Executive Compensation Benchmarking
(based on compensation date from 2019)

Prepared for the Remuneration Committee of Moneta Money Bank

June, 2020
Disclaimer

This document represents a best effort approach, as not all the data is published. It builds on publicly available data, estimates, and our understanding of and insights on the different markets.

• This report is prepared for MONETA Money Bank exclusively.
• The information contained herein is only relevant within the context of this presentation. Although information in the report has been obtained from sources that Egon Zehnder believes to be reliable, we do not represent or warrant its accuracy and such information may be incomplete or condensed.
• All data is presented in EUR and rounded by 5,000.
• Non-EUR data has been converted at December, 2019 on InforEuro, the European Commission’s official monthly accounting rates calculator.
Your need and our findings

You asked us to look at salary levels for top executives in 6 positions; we considered 28, primarily similarly sized banks, located in mostly Central and Eastern Europe.

Management Board (MB) Members:
Chief Executive Officer (Chairman of the Board)
Chief Risk Officer (Vice Chairman of the Board)
Chief Financial Officer
Chief Commercial Banking Officer
Chief Operating Officer

Non-MB Executive:
Chief Products and Marketing Officer

In summary we found that:

• Moneta’s overall Total Cash Compensation (TCC: i.e., fixed salary and short-term bonus levels) to the reviewed executives are comparable to the benchmarks:
  • The CEO is at the median on the fixed component and ~30% above it when considering TCC
  • The CRO and COO are on the median on fixed and variable components
  • The other executives are 40+% below the median of the compared group
• Similar 3-tiered compensation structures supplemented by other benefits exist in roughly half the reviewed banks
• In terms of other benefits, Moneta offers lower pension contributions (2-4%, except for the COO at 14% of TCC) or fringe benefits (~3%, except for the COO at 30% of TCC) than the benchmarks, where the median is at 9% and 6% of TCC respectively
Benchmarked Banks
Benchmarked Banks: 28 considered for the exercise

Austria    Addiko Group, Erste Bank Group, Raiffeisen Group
Belgium    Belfius
Czech Republic Komerční banka
Denmark    Danske Bank, Spar Nord Bank, Sydbank
Finland    Alandsbanken
Hungary    CIB Bank, OTP Bank,
Ireland    AIB Group, Bank of Ireland
Italy      Banko BPM, Unicredit Group
Netherlands De Volksbank
Norway     DNB Bank
Poland     BGZ BNP Paribas, mBank,
           Bank Pekao, PKO BP
Romania    Banka Transilvania
Slovenia   Nova Ljubljanska Banka (NLB)
Spain      WiZink
Sweden     Nordea Bank, Swedbank,
           Resurs Bank
Switzerland Cembra Money Bank
Benchmarked banks

Addiko Bank is an international financial Group headquartered in Austria. With ~3,000 employees, operating through 6 banks and 198 branches across its core business markets in Croatia, Slovenia, Bosnia and Herzegovina, Serbia and Montenegro providing services for 0.86 million clients. The holding company AI Lake (Luxembourg) is the direct parent company of Addiko and is indirectly owned by funds advised by Advent International, a global active private equity investor and the European Bank for Reconstruction and Development (EBRD). Addiko Bank has operated under this name since July 11, 2016 following the successful rebranding of the Group. Result after tax in 2019 were ~EUR 35.1 million, total assets ~EUR 1.2 million.

Erste Group Bank AG was founded in 1819 as the first Austrian savings bank. Around 47,000 employees are serving over 16.7 million clients in more than 2,300 branches in 7 countries. Erste Group is one of the largest financial services providers in Central and Eastern Europe with total assets ~ EUR 245.7 billion. Erste Group strives to be the leading retail and corporate bank in the eastern part of the European Union, including Austria. To achieve this goal, Erste Group aims to support its retail, corporate and public sector customers in realizing their ambitions by offering excellent financial advice and solutions, lending responsibly and providing a safe harbor for deposits.

Raiffeisen Bank International AG (RBI) regards Austria, where it is a leading corporate and investment bank, as well as Central and Eastern Europe (CEE) as its home market. 13 markets of the region are covered by subsidiary banks. Around 47,000 employees service 16.8 million customers through around 2,000 business outlets, the by far largest part thereof in CEE. RBI is Austria’s second-largest bank with a balance sheet total of € 155.6 billion (as per 31 March 2020).
Benchmarked banks

Belfius

Belfius is a Belgian bank-insurer serving all segments of the Belgian economy, more than 3.5 million private individuals in Retail Banking, 293,000 in Commercial Banking; self-employed workers, professionals and SMEs. Belfius offers our Retail & Commercial customers a wide range of interaction possibilities combining “the local, digital and human touch”. Their ambition is to create customer delight through all possible customer touchpoints. Employees ~ 6,525, total assets 172,439 million, net income after tax ~ EUR 666 million, ~ 630 branches.

Czech Republic

KB

Komerční banka was established in 1990 as a state institution, and in 1992 it was transformed into a joint-stock company. KB’s shares have been listed on the Prague Stock Exchange since its inception in 1993, as well as within the RM-System. In 2001, the state’s 60% holding in Komerční banka was purchased by Société Générale. Today, with a net operating income* of CZK 30.6 billion and roughly 8,200 employees, KB is one of the leading banks in Czech Republic.

Denmark

Danske Bank

Danske Bank is a Nordic universal bank with strong local roots and bridges to the rest of the world. A fundamentally strong bank with a good customer base, but they are currently challenged by both structural changes in the industry and a number of matters specific to Danske Bank. Over 19,000 employees, across 15 countries, ~ 217 branches, total assets ~ EUR 504,540,942,262, net revenue after tax ~ EUR 14,622,236
**Benchmarked banks**

**Spar Nord**

Spar Nord is a local Danish bank, focused on providing retail banking products and services to individuals and SMEs. Based on a strategy focused on serving retail customers and small and medium-sized enterprises in Denmark, Spar Nord has successfully generated strong results in a challenging market. Over the past few years, Spar Nord has invested substantial resources in new digital solutions – both in the form of direct customer-centric solutions, new tools for employees and systems to streamline production and compliance procedures. The Bank has achieved a net profit of ~EUR 142 million in 2019. The Bank is listed on NASDAQ Copenhagen. Total assets: EUR ~ 12.5 billion, branches: 49, employees: ~ 1,500

**Sydbank**

Over 2,000 employees, total assets around ~EUR 20 billion, net income after tax ~EUR 114,429,062, 63 branches. Their strategy is well underway where focus is on creating a stronger bank with the keywords “Customer first”, “More Sydbank” and “Digitization”. Customer first ensures the continuity on customer orientation. The direct link between highly satisfied customers and a positive trend in the top line is the driving force behind the priority of this theme. The response has been a high level of customer satisfaction and deeply committed employees.

**Bank of Åland**

The Bank of Åland was founded in 1919. The Group and its three subsidiaries have over 700 employees today. In the Åland Islands, the Bank of Åland is a bank for all residents and is both in a position and with a desire to help develop the Åland of the future. Over the years, the Bank of Åland has been an innovative pioneer in the financial services industry. The Bank of Åland’s Premium Banking®, launched in 2004, has served as a model for competitors in the Nordic countries. The bank was listed on the stock exchange in 1942 and has operations both in Finland and Sweden with 14 branches. Total assets: ~EUR 5.6 billion.
### Benchmarked banks

<table>
<thead>
<tr>
<th>Bank</th>
<th>Description</th>
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<tbody>
<tr>
<td><strong>CIB Bank</strong></td>
<td>CIB Bank is a subsidiary of the Intesa Sanpaolo Group. With robust parent-bank support and more than 35 years of experience as a universal credit institution, it offers the full range of commercial banking and investment services, supplemented by many products and services of its subsidiaries. With its 2,100 employees, CIB Bank serves almost 450,000 customers through a network of 68 branches covering all of Hungary. Total assets in 2019 were ~EUR 5,925 million, while net profit was at EUR 43 million.</td>
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<td><strong>OTP Bank</strong></td>
<td>Headquartered in Hungary, OTP Group started its activity in 1949, when OTP Banks was founded as a state savings commercial bank. OTP Bank is now one of the largest independent financial services providers in Central and Eastern Europe with full range of banking services for private individuals and corporate clients. OTP Group comprise large subsidiaries, granting services in the field of insurance, real estate, factoring, leasing and asset management. OTP Bank has completed several successful acquisitions in the past years, becoming a key player in the region. It has more than 41,000 employees and serving 13 million clients in ~1,500 branches and through electronic channels. In Hungary, OTP has over 25% market share. Total assets in 2019 were ~EUR 60,000 million, while net profit was at EUR 1,282 million.</td>
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<td><strong>AIB</strong></td>
<td>AIB is a financial services group operating predominantly in the Republic of Ireland and the UK with more than 10,000 employees. AIB has a presence in Northern Ireland through its community-based full service bank First Trust Bank and in Britain where AIB GB serves its target audience of SMEs, owner-managed businesses and professional firms. EBS is also now part of the AIB Group and offers mortgage and deposit products and services from its own branch network, altogether serving 1.8 million customers in more than 200 branches. Total assets: ~EUR 98.6 billion</td>
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## Benchmarked banks

### Ireland

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<th>Bank of Ireland</th>
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<tr>
<td>Established in 1783, Bank of Ireland is a relationship-driven retail and commercial bank with a clear and compelling purpose to enable customers, colleagues and communities to thrive. With its ~300 branches and more than 10,000 employees, the Group has an ambition to become the national champion bank in Ireland with select UK and international diversification. Bank of Ireland has played a proactive role in supporting the economic recovery in Ireland and will be a key driver of future economic growth. Total employees: ~11,000 and Total assets (2018): ~124 billion EUR; Net profit after tax (2018): ~935 million EUR.</td>
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### Italy

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<tr>
<th>Banco BPM</th>
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<tr>
<td>The Banco BPM Group is the result of the merger between two major banks: Banco Popolare and Banca Popolare di Milano. The experience gained by both these banks enables it to offer solutions to individuals and businesses, thanks to a widespread distribution network and an increasingly innovative multi-channel approach. Total assets: ~EUR 167 billion, Employees: ~21,000</td>
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<th>UniCredit Group</th>
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<td>UniCredit is a simple successful Pan European Commercial Bank, with a fully plugged in Corporate &amp; Investment Banking, delivering a unique Western, Central and Eastern European network to its extensive and growing client franchise, providing access to market leading products and services in its 14 core markets through its European banking network and also in another 18 countries, for a total of 16 million clients. Total assets: ~EUR 855 billion, Branches ~12,000, Employees: ~84,000</td>
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<tr>
<td><strong>Benchmarked banks</strong></td>
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<td><strong>De Volksbank</strong></td>
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<td>Netherlands</td>
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<td>De Volksbank is the parent company of SNS, ASN Bank, RegioBank and BLG Wonen. These together make the fourth-largest bank in the Netherlands. Having 3.2 million customers and nearly 3,000 employees, they provide mortgages (€ 47.8 billion in 2018), manage savings (€ 37 billion) and offer 1.5 million customers a current account. Total assets: ~EUR 62 billion</td>
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<td><strong>DNB</strong></td>
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<td>Norway</td>
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<td>DNB is Norway's largest financial services group and one of the largest in the Nordic region in terms of market capitalisation. The Group offers a full range of financial services, including loans, savings, advisory services, insurance and pension products for retail and corporate customers. Total assets: ~EUR 244 billion, Employees: ~9000</td>
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<td><strong>Bank Pekao</strong></td>
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<td>Poland</td>
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<td>Bank Pekao founded in 1929, is one of the largest financial institutions in the Central Eastern Europe region and one of the three largest universal banks in Poland. Serves over 5.5 million retail clients and about half of every corporation in Poland. Bank Pekao is at the forefront of progress as the first bank that launched an ATM in Poland and issued the first credit card in the country. Total assets: ~EUR 46 billion, Employees: ~17,000</td>
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<td><strong>BGZ BNP Paribas</strong></td>
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<td>Poland</td>
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<td>BNP Paribas Bank Polska S.A. is a local universal bank with global reach. It operates within BNP Paribas, a leading international financial group, existing in 71 countries. The Group is the 6th in the Polish banking sector. The Bank's shares are listed on the Warsaw Stock Exchange. Employees: 9,900, total assets PLN 112 Bn (EUR 25.4 Bn), net profit PLN 115 million (EUR 26 million), 509 branches</td>
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### Benchmarked banks

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<td><strong>Poland</strong></td>
<td><strong>mBank</strong></td>
<td>mBank started its operation in 1986 as Bank Rozwoju Eksportu (BRE Bank) and over the years it has systematically developed its competencies in the area of servicing various client groups, continuously enriching its offer. After the brand unification in November 2013, when the mBank name replaced not only the name of the company, but also the BRE and MultiBank brands - the bank gained not only a new image, but also new values. With 6,500 employees and 347 branches, today it is a universal bank, providing comprehensive services within the scope of retail, business, corporate and private banking.</td>
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<tr>
<td><strong>Poland</strong></td>
<td><strong>PKO Bank Polski</strong></td>
<td>The PKO Bank Polski Group is one of the largest financial institutions in Poland, and it is also one of the leading financial groups in Central and Eastern Europe. It is the undisputed leader of the Polish banking sector, both in terms of scale of operations, as well as equity, assets, number of customers and the extent of the distribution network. It is also one of the largest Polish employers. The PKO Bank Polski Group generated PLN 4.03 billion in net profit in 2019. This is the best result over the bank’s 100-year history. PKO BP is a strong and modern universal bank that combines traditionally dominant role in the retail sector with the gradual strengthening of the market position of the corporate and investment segments. Since 2014 they have built their position in the insurance industry, developing modern bancassurance model, using assets acquired in the acquisition process of Nordea Group companies.</td>
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<td><strong>Romania</strong></td>
<td><strong>Banca Transilvania</strong></td>
<td>Banca Transilvania was founded in Cluj and since has become one of the biggest banks in Romania with over 8000 employees serving 8 million customers in 500 branches. The Bank started its activity as a banking institution in 1993 and is licensed by the National Bank of Romania (“BNR”, the “Central Bank”) to conduct banking activities. Its mission and vision is to support entrepreneurs and have a strong impact on Romania trough its banking. Total assets: ~EUR 16 billion</td>
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</table>
Benchmarked banks

**Slovenia**

NLB Group is the largest Slovenian international financial group, consisting of NLB d.d. as the parent bank (23% market share by total assets in Slovenia), 6 other banks and a number of other companies. NLB d.d. has 94 branches and a 23% market share by total assets and is the largest provider of banking services in Slovenia. It has a strong presence in six SEE markets outside Slovenia and has approximately 1.8 million active clients within the Group. It has an extensive network of 327 branches. It is positioned in a region with anticipated real GDP growth well above the eurozone average. The NLB Group increased net profit for the fifth consecutive year to EUR 203.6 million (2018). The NLB Group’s vision is to become an innovative bank creating simple, customer-oriented solutions with an exclusive strategic focus on Slovenia and countries in SEE.

**Spain**

WiZink is the leading credit card bank in Spain and Portugal, specialized in providing simple savings solutions to respond to day-to-day needs. As an online bank it has no branches. With a 30-year history and more than 2 million clients, WiZink leads the revolving credit market in Spain and Portugal. Total assets ~EUR 4.9 billion, Employees ~1400

**Sweden**

Nordea is a full-service universal bank with a total operating income of ~EUR 8.6 billion and total assets of ~EUR 554.8 billion in 2019. The shares of Nordea Bank Abp are traded on the Helsinki, Stockholm and Copenhagen stock exchanges. Nordea is a leading financial services group in the Nordic region and one of the biggest banks in Europe, present in 19 countries, serving more than 10 million customers with ~160 and ~29,000 Employees.
Benchmarked banks

**Swedbank**

Since 1820 Swedbank has been the bank for the many households and businesses. It’s a modern financial services platform focused on customer satisfaction. Swedbank has a close cooperation with about 60 local, but still independent, saving banks who chose not to join during the 1992-merger. These banks use FSB logos and customers have the same access to independent banks and branches belonging to FSB. With 7.4 million private customers and more than 600,000 corporate and organisational customers it's a leader in the markets of Sweden, Estonia, Latvia and Lithuania. Total assets: ~EUR 228 billion, Branches: 181, Employees: ~15,000

**Resurs Bank**

Resurs is a Nordic niche bank that offers leading payment and financing solutions for the retail industry and its customers. Since its start in 1977, Resurs has established collaborations with over 1,200 retail partners and 35,000 stores and built a customer base of approximately 5 million private customers in the Nordics. Resurs Holding has operations in Sweden, Denmark, Norway and Finland. It has a customer base about 6 million private customers and more than 700 employees in the Nordics. Resurs Bank is specialised in consumer credits, unsecured loans and issues credit cards. Total assets: ~EUR 3 billion

**Cembra**

Cembra is a leading Swiss provider of financing solutions and services with over 1 million customers in Switzerland and employ more than 1,000 people from 36 different countries. Cembra Money Bank carries products in the areas of personal loans, leasing, credit cards and savings. The Bank has been listed as an independent Swiss bank on the SIX Swiss Exchange since October 2013. Total assets ~CHF 7.5 Bn (~EUR 6.9 Bn), 17 branches
Benchmarks by positions
Chief Executive Officer

Base salary
- Low end: 300,000
- High end: 1,660,000

Short-term bonus
- Low end: 505,000
- High end: 775,000

Total cash compensation
- Low end: 405,000
- High end: 2,400,000

Median

Overall range

Moneta (actually reported 2019 remuneration)

Considered banks for benchmark: 23 banks

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Chief Risk Officer

**Base salary**
- **Low end**: $55,000
- **High end**: $1,125,000

**Short-term bonus**
- Median: $85,000

**Total cash compensation**
- **Low end**: $55,000
- **High end**: $1,165,000

Considered banks for benchmark: 12 banks

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Chief Operating Officer

Base salary
- Low end: 105,000
- High end: 1,405,000

Short-term bonus
- Median: 340,000
- Overall range: 20,000 - 365,000

Total cash compensation
- Low end: 355,000
- High end: 415,000 - 1,500,000

Considered banks for benchmark: 14 banks

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Chief Commercial Banking Officer

Base salary
- Low end: 150,000
- High end: 1,055,000

Short-term bonus
- Median: 85,000

Total cash compensation
- Low end: 195,000
- High end: 1,330,000

Considered banks for benchmark: 11 banks

Median
Overall range
Moneta (actually reported 2019 remuneration)
Chief Financial Officer

Considered banks for benchmark: 14 banks
Chief Product & Marketing Officer
(benchmarking against Chief Retail Officers)

Considered banks for benchmark: 6 banks
Findings on long term incentives (LTI) and other benefits

<table>
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<tr>
<th>LTI</th>
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<tr>
<td>• About 50% of the benchmarked institutions offer a relevant and material LTI program. All of them have a vesting period and are related to shares or share options.</td>
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<tr>
<td>• Structures in multi-national banking groups, in most cases, used to be varying (country by country) – and more recently have been structured for the broader leadership team across countries; banks with state participation tend not to have LTIs in place</td>
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<tr>
<td>• Banks owned by Private Equity funds or other funds tend to have incentives comparable to LTIs, often linked to targeted events (e.g., exits, IPO) and often represent a significant upside compared to an executive’s annual total cash compensation (TCC).</td>
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<tr>
<td>• The level of LTIs, in general, varies. They are linked to performance metrics and their payout may be cancelled, if they are not met in a given year. They are starting as low as 5-10%, go up to above 70% of TCC, and in some cases can be a multiple of the total annual compensation. In a couple of instance the LTI payout is capped and any deviation is linked to SB approval.</td>
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<tr>
<th>Other benefits</th>
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<tr>
<td>• Additional pension contributions are provided by around half of the benchmarked banks: while at Moneta this makes between 1-3% of TCC (except for the COO, where it is at 14%), the benchmarks show a median of 9% with a number of banks in the double digits.</td>
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<tr>
<td>• Car, (limited) expense, housing and schooling allowances, are also provided; the latter two often linked to expat status particularly in the case of multi-national institutions where executives are rotated across countries with 3-5 year tenures, often representing an attractive part of the remuneration package. Here, Moneta offers 3-5% of TCC (apart from the COO at 30%), while the median of the reviewed banks is at 6%, again with some banks offering double digit percentages.</td>
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