 2012](#) was the first report made in line with the Global Reporting Initiative (GRI), according to which reporting level B was met. Corporate Social Responsibility Reports for the years 2013 and 2014 were extended by additional basic GRI indicators and included the financial sector indicators. All of the above reports were made in accordance with version G3.1 of these guidelines, whereas 2015 and 2016 reports were made in accordance with version G4. As of 2016, Corporate Social Responsibility Reports have become an integral part of the Bank's Annual

Report. The Reports for the years 2016 and 2017 meet 33 GRI indicators (21 fully met, 12 partially met), whereas the 2018 and 2019 reports, because of modifications to the GRI Guidelines (new GRI Standards), met 29 indicators. Report for 2020 meet 30 GRI indicators.

All reports are available to stakeholders at: www.eurobank.rs/finansijski-izvestaji.881.html

Point of Contact concerning Corporate Social Responsibility Reports:

Name and Surname: Milena Stupar, Corporate Communications Specialist, Marketing and Corporate Communications

Email: milena.stupar@eurobank.rs



SUSTAINABLE DEVELOPMENT GOALS

HOW EUROBANK A.D. SUPPORTS THE UNITED NATIONS' SUSTAINABLE DEVELOPMENT GOALS

GOAL	ACTIONS TAKEN	GRI INDICATOR
1. No poverty	<ul style="list-style-type: none"> • Enabling access to financial services for vulnerable groups by way of development of special products, market presence, and adjustments to branch office design • Investment in the local community • Established procedures that enable monitoring compliance with human rights in the working environment, customer and partner relations, and supplier chain 	201-1 Direct economic value generated and distributed FS 7 Monetary value of products and services designed to deliver a specific social benefit FS 13 Access points in low-populated or economically disadvantaged areas FS 14 Initiatives to improve access to financial services for disadvantaged people
2. Zero hunger	<ul style="list-style-type: none"> • Investment in the local community 	201-1 Direct economic value generated and distributed
3. Good health	<ul style="list-style-type: none"> • Implement adequate occupational safety measures, monitoring and reporting on workplace injuries and occupational diseases • Free medical examinations for employees and their family members • Investment in the local community – providing support to the healthcare system 	403-9 Work-related injuries
4. Quality education	<ul style="list-style-type: none"> • Implementing employee programmes, in accordance with their development plan • Providing support to youth education through the projects School Designed for You and Magic is in Teachers' Hands, and scholarships for talented students and pupils 	404-1 Average hours of training per employee category
5. Gender equality	<ul style="list-style-type: none"> • Adopted policies that ensure equal employment and advancement opportunities 	401-1 New employee hires and employee turnover 404-1 Average hours of training per employee category 401-3 Maternity leave 405-1 Diversity of governance bodies and employees
6. Clean water and sanitation	<ul style="list-style-type: none"> • Implementing initiatives for ensuring rational water consumption 	303-5 Water consumption

GOAL	ACTIONS TAKEN	GRI INDICATOR
7. Affordable and clean energy	<ul style="list-style-type: none"> • Installation of energy efficient lamps and bulbs on new and renovated premises • Installation of energy efficient air-conditioners on new and renovated premises • Installation of recuperators in the ventilation system • Replacement of all neon lamps that are active 24/7 as emergency lights (in safe rooms and IT rooms) with LED lamps • Gradual replacement of outdoor advertising with new models with LED illumination 	<p>302-1 Energy consumption within the organisation</p> <p>302-4 Reduction of energy consumption</p>
8. Decent work and economic growth	<ul style="list-style-type: none"> • Established procedures that enable monitoring compliance with human rights in the working environment, customer and partner relations, and supplier chain • Providing support to active and successful activity of unions • Contribution to domestic product • Enabling access to financial services for vulnerable groups by way of development of special products, market presence, and adjustments to branch office design • Investments in the community — providing support to educational institutions 	<p>405-1 Diversity of governance bodies and employees</p> <p>FS 7 Monetary value of products and services designed to deliver a specific social benefit</p> <p>FS 13 Access points in low-populated or economically disadvantaged areas</p> <p>FS 14 Initiatives to improve access to financial services for disadvantaged people</p> <p>201-1 Direct economic value generated and distributed</p> <p>401-2 Benefits provided to full-time employees</p> <p>102-8 Information on employees and other workers</p> <p>202-2 Proportion of senior management hired from the local community</p> <p>102-41 Collective bargaining agreement</p> <p>407-1 Operations recognized as those in which the rights to exercise freedom of association or collective bargaining may be at significant risk and actions taken</p>

GOAL	ACTIONS TAKEN	GRI INDICATOR
		414-1 Percentage of new suppliers that were screened using social criteria 406-1 Incidents of discrimination and corrective actions taken 401-3 Maternity leave 403-9 Work-related injuries
9. Industry, innovation and infrastructure	<ul style="list-style-type: none"> Enabling access to financial services for vulnerable groups by way of development of special products, market presence, and adjustments to branch office design Investment in the local community – providing support to healthcare and educational institutions 	FS 7 Monetary value of products and services designed to deliver a specific social benefit
10. Reduced inequalities	<ul style="list-style-type: none"> Adopted policies that ensure equal employment and advancement opportunities Enabling access to financial services for vulnerable groups by way of development of special products, market presence, and adjustments to branch office design Investment in the local community 	FS 7 Monetary value of products and services designed to deliver a specific social benefit FS 13 Access points in low-populated or economically disadvantaged areas FS 14 Initiatives to improve access to financial services for disadvantaged people
11. Sustainable cities and communities	<ul style="list-style-type: none"> Investment in the local community –providing support to healthcare and educational institutions 	-
12. Responsible consumption and production	<ul style="list-style-type: none"> Providing clear and transparent product information Applying Green Procurement principles Rationalisation of energy consumption and reduction of greenhouse gases Rational use of natural resources (water and energy) Responsible Waste Management - reduction in generated waste, recycling, and safe disposal of hazardous waste Monitoring, measuring, and reporting on economic, social, and environmental impacts, as provided for by the Global Reporting Initiative methodology 	417-1 Incidents of non-compliance concerning product and service information and labelling 204-1 Proportion of spending on local suppliers 302-1 Energy consumption within the organisation 302-4 Reduction of energy consumption 305-1 Direct GHG emissions (GHG – Scope 1) 305-2 Indirect GHG emissions (GHG – Scope 2) 306-2 Waste by type and disposal method

GOAL	ACTIONS TAKEN	GRI INDICATOR
13. Climate action	<ul style="list-style-type: none"> • Implementation of the Environmental and Social Risk Management System in the loan approval process, in accordance with international standards and best practices • Rationalisation of energy consumption and reduction of greenhouse gases 	302-1 Energy consumption within the organisation 302-4 Reduction of energy consumption 305-1 Direct GHG emissions (GHG – Scope 1) 305-2 Indirect GHG emissions (GHG – Scope 2)
14. Life below water	-	-
15. Life on land	-	-
16. Peace, justice and strong institutions	<ul style="list-style-type: none"> • Ensured compliance with all relevant rules and requirements of regulatory bodies • Established procedures that enable monitoring compliance with human rights in the working environment, customer and partner relations, and supplier chain • Established reliable, effective, and transparent corporate governance mechanisms • Continued raising anti-corruption awareness and implementing anti-corruption training for employees 	205-2 Communication and training about anti-corruption policies and procedures 417-2 Incidents of non-compliance concerning product and service information and labelling 418-1 Total number of substantiated complaints received concerning breaches of customer privacy and losses of customer data 102-25 Conflicts of interest 102-16 Values, principles, standards, and norms of behaviour 102-23 Chair of the highest governance body 102-17 Mechanisms for advice and concerns about ethics 102-22 Composition of the highest governance body 102-24 Nominating and selecting the highest governance body
17. Partnership for the goals	<ul style="list-style-type: none"> • Active membership in business associations that are engaged in improvement of the business environment and development and promotion of the corporate social responsibility concept: United Nations Global Compact, Responsible Business Forum, Serbian Philanthropy Forum, American Chamber of Commerce, Foreign Investors Council, Hellenic Business Association, Serbian Chamber of Commerce, Association of Serbian Banks, Serbian Association of Economists, Serbian Public Relations Association, UNEP Financial Initiative 	-



GRI INDEX AND INDICATORS

GRI INDEX AND INDICATORS

GRI STANDARDS	GRI 102: GENERAL DISCLOSURES	PAGE NUMBER (S)	UNGC PRINCIPLES CROSS-REFERENCE
1.	ORGANIZATIONAL PROFILE		
102 - 1	NAME OF THE ORGANIZATION	22	
102 - 2	ACTIVITIES, BRANDS, PRODUCTS, AND SERVICES	22, 78-79	
102 - 3	LOCATION OF HEADQUARTERS	22	
102 - 4	LOCATION OF OPERATIONS	22	
102 - 5	OWNERSHIP AND LEGAL FORM	22	
102 - 6	MARKETS SERVED	22	
102 - 7	SCALE OF THE ORGANIZATION	22-23	
102 - 8	INFORMATION ON EMPLOYEES AND OTHER WORKERS	68-69	PRINCIPLE 6: The elimination of discrimination in respect of employment and occupation
102 - 9	SUPPLY CHAIN	86-87	
102 - 10	SIGNIFICANT CHANGES TO THE ORGANIZATION AND ITS SUPPLY CHAIN	-	
102 - 11	PRECAUTIONARY PRINCIPLE OR APPROACH	33, 39-40	
102 - 12	EXTERNAL INITIATIVES	23, 104-107	
102 - 13	MEMBERSHIP OF ASSOCIATIONS	23	
2.	STRATEGY		
102 - 14	STATEMENT FROM SENIOR DECISION-MAKER	12-15	
3.	ETHICS AND INTEGRITY		
102 - 16	VALUES, PRINCIPLES, STANDARDS, AND NORMS OF BEHAVIOR	22, 32	PRINCIPLE 10: Businesses should work against corruption in all its forms, including extortion and bribery
102 - 17	MECHANISMS FOR ADVICE AND CONCERNS ABOUT ETHICS	32	PRINCIPLE 10: Businesses should work against corruption in all its forms, including extortion and bribery

GRI STANDARDS	GRI 102: GENERAL DISCLOSURES	PAGE NUMBER (S)	UNGC PRINCIPLES CROSS-REFERENCE
4.	GOVERNANCE		
102 - 18	GOVERNANCE STRUCTURE	31	
102 - 19	DELEGATING AUTHORITY	30, 33	
102 - 22	COMPOSITION OF THE HIGHEST GOVERNANCE BODY AND ITS COMMITTEES	31, 34-35	
102 - 23	CHAIR OF THE HIGHEST GOVERNANCE BODY	31	
102 - 24	NOMINATING AND SELECTING THE HIGHEST GOVERNANCE BODY	30-31	
102 - 25	CONFLICTS OF INTEREST	30	
102 - 26	ROLE OF HIGHEST GOVERNANCE BODY IN SETTING PURPOSE, VALUES, AND STRATEGY	33	
102 - 35	REMUNERATION POLICIES	32-33	
102 - 36	PROCESS FOR DETERMINING REMUNERATION	32-33	
5.	STAKEHOLDER ENGAGEMENT		
102 - 40	LIST OF STAKEHOLDER GROUPS	24-25	
102 - 41	COLLECTIVE BARGAINING AGREEMENTS	73	PRINCIPLE 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining
102 - 42	IDENTIFYING AND SELECTING STAKEHOLDERS	24-25	
102 - 43	APPROACH TO STAKEHOLDER ENGAGEMENT	24-25	
102 - 44	KEY TOPICS AND CONCERNS RAISED	24-26	
6.	REPORTING PRACTICE		
102 - 45	ENTITIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS	9	
102 - 46	DEFINING REPORT CONTENT AND TOPIC BOUNDARIES	26	
102 - 47	LIST OF MATERIAL TOPICS	26	
102 - 48	RESTATEMENTS OF INFORMATION	-	
102 - 49	CHANGES IN REPORTING	-	
102 - 50	REPORTING PERIOD	101	
102 - 51	DATE OF MOST RECENT REPORT	101	
102 - 52	REPORTING CYCLE	101	
102 - 53	CONTACT POINT FOR QUESTIONS REGARDING THE REPORT	101	
102 - 54	CLAIMS OF REPORTING IN ACCORDANCE WITH THE GRI STANDARDS	101	
102 - 55	GRI CONTENT INDEX	110-116	
102 - 56	EXTERNAL ASSURANCE	-	

	GRI STANDARDS	2020	PAGE(S)	UNGC PRINCIPLES CROSS-REFERENCE
	TOPIC -SPECIFIC DISCLOSURES			
	CATEGORY: ECONOMIC – GRI 200			
	ECONOMIC PERFORMANCE GRI 201 - MANAGEMENT APPROACH		18-19, 23	
1.	201-1 DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED	✓	23	
	MARKET PRESENCE GRI 202 - MANAGEMENT APPROACH		22,68	
2.	202-2 PROPORTION OF SENIOR MANAGEMENT HIRED FROM THE LOCAL COMMUNITY	→	68	
	PROCUREMENT PRACTICES GRI 204 MANAGEMENT APPROACH		86-87	
3.	204-1 PROPORTION OF SPENDING ON LOCAL SUPPLIERS	✓	87	
	ANTI-CORRUPTION GRI 205 - MANAGEMENT APPROACH		30	
4.	205-2 COMMUNICATION AND TRAINING ABOUT ANTI-CORRUPTION POLICIES	✓	71	PRINCIPLE 10: Businesses should work against corruption in all its forms, including extortion and bribery
	CATEGORY: ENVIRONMENTAL - GRI 300			
	ENERGY GRI 302 - MANAGEMENT APPROACH		97-98	
5.	302-1 ENERGY CONSUMPTION WITHIN THE ORGANIZATION	✓	97	PRINCIPLE 7: Businesses should support a precautionary approach to environmental challenges PRINCIPLE 8: Undertake initiatives to promote greater environmental responsibility
6.	302-4 REDUCTION OF ENERGY CONSUMPTION	→	97	PRINCIPLE 8: Undertake initiatives to promote greater environmental responsibility PRINCIPLE 9: Encourage the development and diffusion of environmentally friendly technologies

	GRI STANDARDS	2020	PAGE(S)	UNGC PRINCIPLES CROSS-REFERENCE
	TOPIC -SPECIFIC DISCLOSURES			
	WATER AND EFFLUENTS GRI 303 – MANAGEMENT APPROACH		97	
7.	303-1 WATER WITHDRAWAL BY SOURCE	✓	97	PRINCIPLE 7: Businesses should support a precautionary approach to environmental challenges PRINCIPLE 8: Undertake initiatives to promote greater environmental responsibility
	EMISSIONS GRI 305 – MANAGEMENT APPROACH		97-98	
8.	305-1 DIRECT (SCOPE 1) GHG EMISSIONS	→	98	PRINCIPLE 7: Businesses should support a precautionary approach to environmental challenges PRINCIPLE 8: Undertake initiatives to promote greater environmental responsibility
9.	305-2 ENERGY INDIRECT (SCOPE 2) GHG EMISSIONS	→	98	PRINCIPLE 7: Businesses should support a precautionary approach to environmental challenges PRINCIPLE 8: Undertake initiatives to promote greater environmental responsibility
	WASTE GRI 306 - MANAGEMENT APPROACH		98-99	
10.	306-2 TOTAL WEIGHT OF WASTE BY TYPE AND DISPOSAL METHOD	✓	99	PRINCIPLE 8: Undertake initiatives to promote greater environmental responsibility
	ENVIRONMENTAL COMPLIANCE GRI 307 – MANAGEMENT APPROACH		97	
11.	307-1 NON-COMPLIANCE WITH ENVIRONMENTAL LAWS AND REGULATIONS	✓	97	PRINCIPLE 8: Undertake initiatives to promote greater environmental responsibility

	GRI STANDARDS	2020	PAGE(S)	UNGC PRINCIPLES CROSS-REFERENCE
	TOPIC -SPECIFIC DISCLOSURES			
	CATEGORY: SOCIAL – GRI 400			
	EMPLOYMENT GRI 401 - MANAGEMENT APPROACH		68-69	
12.	401-1 TOTAL NUMBER AND RATES OF NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER BY AGE GROUP, GENDER AND REGION	✓	69	PRINCIPLE 6: The elimination of discrimination in respect of employment and occupation
13.	401-2 BENEFITS PROVIDED TO FULL-TIME EMPLOYEES THAT ARE NOT PROVIDED TO TEMPORARY OR PART-TIME EMPLOYEES	✓	73-74	
14.	401-3 PARENTAL LEAVE	→	73-74	PRINCIPLE 6: The elimination of discrimination in respect of employment and occupation
	OCCUPATIONAL HEALTH AND SAFETY GRI 403 - MANAGEMENT APPROACH		73	
15.	403-2 TYPE OF INJURY AND RATES OF INJURY, OCCUPATIONAL DISEASES, LOST DAYS, AND ABSENTEEISM, AND TOTAL NUMBER OF WORK-RELATED FATALITIES, BY REGION AND BY GENDER	→	73	
	TRAINING AND EDUCATION GRI 404 - MANAGEMENT APPROACH		70-71	
16.	404-1 AVERAGE HOURS OF TRAINING PER YEAR PER EMPLOYEE BY GENDER, AND BY EMPLOYEE CATEGORY	✓	72	PRINCIPLE 6: The elimination of discrimination in respect of employment and occupation
17.	404-2 PROGRAMS FOR UPGRADING EMPLOYEE SKILLS AND TRANSITION ASSISTANCE PROGRAMS	→	72	
18.	404-3 PERCENTAGE OF EMPLOYEES RECEIVING REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEWS	✓	70	PRINCIPLE 6: The elimination of discrimination in respect of employment and occupation
	DIVERSITY AND EQUAL OPPORTUNITY GRI 405 – MANAGEMENT APPROACH		68	
19.	405-1 DIVERSITY OF GOVERNANCE BODIES AND EMPLOYEES	✓	68	PRINCIPLE 6: The elimination of discrimination in respect of employment and occupation

	GRI STANDARDS	2020	PAGE(S)	UNGC PRINCIPLES CROSS-REFERENCE
	TOPIC -SPECIFIC DISCLOSURES			
	NON-DISCRIMINATION GRI 406 - MANAGEMENT APPROACH		68, 74	
20.	406-1 INCIDENTS OF DISCRIMINATION AND CORRECTIVE ACTIONS TAKEN	✓	74	
	FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING GRI 407 – MANAGEMENT APPROACH		73	
21.	407-1 OPERATIONS AND SUPPLIERS IN WHICH THE RIGHT TO FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING MAY BE AT RISK	→	73	PRINCIPLE 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining
	LOCAL COMMUNITIES GRI 413 - MANAGEMENT APPROACH		90	
22.	413-1 OPERATIONS WITH LOCAL COMMUNITY ENGAGEMENT, IMPACT ASSESSMENTS, AND DEVELOPMENT PROGRAMS	✓	90	PRINCIPLE 1: Businesses should support and respect the protection of internationally proclaimed human rights
23.	FS 13 ACCESS POINTS IN LOW-POPULATED OR ECONOMICALLY DISADVANTAGED AREAS BY TYPE	→	90	
24.	FS 14 INITIATIVES TO IMPROVE ACCESS TO FINANCIAL SERVICES FOR DISADVANTAGED PEOPLE	✓	80	
	SUPPLIER SOCIAL ASSESSMENT GRI 414 – MANAGEMENT APPROACH		86-87	
25.	414-1 NEW SUPPLIERS THAT WERE SCREENED USING SOCIAL CRITERIA	✓	87	PRINCIPLE 2: Business should make sure that they are not complicit in human rights abuses PRINCIPLE 4: The elimination of all forms of forced and compulsory labor PRINCIPLE 5: The effective abolition of child labor

	GRI STANDARDS	2020	PAGE(S)	UNGC PRINCIPLES CROSS-REFERENCE
	TOPIC -SPECIFIC DISCLOSURES			
	MARKETING AND LABELING GRI 417 - MANAGEMENT APPROACH (INCLUDING FORMER PERFORMANCE INDICATOR FS16 - INITIATIVES TO ENHANCE FINANCIAL LITERACY)		82-83	
26.	417-1 REQUIREMENTS FOR PRODUCT AND SERVICE INFORMATION AND LABELING AND PERCENTAGE OF SIGNIFICANT PRODUCT AND SERVICE	✓	82-83	
27.	417-2 INCIDENTS OF NON-COMPLIANCE CONCERNING PRODUCT AND SERVICE INFORMATION AND LABELING	→	83	
28.	417-3 INCIDENTS OF NON-COMPLIANCE CONCERNING MARKETING COMMUNICATIONS	✓	83	
	CUSTOMER PRIVACY GRI 418 - MANAGEMENT APPROACH		83	
29.	418-1 SUBSTANTIATED COMPLAINTS CONCERNING BREACHES OF CUSTOMER PRIVACY AND LOSSES OF CUSTOMER DATA	→	83	
	SECTOR-SPECIFIC ASPECTS ACCORDING TO GRI FINANCIAL SECTOR DISCLOSURES			
30.	FS 7 MONETARY VALUE OF PRODUCTS AND SERVICES DESIGNED TO DELIVER A SPECIFIC SOCIAL BENEFIT FOR EACH BUSINESS LINE BROKEN DOWN BY PURPOSE	→	78, 91	

Indicator compliance levels:

- ✓ Fully Reported
- Partially Reported

*GRI disclosures from the financial sector supplement are marked in red

**This report is compliant with the core gri standard option. In addition, some of the requirements of the comprehensive option are also reported: 102- 17, 102-19, 102-22 to 102-26, 102-35, 102-36.

Additional Remarks:

Former GRI disclosures EN34, LA16 and HR12 are combined into disclosure 103-2-C (general management approach) of the GRI standards.

Former GRI disclosures G4-LA14, G4-HR10 i G4-SO9 are combined into disclosure 414-1 of the gri standards.



KEY QUANTITATIVE GRI INDICATORS* 2012–2019

*Detailed GRI indicators are available in 2012, 2013, 2014, 2015, 2016, 2017, 2018 and 2019 Annual Sustainability Reports.

CATEGORY: ENVIRONMENT – GRI 300

TOPIC: ENERGY – GRI 302

302-1 ENERGY CONSUMPTION WITHIN THE ORGANISATION

YEAR	2012	2013	2014	2015	2016	2017	2018	2019
TOTAL CONSUMPTION (KWH)	7173,448	6.700.152	6.371.081	5.553.926	4.485.266	4.329.778	4.337.689	4.309.470

TOPIC: WATER – GRI 303

303-1 WATER WITHDRAWAL BY SOURCE

YEAR	2012	2013	2014	2015	2016	2017	2018	2019
TOTAL WATER WITHDRAWN (m ³)	23.370	15.431	10.668	8.519	11.353	14.944	14.604	10.106

*The Bank is supplied with water from the public waterworks

TOPIC: EMISSIONS – GRI 305

305-1 DIRECT GHG EMISSIONS (GHG – SCOPE 1)

305-2 INDIRECT GHG EMISSIONS (GHG – SCOPE 2)

CO2 EMISSIONS (T)								
ENERGY RESOURCE	2012	2013	2014	2015	2016	2017	2018	2019
NATURAL GAS	73,09	61,81	57,54	49,56	49,48	48,45	52,60	49,55
OIL	75,59	68,46	68,29	51,53	51,53	76,06	-	-
ELECTRIC ENERGY	4.812,48	4.494,96	4.992,21	4.220,69	3.408,56	3.290,40	3.296,41	3.274,97

TOPIC: EFFLUENTS AND WASTE – GRI 306

306-2 WASTE BY TYPE AND DISPOSAL METHOD

	2012	2013	2014	2015	2016	2017	2018	2019
TOTAL QUANTITY OF RECYCLED ELECTRICAL AND ELECTRONIC WASTE (t)	3,28	2,46	10,38	0,80	0	17,72	6,96	8,48

	2012	2013	2014	2015	2016	2017	2018	2019
TOTAL QUANTITY OF RECYCLED PAPER (t)	24,8	17,35	9,83	10,83	13,96	5,42	5,45	5,59
SHARE OF RECYCLED PAPER IN THE TOTAL ANNUAL PAPER SUPPLY (%)	32,18%	28%	14%	15%	19,12%	5,48%	8,38%	7,95%

TOPIC: ENVIRONMENTAL COMPLIANCE - GRI 307

307-1 SIGNIFICANT FINES AND NON-MONETARY SANCTIONS FOR NON-COMPLIANCE WITH ENVIRONMENTAL LAWS AND/OR REGULATIONS

2012	2013	2014	2015	2016	2017	2018	2019
-	0	0	0	0	0	0	0

CATEGORY: SOCIAL – GRI 400

TOPIC: EMPLOYMENT – GRI 401

401-1 UKUPAN BROJ NOVOZAPOSLENIH I FLUKTUACIJA ZAPOSLENIH

Employee turnover	2012	2013	2014	2015	2016	2017	2018	2019
New employee hires	81	77	77	76	105	97	104	139
Employment termination	63	102	93	195	112	89	99	134
Retirement	14	6	24	1	6	7	9	15

	2012	2013	2014	2015	2016	2017	2018	2019
Turnover rate	4,17%	6,84%	6,84%	5,32%	7,60%	5,84%	6,34%	9,50%

401-3 MATERNITY LEAVE

	2012	2013	2014	2015	2016	2017	2018	2019
Number of maternity leaves	80	138	59	63	50	36	48	35
Rate of return to work	100%	100%	100%	100%	100%	100%	100%	100%

TOPIC: OCCUPATIONAL HEALTH AND SAFETY – GRI 403

403-9 WORK-RELATED INJURIES

Number of recorded injuries	2012	2013	2014	2015	2016	2017	2018	2019
Belgrade Region	9	14	6	4	12	4	5	7
Niš Region	2	2	1	1	1	1	1	1
Kragujevac Region	1	-	1	2	3	-	1	-
Novi Sad Region	1	1	-	-	2	3	1	2
Total	13	17	8	7	18	8	8 (2 severe and 6 minor)	10 (4 severe and 6 minor)

	2012	2013	2014	2015	2016	2017	2018	2019
Number of sick leave hours resulting from recorded injuries	2.496	5.576	4.048	4.120	3.752	1.760	1.936	5.008

	2012	2013	2014	2015	2016	2017	2018	2019
Number of work-related fatalities	0	0	0	0	0	0	0	0
Number of occupational diseases	0	0	0	0	0	0	0	0

TOPIC: TRAINING AND EDUCATION – GRI 404

404-1 AVERAGE HOURS OF TRAINING PER YEAR PER EMPLOYEE

Year	Total hours of training	Average hours of training per employee category (manager/employee)		Average hours of training per gender (men/women)	
		Manager	Employee	Men	Women
2012	17949	-*	-*	-	-
2013	15.552	10,33	10,45	-	-
2014	16.180	10,33	10,45	-	-
2015	15.216	10,10	10,55	11,56	11,60
2016	21.325	10,45	11,35	11,86	11,90
2017	21.325	10,55	11,25	11,46	12,50
2018	21.400	10,15	11,55	11,78	12,30
2019	21.920	10,50	11,50	10,98	13,50

*Managers 28%, employees 72%

404-3 PERCENTAGE OF EMPLOYEES RECEIVING REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEWS

2012	2013	2014	2015	2016	2017	2018	2019
100%	100%	100%	100%	100%	100%	100%	100%

TOPIC: DIVERSITY AND EQUAL OPPORTUNITY – GRI 405

405-1 DIVERSITY OF GOVERNANCE BODIES AND EMPLOYEES

	Percentage of gender within the Bank management (%)	
	M	W
2012	52%	48%
2013	59%	41%
2014	56%	44%
2015	57,50%	42,50%
2016	57%	43%
2017	54%	46%
2018	54%	46%
2019	52%	48%

	Percentage of gender within the Bank (%)	
	M	W
2012	35%	65%
2013	32%	68%
2014	31%	69%
2015	30%	70%
2016	27%	73%
2017	26%	74%
2018	27%	73%
2019	28%	72%

	Employee age group		
	Under 30 years old	30-50 years old	over 50 years old
2012	206	1.029	237
2013	196	1.051	244
2014	172	1.062	229
2015	117	987	211
2016	99	980	226
2017	89	982	243
2018	87	969	253
2019	105	936	266

TOPIC: NON-DISCRIMINATION – GRI 406

406-1 INCIDENTS OF DISCRIMINATION AND CORRECTIVE ACTIONS TAKEN

2012	2013	2014	2015	2016	2017	2018	2019
-	0	0	0	0	0	0	0

TOPIC: LOCAL COMMUNITIES - GRI 413

413-1 PERCENTAGE OF OPERATIONS WITH IMPLEMENTED LOCAL COMMUNITY ENGAGEMENT, IMPACT ASSESSMENTS, AND/OR DEVELOPMENT PROGRAMS

2012	2013	2014	2015	2016	2017	2018	2019
100%	100%	100%	100%	100%	100%	100%	100%

TOPIC: SUPPLIER SOCIAL ASSESSMENT – GRI 414

414-1 NEW SUPPLIERS THAT WERE SCREENED USING SOCIAL CRITERIA

2012	2013	2014	2015	2016	2017	2018	2019
-	100%	100%	100%	100%	100%	100%	100%

TOPIC: MARKETING AND PRODUCT AND SERVICE LABELLING – GRI 417

417-2 INCIDENTS OF NON-COMPLIANCE CONCERNING PRODUCT AND SERVICE INFORMATION AND LABELLING

2012	2013	2014	2015	2016	2017	2018	2019
-	0	0	0	0	0	8	0

TOPIC: CUSTOMER PRIVACY – GRI 418

418-1 TOTAL NUMBER OF SUBSTANTIATED COMPLAINTS RECEIVED CONCERNING BREACHES OF CUSTOMER PRIVACY AND LOSSES OF CUSTOMER DATA

2012	2013	2014	2015	2016	2017	2018	2019
-	0	0	0	0	0	0	0



www.eurobank.rs