

(Consolidated) corporate governance report

Erste Group Bank AG is a stock corporation established according to Austrian law and since 2003 has declared its commitment to complying with the rules of the Austrian Code of Corporate Governance (Austrian CCG – see www.corporate-governance.at) with the objective of ensuring responsible and transparent corporate governance. In addition, the management board adopted a Statement of Purpose in 2015. This statement reaffirms and states in more detail the purpose of Erste Group Bank AG to promote and secure prosperity throughout the region in which Erste Group is active. Building on this Statement of Purpose, a Code of Conduct defines binding rules for day-to-day business. Erste Group values responsibility, respect and sustainability in pursuing its business activities. The Code of Conduct therefore helps to protect the reputation of Erste Group and to strengthen stakeholder confidence. The Corporate Governance Report has been prepared in accordance with sections 243c and 267b of the Austrian Commercial Code and Rules 60 et seq. of the Austrian CCG and combines the corporate governance report of Erste Group Bank AG, the parent, and the consolidated corporate governance report in one single report. The management board has also prepared a (consolidated) non-financial report in accordance with sections 243b and 267a of the Austrian Commercial Code, which is released as part of the annual report. As from the 2020 financial year, information on the total remuneration of individual members of the management board or the supervisory board and on the principles governing the remuneration policy is no longer required to be disclosed in this consolidated corporate governance report, but instead in a separate remuneration report pursuant to section 78e Austrian Stock Corporation Act.

In the 2020 financial year, Erste Group Bank AG complied with all L-Rules (Legal Requirements – mandatory legal norms) and R-Rules (Recommendations – these rules are more similar to recommendations; non-compliance does not need to be disclosed or explained) as well as – with five exceptions – all C-Rules (Comply-or-Explain – deviations are permitted but must be explained) of the Austrian CCG. The deviations are described and explained below:

- Pursuant to C-Rule 2 of the Austrian CCG, shares are to be construed in accordance with the principle of one share – one vote, i.e. investors have one vote per share and no right to nominate members to the supervisory board. Under Erste Group Bank AG's articles of association (Art. 15.1), DIE ERSTE österreichische Spar-Casse Privatstiftung is, however, granted the right to nominate up to one third of the members of the supervisory board to be elected by the shareholder meeting as long as it is liable for all present and future liabilities of Erste Group Bank AG in case of its insolvency according to section 92 para 9 of the Austrian Banking Act. The Privatstiftung has not exercised this right to date.
- Pursuant to C-Rule 52a of the Austrian CCG, the number of supervisory board members (without employees' representatives) shall be ten at most. In 2020, the supervisory board of Erste Group Bank AG comprised twelve members elected by the annual general meeting. The deviation from C-Rule 52a

of the Austrian CCG is due to the size of Erste Group and its market position in seven core markets in Central and Eastern Europe as well as to the fact that the supervisory board must perform a multitude of financial market related and prudential review and oversight duties. Moreover, the supervisory board must meet various criteria to comply with diversity requirements.

- Pursuant to C-Rules 30, 31 and 51 of the Austrian CCG, specifically the principles governing the management board's variable remuneration and the ratio of the management board's fixed and variable remuneration have to be stated in the consolidated corporate governance report, and the fixed and variable remuneration of the management board granted in the financial year and the remuneration of the supervisory board members in the reporting period have to be disclosed. Deviations from these rules are attributable to the mandatory application of sections 78a et seq. Austrian Stock Corporation Act. This information is now covered by the remuneration policy pursuant to section 78a Austrian Stock Corporation Act and disclosed in the remuneration report pursuant to section 78e Austrian Stock Corporation Act.

The management board is responsible for managing the company as required for the benefit of the company taking into account the interests of the shareholders and the employees as well as public interest. The management board takes its decisions in compliance with the articles of association and its internal rules as well as the Statement of Purpose.

Selection and assessment of members of management bodies

The qualification requirements for members of the management bodies (management board and supervisory board) of Erste Group Bank AG are governed by the internal guidelines for the selection and assessment of members of the management and supervisory boards (Suitability Policy). These guidelines define, in accordance with applicable legal provisions, the internal framework for the selection and assessment of members of the management bodies. The assessment of proposed and appointed members of management bodies is based on the following criteria: personal reputation, professional qualifications and required experience as well as potential conflicts of interest, independence, time availability, overall composition of the management or supervisory board and diversity.

Training and development

To maintain an appropriate level of professional qualification of members of the management bodies, Erste Group regularly organises events and seminars for members of the management board and supervisory board and facilitates their participation in external training events. The in-house training programme covered the following matters, for example: legal principles defined in the law on banking supervision and the application of acts of law of relevance to banks, cyber-security and other IT matters, and the application of artificial intelligence in financial services.

MANAGEMENT BOARD

In 2020, the management board consisted of seven members.

Management board member	Year of birth	Date of initial appointment	End of current period of office
Bernhard Spalt (Chairman)	1968	1 July 2019	30 June 2023
Ara Abrahamyan	1972	1 January 2020	31 December 2020
Ingo Bleier	1970	1 July 2019	30 June 2022
Peter Bosek	1968	1 January 2015	31 December 2020
Stefan Dörfler	1971	1 July 2019	31 December 2023
Alexandra Habeler-Drabek	1970	1 July 2019	31 December 2023
David O'Mahony	1965	1 January 2020	31 December 2022

On 15 October 2020, the supervisory board extended Alexandra Habeler-Drabek's management board mandate until 31 December 2023. Peter Bosek and Ara Abrahamyan resigned from the management board as of 31 December 2020.

Thomas Schaufler and Maurizio Poletto were appointed by the supervisory board as additional members of the management board in October 2020 with effect from 1 January 2021 to 31 December 2023.

Management board member	Areas of responsibility
Starting with 1 January 2020	
Bernhard Spalt (Chairman)	Group Strategy, Group Secretariat, Brand Management and Company Transformation, Group Investor Relations, Group Human Resources, Human Resources, Group Audit, Group Board Support & Corporate Affairs, Social Banking Development
Ara Abrahamyan	Group Portfolio Management, Group Architecture, Digital Initiatives
Ingo Bleier	Group Corporates, GCRE & Leasing, Group Markets, Group Product and Business Management C. and M., Group Research
Peter Bosek	Erste Hub, Digital Governance, Group Retail Strategy
Stefan Dörfler	Group ALM, Group Data Management and Reporting, Group Accounting and Group Controlling
Alexandra Habeler-Drabek	Group Liquidity and Market Risk Management, Enterprise wide Risk Management, Credit Risk Models, Group Compliance, Group Credit Risk Management, Group Legal
David O'Mahony	Holding Banking Operations, CIO Group Functions, Governance and Steering
Starting with 1 January 2021	
Bernhard Spalt (Chairman)	Group Human Resources, Human Resources, Group Secretariat, Group Audit, Brand Strategy & Communications, Group Investor Relations, Group Strategy, Group Board Support & Corporate Affairs, Group Sustainability Office, Social Banking Development
Ingo Bleier	Group Corporates, Group Commercial Real Estate, Group Markets, Group Product and Business Management C. and M., Group Research
Stefan Dörfler	Group ALM, Group Portfolio Management & Governance, Group Data Management and Reporting, Group Accounting and Group Controlling
Alexandra Habeler-Drabek	Group Compliance, Credit Risk Methods, Retail Risk Management, Credit Risk Portfolio, Group Legal, Corporate Risk Management, EnterpriseWide Risk Management, Group Liquidity and Market Risk Management
David O'Mahony	CIO Group Functions, Group Architecture, Banking Services, Group Security, Governance and Steering
Maurizio Poletto	Innovation Hub (Erste Hub), Platform Governance
Thomas Schaufler	Group Retail Strategy

Supervisory board mandates and similar functions

As of 31 December 2020, the management board members held the following supervisory board mandates or similar functions in domestic or foreign companies or material subsidiaries of Erste Group Bank AG (the latter are marked with *).

Bernhard Spalt

Česká spořitelna, a.s.*, Vice Chair
Banca Comercială Română S.A.*, Member

Ara Abrahamyan

Erste Bank Hungary Zrt.*, Member
Erste Group IT International GmbH*, Member
(both mandates until 31 December 2020)

Ingo Bleier

Erste Bank der oesterreichischen Sparkassen AG*, Member
Erste & Steiermärkische Bank d.d.* (Erste Bank Croatia), Member
Erste Bank a.d. Novi Sad*, Chair
Oesterreichische Kontrollbank Aktiengesellschaft, Member

Peter Bosek

Wiener Städtische Versicherung AG Vienna Insurance Group,
2nd Vice Chair
Sparkassen IT Holding AG*, Member
Wien 3420 Aspern Development AG, Member
s IT Solutions AT Spardat GmbH*, Chair
(all mandates until 31 December 2020)

Stefan Dörfler

Česká spořitelna, a.s.*, Member
 Erste Group IT International GmbH*, Vice Chair
 Slovenská sporiteľňa, a.s.*, Chair
 Sparkassen-Haftungs GmbH*, Member
 Wiener Börse AG, Member

Alexandra Habeler-Drabek

Prvá stavebná sporiteľňa, a.s.*, Vice Chair
 Banca Comercială Română S.A.*, Vice Chair (until 1 February 2021)

David O'Mahony

s IT Solutions AT Spardat GmbH*, 2nd Vice Chair
 Erste Group IT International GmbH*, Chair
 Erste Bank a.d. Novi Sad*, Member

On 1 January 2021, the following mandates were assumed by new members of the management board:

Thomas Schaufler

Bausparkasse der österreichischen Sparkassen Aktiengesellschaft*, Chair
 Erste Asset Management GmbH*, Vice Chair
 Kärntner Sparkasse Aktiengesellschaft*, Member
 Salzburger Sparkasse Bank Aktiengesellschaft*, Chair
 Steiermärkische Bank und Sparkassen Aktiengesellschaft*, Member

Management positions in subsidiaries

Peter Bosek was a member of the management board of Erste Group Bank AG and of Erste Bank Oesterreich in 2020. Since 1 January 2021, Alexandra Habeler-Drabek and Thomas Schaufler each hold a mandate on the management board of Erste Group Bank AG and on the management board of Erste Bank Oesterreich.

SUPERVISORY BOARD

In the 2020 financial year, the following persons were members of the supervisory board:

Position	Name	Year of birth	Occupation	Date of initial appointment	End of the current period of office
Chairman	Friedrich Rödler	1950	Auditor and tax advisor	4 May 2004	AGM 2022
1 st Vice Chairman	Jan Homan	1947	General Manager, ret.	4 May 2004	AGM 2022
2 nd Vice Chairman	Maximilian Hardegg	1966	Entrepreneur	12 May 2015	AGM 2025
Member	Matthias Bulach	1976	Head of Financial Accounting, Control and Capital, CaixaBank	15 May 2019	AGM 2022
Member	Henrietta Egerth-Stadlhuber	1971	Managing Director	26 June 2019	AGM 2022
Member	Gunter Griss	1945	Lawyer	21 May 2014	AGM 2020
Member	Jordi Gual Solé	1957	Chairman, CaixaBank	17 May 2017	AGM 2022
Member	Marion Khüny	1969	Consultant	17 May 2017	AGM 2022
Member	Elisabeth Krainer Senger-Weiss	1972	Lawyer	21 May 2014	AGM 2024
Member	Wilhelm Rasinger	1948	Consultant	11 May 2005	AGM 2020
Member	Friedrich Santner	1960	Managing Director	10. November 2020	AGM 2023
Member	András Simor	1954	Senior Vice President, EBRD, ret.	10. November 2020	AGM 2023
Member	John James Stack	1946	CEO, ret.	31 May 2007	AGM 2021
Member	Michèle F. Sutter-Rüdisser	1979	Adjunct Professor, University of St. Gallen	15 May 2019	AGM 2022
Delegated by the employees' council					
Member	Martin Grießer	1969		26 June 2019	21 January 2020
Member	Markus Haag	1980		21 November 2011	until further notice
Member	Regina Haberhauer	1965		12 May 2015	until further notice
Member	Andreas Lachs	1964		9 August 2008	until further notice
Member	Barbara Pichler	1969		9 August 2008	until further notice
Member	Jozef Pinter	1974		25 June 2015	until further notice
Member	Karin Zeisel	1961		9 August 2008	until further notice

In the 2020 financial year, the composition of the supervisory board changed as follows: the supervisory board mandates of Maximilian Hardegg, Gunter Griss and Wilhelm Rasinger expired as of the end of the annual general meeting on 10 November 2020. Maximilian Hardegg was re-elected. Friedrich Santner und András Simor were elected to the supervisory board at the annual

general meeting with immediate effect. Following the death of the then supervisory board member Brian D. O'Neill in December 2019, Martin Grießer's delegation to the supervisory board was revoked pursuant to section 110 of the Labour Relations Act (ArbVG) on 21 January 2020.

Membership in supervisory board committees

Committee membership since 10 November 2020:

	Executive committee	Nomination committee	Audit committee	Risk committee	Remuneration committee	IT committee
Chairman	Friedrich Rödler	Friedrich Rödler	Friedrich Rödler (financial expert)	Maximilian Hardegg	Friedrich Rödler (remuneration expert)	Maximilian Hardegg
Vice Chairman	Jan Homan	Jan Homan	Maximilian Hardegg	Jan Homan	Jan Homan	Friedrich Rödler
Member	Maximilian Hardegg	Maximilian Hardegg	Matthias Bulach	Henrietta Egerth-Stadlhuber	Jordi Gual Solé	Henrietta Egerth-Stadlhuber
Member	Elisabeth Krainer Senger-Weiss	Elisabeth Krainer Senger-Weiss	Jan Homan	Marion Khüny	Maximilian Hardegg	Marion Khüny
Member	Barbara Pichler	Barbara Pichler	Friedrich Santner	Elisabeth Krainer Senger-Weiss	András Simor	Andreas Lachs
Member	Karin Zeisel	Karin Zeisel	Michèle F. Sutter-Rüdisser	Friedrich Rödler	John James Stack	Karin Zeisel
Member			Regina Haberhauer	Markus Haag	Andreas Lachs	
Member			Barbara Pichler	Andreas Lachs	Barbara Pichler	
Member			Jozef Pinter	Jozef Pinter	Karin Zeisel	
Substitute	Andreas Lachs	Andreas Lachs	Marion Khüny	Regina Haberhauer	Friedrich Santner	Elisabeth Krainer Senger-Weiss
Substitute	Jozef Pinter	Jozef Pinter	Andreas Lachs	Karin Zeisel	Markus Haag	Barbara Pichler
Substitute			Karin Zeisel		Jozef Pinter	Jozef Pinter

Mandates on supervisory boards or similar functions

As of 31 December 2020, supervisory board members held the following additional supervisory board mandates or similar functions in domestic or foreign companies. Material subsidiaries of Erste Group Bank AG are marked with *, listed companies are marked with **.

Friedrich Rödler

Erste Bank der oesterreichischen Sparkassen AG*, Chair
 Erste Bank Hungary Zrt.*, Member
 Sparkassen-Prüfungsverband, Chair
 Audit Oversight Body of Austria, Member

Jan Homan

Erste Bank der oesterreichischen Sparkassen AG*, Vice Chair
 FRAPAG Beteiligungsholding AG, Vice Chair
 Slovenská sporiteľňa, a.s.*, 1st Vice Chair
 Loparex International Holding B.V., Member

Maximilian Hardegg

DIE ERSTE österreichische Spar-Casse Privatstiftung, Member
 Česká spořitelna, a.s.*, Member
 TIROLER SPARKASSE Bankaktiengesellschaft Innsbruck*, Member

Matthias Bulach

CaixaBank Payments & Consumer Finance E.F.C., S.A.U., Member
 CaixaBank Asset Management SGIIC, S.A.U., Member
 BuildingCenter, S.A.U., Member

Henrietta Egerth-Stadlhuber

NÖ Kulturwirtschaft GesmbH., Member

Jordi Gual Solé

CaixaBank, S.A.***, Chair
 Telefónica S.A.***, Member

Marion Khüny

KA Finanz AG, Member

Elisabeth Krainer Senger-Weiss

Gebrüder Weiss Holding AG, Vice Chair
 Gebrüder Weiss Gesellschaft m.b.H., Vice Chair
 Banca Comercială Română S.A.*, Member

Friedrich Santner

Steiermärkische Bank und Sparkassen Aktiengesellschaft*, Chair
 Styria Media Group AG, Chair
 Styria Media Immobilien AG, Chair

John James Stack

Ally Bank, Member
 Ally Financial Inc.***, Member
 Česká spořitelna, a.s.*, Chair
 Mutual of America Capital Management, Member

Michèle F. Sutter-Rüdisser

Spital Thurgau AG, Member
 Helsana Versicherungen AG, Member
 Graubündner Kantonalbank AG**, Member

András Simor did not hold any mandates on supervisory boards or similar functions in domestic or foreign companies as of 31 December 2020.

Members of the supervisory board retiring after the 2020 annual general meeting:

Gunter Griss

AVL List GmbH, Chair

Wilhelm Rasinger

Gebrüder Ulmer Holding GmbH, Member

Delegated by the employees' council:

Regina Haberhauer

Erste Asset Management GmbH*, Member

Andreas Lachs

VBV-Pensionskasse Aktiengesellschaft, Member

Barbara Pichler

DIE ERSTE österreichische Spar-Casse Privatstiftung, Member

Martin Grießer (until 21 January 2020), Markus Haag, Jozef Pinter and Karin Zeisel did not hold any mandates on supervisory boards or similar functions in domestic or foreign companies.

Mechanism for shareholders and employees to provide recommendations and direction to the supervisory board

In accordance with the law and the articles of association, the employees' council has the right to delegate one member from among its ranks for every two members appointed by the annual general meeting (statutory one-third parity rule). If the number of shareholder representatives is an odd number, then one more member is appointed as an employee representative.

Measures to avoid conflicts of interest

Every year, the members of the supervisory board are obligated to consider the regulations of the Austrian CCG regarding conflicts of interest. Furthermore, new members of the supervisory board receive comprehensive information regarding the avoidance of conflicts of interest when taking up their supervisory board functions.

Independence of the supervisory board

Pursuant to C-Rule 53 of the Austrian CCG, the majority of the members of the supervisory board elected by the annual general meeting or delegated by shareholders in accordance with the articles of association shall be independent of the company and its management board. A member of the supervisory board is deemed to be independent if such person does not have any business or personal relations with the company or its management that would constitute a material conflict of interest and, therefore, might influence the member's conduct. The supervisory board adheres to the independence criteria guidelines as set out in Annex I of the Austrian CCG.

- _ The supervisory board member shall not have been a member of the management board or a managing employee of the company or of a subsidiary of the company in the past five years.
- _ The supervisory board member shall not have or not have had in the past year any business relations with the company or a subsidiary of the company to an extent of significance for the supervisory board member. This shall also apply to business relations with companies in which the supervisory board member has a significant economic interest but not to positions held in the Group's managing bodies. The approval of individual

transactions by the supervisory board pursuant to L-Rule 48 does not automatically qualify the respective supervisory board member as not being independent.

- _ The supervisory board member shall not have served as auditor for the company or been involved in an audit or worked as an employee of the audit firm that audited the company in the past three years.
- _ The supervisory board member shall not serve as a management board member at another company in which a member of the company's management board is a supervisory board member.
- _ The supervisory board member shall not serve on the supervisory board for more than 15 years. This shall not apply to members of the supervisory board that hold investments with a business interest or that represent the interests of such a shareholder.
- _ The supervisory board member shall not be a close family member (child, spouse, life partner, parent, uncle, aunt, sibling, niece, nephew) of a member of the management board or of persons holding one of the positions described in the points above.

Based on the above criteria, all supervisory board members have declared their independence with the exception of Friedrich Rödler and Jan Homan. Friedrich Rödler and Jan Homan have been serving on the supervisory board for more than 15 years.

No member of the supervisory board holds directly or indirectly more than 10% of the shares of Erste Group Bank AG. In 2020, two members of the supervisory board (Maximilian Hardegg and Barbara Pichler) served on a management body of DIE ERSTE österreichische Spar-Casse Privatstiftung, which holds more than 10% of the shares of Erste Group Bank AG.

Self-evaluation of the supervisory board

At its meetings of 22 January 2020 and 11 March 2020, the nomination committee performed an evaluation of the activities of the supervisory board and its committees for 2019. It discussed, for example, the supervisory board members' attendance at supervisory board and committee meetings in 2019, assessed the efficiency of the supervisory board's activities, organisation and working practice and undertook a critical review of the composition of committees. Potential conflicts of interest of management board and supervisory board members as well as the requirements of section 29 no 6 and no 7 of the Austrian Banking Act were considered, and the number of mandates and secondary activities of management and supervisory board members were reviewed.

The supervisory board discussed afterwards the results of this evaluation pursuant to C-Rule 36 of the Austrian CCG at its meeting of 26 March 2020 and concluded the evaluation for 2019 with a positive assessment. At its meeting of 20 January 2021, the nomination committee considered, among other things, potential conflicts of interest of supervisory board members and evaluated the supervisory board's attendance at supervisory board and committee meetings in 2020. The supervisory board's self-evaluation for 2020 will be continued with support from an external consultant and completed in the course of the year.

Contracts subject to approval (C-Rule 49 Austrian CCG)

In 2019, „Am Klimtpark“ LiegenschaftsverwaltungsgmbH, an entity in which Wilhelm Rasinger has a significant economic interest, signed a loan agreement with Erste Group for the amount of EUR 18 million.

SUPERVISORY BOARD COMMITTEES AND THEIR DECISION-MAKING POWERS

The supervisory board has set up six committees: the risk committee, the executive committee, the audit committee, the nomination committee, the remuneration committee and the IT committee. Some of these committees are required by law and support the supervisory board in preparing and stating its position on all matters that the supervisory board is required to deal with. The supervisory board moreover has the right, within its statutory remit, to transfer decision-making powers to committees or to withdraw powers from the committees.

Risk committee

The risk committee advises the management board with regard to the bank's current and future risk appetite and risk strategy and monitors the implementation of this risk strategy. The committee also reviews whether the services and products offered are adequately priced in accordance with the bank's business model and risk strategy. Without prejudice to the duties of the remuneration committee, the risk committee is also responsible for reviewing whether the incentives offered by the internal remuneration system adequately take into account risk, capital, liquidity and the probability and timing of profit realisation. The risk committee is responsible for granting approval in all those cases in which loans and exposures or large exposures reach an amount exceeding the approval authority of the management board defined in the approval authority regulation. The approval of the risk committee is required for large loans as defined in section 28b of the Austrian Banking Act. In addition, it may grant advance approvals to the extent permitted by law. The risk committee is responsible for monitoring the risk management of Erste Group Bank AG. The supervisory board has delegated to the risk committee the right to approve the establishment and closure of branches and to grant special statutory power of attorney (Prokura) or commercial power (Handlungsvollmacht) for all business operations. The committee is responsible for monitoring the Group's portfolio of participations except in cases where this is the responsibility of the audit committee. The tasks of the risk committee include the acknowledgement of reports on legal disputes as well as on important audits of subsidiaries conducted by regulatory authorities. In addition, the risk committee is responsible for reviewing potential stress scenarios in order to assess how the bank's risk profile reacts to external and internal events. Furthermore, the risk committee assesses recommendations of internal and external auditors and monitors the appropriate implementation of measures taken that are not covered by reports of other committees. It also advises and supports the supervisory board in monitoring current and future risk appetite and the risk strategy and submits recommenda-

tions on required adjustments to the risk strategy to the supervisory board.

Executive committee

The executive committee meets on an ad hoc basis at the supervisory board's request for the purpose of preparing specific topics for meetings or for circular resolutions. The committee may also be assigned the power to take final decisions. In case of imminent danger and to prevent significant damage, the executive committee may be convened by its chairperson in order to take action in the interest of the company even without a specific mandate from the supervisory board.

Audit committee

The audit committee is responsible for overseeing the accounting process; monitoring the effectiveness of the company's internal control system, internal audit system and risk management system; overseeing the annual audit of single-entity and consolidated financial statements; reviewing and supervising the independence of the auditor (Group auditor), in particular with respect to the additional services rendered to the audited company and the group companies; submitting a report on the results of the annual audit to the supervisory board and explaining how the annual audit has affected the reliability of financial reporting and the role of the audit committee in doing so; reviewing the annual financial statements and preparing its approval; reviewing the proposal for the allocation of profits, the management report and the (consolidated) corporate governance report as well as the (consolidated) non-financial report and submitting a report on the results of the review to the supervisory board; reviewing the consolidated financial statements of the group and the group management report and submitting the report on the results of the review to the supervisory board; carrying out the procedure for the selection of the auditor (group auditor), taking into account the appropriateness of the fees and recommending the appointment of the auditor (group auditor) to the supervisory board; recommending the renewal of the auditor's (group auditor's) mandate to the supervisory board; acknowledging the additional report of the auditor and discussing this report; acknowledging timely information on the focal points of the audit and submitting proposals for additional focal points of the audit; taking note of the annual financial statements of material subsidiaries and of the participations report; acknowledging the audit plan of the company's internal audit function; acknowledging information on current matters relevant to the internal audit of the Group and on the efficiency and effectiveness of the internal audit; acknowledging the internal auditors' report on the audit areas and material audit findings and the activity report pursuant to Article 25 (3) in conjunction with Article 24 of the Delegated Regulation (EU) 2017/565; in the case of on-site inspection conducted by supervisory authorities acknowledging the inspection report, the report on the contents of the plan to address identified findings and/or the result of administrative proceedings initiated on the basis of the identified findings; acknowledging immediate information on material findings of the auditor, the internal audit function or an audit conducted by a regulatory authority; acknowl-

edging immediate information on loss events that could exceed 5% of consolidated equity or 10% of the budgeted net result; acknowledging reports of the management board on current developments and compliance regarding corporate governance and anti-money laundering rules; acknowledging the compliance activity report pursuant to Article 25 (3) in conjunction with Article 22 of the Delegated Regulation (EU) 2017/565. The audit committee is also responsible for preparing supervisory board decisions concerning the approval of the conclusion of a material transaction pursuant to section 95a of the Austrian Stock Corporation Act (AktG) and overseeing its execution as well as overseeing and periodically (re-)assessing this material transaction; taking note of cases of damage or loss at Erste Group that are reported to the audit committee by internal audit as part of significant audit findings provided they exceed thresholds previously defined by the audit committee; pre-consenting to the removal of the head of internal audit from their position and involvement in the process of filling the position of head of internal audit. Pursuant to the – no legally binding – *Expectations for Banks* document published by the Single Resolution Board (SRB) on 1 April 2020, the audit committee is tasked with monitoring the effectiveness of Erste Group Bank AG's internal quality control with regard to resolution-relevant information, including rules ensuring the completeness and accuracy of data, by regularly receiving, reviewing and taking into account audit reports on this theme.

Nomination committee

Meetings of the nomination committee are held as needed (at least once a year) or when a member of the committee or of the management board requests a meeting. The nomination committee submits proposals to the supervisory board for filling management board mandates that become vacant and deals with issues of succession planning. The committee decides on the employment contracts for members of the management board. It deals with and decides on relationships between the company and the members of the management board except for resolutions to appoint members to the management board or revoke such appointments and on the granting of company stock options. Furthermore, the nomination committee supports the supervisory board in making proposals to the annual general meeting for filling supervisory board mandates that have become vacant. In filling vacant management board and supervisory board mandates, the focus is in particular on the members' personal and professional qualifications, but also a well-balanced board composition in terms of expertise, a well-balanced and broad range of knowledge, skills and experience of the members on each body (collective suitability) and on aspects of diversity. The nomination committee also defines a target quota for the underrepresented gender and develops a strategy to achieve this target. The nomination committee furthermore adopts the internal policy for dealing with conflicts of interest for the management board and the supervisory board, monitors compliance with it and regularly reports to the supervisory board on existing conflicts of interest and the measures taken to control them. The nomination committee must ensure that the management board's and the supervisory

board's decision-making processes are not dominated by one single person or a small group of persons. The nomination committee periodically assesses the management board's and the supervisory board's structure, size, composition and performance and submits proposals for changes to the supervisory board, if necessary. In addition, the nomination committee must conduct periodic assessments of the expertise, skills and experience of both the management board members and the individual members of the supervisory board as well as of each body in its entirety and report its findings to the supervisory board. As regards the selection for senior management positions, the nomination committee must review actions taken by the management board and supports the supervisory board in making recommendations to the management board.

Remuneration committee

The remuneration committee prepares resolutions on remuneration matters, including resolutions that have an impact on the bank's risk and risk management and must be passed by the supervisory board. The remuneration committee approves the general principles of remuneration policy, reviews them regularly and is also responsible for their implementation. The committee monitors remuneration policy, remuneration practices and remuneration-linked incentive programmes in relation to the control, monitoring and containment of risks, the capital base and liquidity, with due regard to the long-term interests of the bank's shareholders, investors and employees as well as the national interest in a well-functioning banking system and financial market stability. The committee approves exceptions from the application of the remuneration policy to individual staff members of the company and monitors the payment of variable remuneration to members of the management board and to the company's second management level as well as to management board members of major subsidiaries. It furthermore reviews the (variable) remuneration of senior managers of the company performing independent control functions such as risk management and compliance and of staff members having a significant impact on the company's risk profile. In addition, it approves the identification of employees having a significant impact on the company's risk profile and reviews the criteria on which the management board's decision is based as well as the procedure used in taking such decisions. The committee also ensures that information on the remuneration policy and practices provided to shareholders is appropriate. Once a year, the committee is presented with a comprehensive report on the remuneration system including key performance indicators as well as a report on the situation regarding personnel and management in the Group. For the very first time, the nomination committee also prepared for 2020 the principles for the remuneration of management and supervisory board members pursuant to sections 78a and 98a of the Austrian Stock Corporation Act (Remuneration Policy according to Austrian Stock Corporation Act). In addition, it is responsible for preparing the report on the remuneration of management and supervisory board pursuant to sections 78a and 98a of the Austrian Stock Corporation Act (Remuneration Report according to Austrian Stock Corporation Act).

IT committee

The IT committee monitors and supervises IT-related issues and IT strategy in general. In addition, the IT committee is also responsible for taking note of IT reports, of reports on the IT outsourcing strategy and on the outsourcing of IT-related functions; taking note of the Group IT budget; of reports on the status of the IT support function and on the development of key IT initiatives and projects; monitoring the capacity and performance of systems, operating continuity and crisis management, data security, computer and network security and taking note of critical changes in the organisational structure and responsibilities of the IT department.

MEETINGS OF THE SUPERVISORY BOARD AND REPORT ON PRINCIPAL ACTIVITIES

Seven meetings of the supervisory board were held in the 2020 financial year.

At the ordinary meetings of the supervisory board, the respective monthly developments of the balance sheet and the income statement were presented and reports were given on individual risk types and the bank's total risk; the status of individual bank subsidiaries in Central and Eastern Europe was discussed, and quarterly reports were delivered on the areas audited and on the internal audit department's material audit findings pursuant to section 42 para 3 of the Austrian Banking Act. The chairpersons of the committees reported on the main topics dealt with by the committees since the last supervisory board meeting. Recurring topics at supervisory board meetings in 2020 were reports on Erste Group's view on the Covid-19 evolution as well as current regulatory developments in the banking environment and their impacts on Erste Group. The management board regularly presented proposals to the supervisory board that required its approval under the law, the articles of association and internal rules.

At the meeting of 26 March 2020, the financial statements and the 2019 management report, the consolidated financial statements and consolidated management report as well as the 2019 (consolidated) corporate governance report and the 2019 (consolidated) non-financial report were extensively discussed and reviewed; the auditors' reports as well as the report of the audit committee pursuant to section 63a para 4 (5) of BWG were discussed, and subsequently the financial statements for 2019 were adopted by circular resolution in accordance with the recommendation of the audit committee. It was also decided – by circular resolution – to propose PwC Wirtschaftsprüfung GmbH to the annual general meeting in 2020 as an additional auditor of the (consolidated) financial statements for the 2021 financial year and to approve the Remuneration Policy according to the Austrian Stock Corporation Act. The further approach to the 2020 annual general meeting was discussed. In addition, the annual report of the supervisory board on loans to board members pursuant to section 28 para 4 of the Austrian Banking Act was discussed and then approved by circular resolution. The supervisory board performed a self-evaluation pursuant to

C-Rule 36 of the Austrian CCG and took note of an evaluation of the management board performed by the nomination committee pursuant to section 29 of the Austrian Banking Act. Reports were delivered on the issuance of additional core capital (additional tier 1 bonds), the new organisation of the Risk Management division, and applications were approved by circular resolution. At the meeting of 23 April 2020, note was taken of the annual report of Group Compliance, the report on the collective suitability of the supervisory board and the annual report on conflicts of interest. The variable remuneration of members of the management board for the 2019 financial year was adopted subsequently by circular resolution. The report on the assessment of the effectiveness of the risk management was submitted to the supervisory board by the chairman of the audit committee, and the list prepared pursuant to the C-Rule 82a of the Austrian CCG was taken note of. Applications were discussed and subsequently approved by circular resolution, among them, for instance, the postponement of the annual general meeting to 10 November 2020 and a change to the internal rules of the management board.

At the meeting of 25 June 2020, which was also attended by members of the supervisory authorities' Joint Supervisory Team, who gave presentations and answered questions raised by supervisory board members, note was taken of reports delivered by the management board of Erste Group Bank AG as well as by management board members of Erste Bank Hungary, Česká spořitelna and Banca Comercială Română, with a special focus on the Covid-19 situation. Also discussed were Peter Bosek's conflicts of interest due to his dual role as CEO of Erste Bank Oesterreich, and note was taken of the result of the re-evaluation by the nomination committee as well as the reorganisation of the internal audit functions of Erste Group Bank AG and Erste Bank Oesterreich. Framework plans were adopted for the issuance of certificates and warrants, and it was decided that in the future the Group Sustainability Office will report to the Chief Executive Officer.

At the meeting of 17 September 2020, the supervisory board approved the resolutions proposed for the 2020 annual general meeting and discussed in depth the supervisory board's supplementary report pursuant to section 96 Austria Stock Corporation Act. Reports were also presented on the half-year results and the closure of the London branch. The changes to the remuneration policy pursuant to section 78a Austrian Stock Corporation Act and the new structure of the strategic risk functions of Erste Group Bank AG and Erste Bank Oesterreich were approved. The supervisory board was informed about the change in the IT committee's external consultant.

At the meeting of 15 October 2020, the supervisory board adopted the recommendation to the 2020 annual general meeting on the appropriation of profit after extensive debate and consultations with the auditor and outside legal advisors. In addition, the issuance of additional core capital (additional tier 1 bonds) was approved, the resignations of Peter Bosek and Ara Abrahamyan from

the management board were taken note of, and Maurizio Poletto, Thomas Schaufler and Alexandra Habeler-Drabek were newly appointed or their terms renewed upon consideration of the nomination committee's recommendations and the discussion of potential conflicts of interest.

At the constituent meeting of 10 November 2020 held after the annual general meeting, Friedrich Rödler, Jan Homan and Maximilian Hardegg were re-elected to their positions, and the members of the supervisory board were elected to the respective supervisory board committees, and the committees was thus newly formed. In addition, a capital increase of a subsidiary was approved.

At the meeting of 10 December 2020, a report on new measures and targets regarding women in management positions was discussed and taken note of. The budget and the capital plan for the 2021 to 2025 financial years, new representation rules for the management board and a new allocation of responsibilities were adopted. In addition, an anticipatory resolution pursuant to section 95 para 5 no 12 of the Austrian Stock Corporation Act as well as a resolution on long-term funding activities in the 2021 financial year were adopted, and a change to the internal rules of the audit committee was approved.

At a strategy retreat held on 10 and 11 December 2020, the supervisory board considered strategic topics of Erste Group comprehensively and in great depth. The management board and other experts were invited to join in more detailed debates.

MEETINGS OF THE COMMITTEES AND REPORT ON ACTIVITIES

The risk committee held sixteen meetings in 2020, at which it regularly took decisions on exposures and loans exceeding the powers of the management board, was briefed on loans granted within the scope of authorisation of the management board and approved the granting of statutory powers of attorney (Prokuren). The committee was regularly informed on the risk strategy, risk appetite, the monitoring required to comply with these limits, individual risk types, risk-bearing capacity and large exposures. Furthermore, reports were given on current regulatory risk topics, the situation of specific sectors and industries, including the real estate and automotive industries and the resulting impacts on the risk strategy. Further items on the agenda were audits by supervisory authorities, internal risk models and various legal disputes. Reports were regularly delivered on risk development in individual countries and subsidiaries. Without prejudice to the duties of the remuneration committee, the risk committee members were also informed on whether the incentives offered by the internal remuneration system adequately account for risk, capital, liquidity and the probability and timing of profit realisation. Also on the agenda were reports on stress tests. In addition, the members of the risk committee were informed about developments in the corporate workout portfolio in general and major workout cases

in particular. Special attention was given to the economic effects of the Covid-19 pandemic and its impact on Erste Group.

The executive committee held one meeting in 2020 to discuss the potential acquisition of a bank. On 8 February 2021, a meeting was held in which the executive committee discussed the fulfilment of conditions for the pay-out of the dividend for the financial year 2019 as decided by the annual general meeting on 10 November 2020.

The audit committee met seven times in 2020 and, in addition, held one informal meeting to prepare the meeting on the review of the (consolidated) financial statements. The external auditors were present at all meetings. Among other things, the auditors reported on the audit of the single-entity and consolidated financial statements for 2019 and the audit committee subsequently conducted the final discussion. The financial statements and the management report, the consolidated financial statements and the management report as well as the (consolidated) corporate governance report and the (consolidated) non-financial report were reviewed and the financial statements recommended for approval by the supervisory board. The additional report of the auditors pursuant to Article 11 of EU Regulation 2014/537 was taken note of. The head of the internal audit department reported on the audit subjects and material audit findings for the year 2019 and, on an ongoing basis, about audit-relevant matters in the group and explained the audit plan for 2020. The internal audit department presented its reports pursuant to section 42 para 3 of the Austrian Banking Act and to the quality assurance programme as well as – jointly with the compliance department – a report pursuant to Article 25 (3) in conjunction with Article 24 of the Delegated Regulation (EU) 2017/565. In addition, a report was delivered on the assessment of the functionality of the risk management system pursuant to Rule 83 of the Austrian CCG and on the effectiveness of the internal control system. Based on these reports, the audit committee monitored the effectiveness of the internal control system, the internal audit system and the risk management system pursuant to section 63a para 4 no 2 of the Austrian Banking Act. The audit committee also discussed its work plan for 2021 and defined agenda topics for the meetings. It was decided to recommend the renewal of the audit mandate of PwC Wirtschaftsprüfung GmbH as additional auditor of the (consolidated) financial statements for the 2022 financial year to the supervisory board. The auditors provided information about the preliminary audit of the single-entity and consolidated financial statements for 2020. In addition, discussions were held on the reports on the development of participations, on the half-year report as of 30 June 2020, as well as on the 2019 management letter. Audit reports on on-site inspections conducted by supervisory authorities were taken note of, as were reports on the contents of the plan to address the findings made. The audit committee continuously reviewed and monitored the independence of the auditors of the (consolidated) financial statements with a particular focus on non-audit services rendered for Erste Group pursuant to section 63a para 4 (4) of the Austrian Banking Act. Among other things, the audit committee thus gave pre-approval to permissible non-audit

services rendered by the (group) auditor, received reports on their current status. The audit committee's report on activities included in the 2019 annual report was discussed and approved. The exchange of views between the audit committee and the auditors in the absence of the management board pursuant to C-Rule 81a of the Austrian CCG was conducted in December 2020. Also, the head of internal audit was evaluated by the audit committee. The annual report of Group Regulatory Compliance was taken note of. The impact of the Covid-19 pandemic on Erste Group was discussed regularly, taking into account in particular the accounting perspective.

The nomination committee held four meetings in 2020. At one meeting, the nomination committee assessed the qualifications of Maurizio Poletto and Thomas Schaufler for their appointment as members of the management board of Erste Group Bank AG and recommended that the supervisory board approve their appointments. The review of whether the requirements for the extension of the contract and early re-appointment of Alexandra Habeler-Drabek were met ended with a positive result, and hence a recommendation to this effect was made to the supervisory board. The nomination committee furthermore conducted fit and proper assessments of Friedrich Santner, András Simor and Maximilian Hardegg for the elections to the supervisory board at the annual general meeting of Erste Group Bank AG on 10 November 2020. In addition, the nomination committee reviewed the evaluation of the supervisory board and the management board pursuant to C-Rule 36 of the Austrian CCG as well as pursuant to section 29 no 6 and 7 of the Austrian Banking Act and considered, in particular, the possible conflicts of interest and the attendance at meetings by supervisory board members. The collective suitability of the management board was likewise established, and the report on the collective suitability of the management board and the supervisory board was discussed, with a special focus on members' time availability. The report on the selection of senior management pursuant to section 28 of the Austrian Banking Act was taken note of.

The remuneration committee met four times in 2020. The supervisory board's resolution on the management board's variable remuneration was prepared and adopted in line with the ECB recommendation. In addition, various remuneration topics relating to Erste Group Bank AG were discussed and approved, including the structure of key performance indicators, the bonus policy, including the requirements for the payment of variable remuneration components, and remuneration rules for Material Risk Takers and the question of which employees are subject to these rules. In addition, changes to the internal remuneration policy of Erste Group Bank AG and Erste Group and the remuneration

policy pursuant to section 78a Austrian Stock Corporation Act were approved, and a report was presented on the current status of the 2020 remuneration report being drawn up pursuant to section 78e Austrian Stock Corporation Act. Reports were delivered on the remuneration of directors in countries in which Erste Group operates and on the review of the internal remuneration policy by internal audit.

The IT committee met four times in 2020. The main topics were periodic updates on IT projects of Erste Group Bank AG and within Erste Group, priorities of IT activities in 2020, the timeline set for their implementation and impacts on ongoing processes. Also presented were a George update and news on the entities s IT Solutions AT Spardat GmbH and Erste Group IT International GmbH. The implementation of requirements regarding IT set by the supervisory authorities was also discussed in consultation with the auditor. The IT project portfolio and IT governance for Erste Group as well as IT risk management were considered on an ongoing basis. Reports were also delivered on IT security, outsourcing governance, on the strategy concerning use of data while handling data and digitalisation, on the current status of various infrastructure projects and on IT strategy. In addition, the IT budget and IT costs were discussed, and the impact of the Covid-19 pandemic explained from an IT perspective, with a special focus on customer behaviour, the increase in working from home arrangements and potential security aspects.

Attendance of supervisory board meetings

In 2020, all members of the supervisory board attended more than half of the supervisory board and committee meetings that took place after their election or delegation to the supervisory board or before their resignation from their mandate or revocation of their delegation.

Furthermore, in 2020, the ordinary members of the supervisory board or their substitutes, if applicable, attended in person, by videoconferencing or teleconferencing more than half of the committee meetings held after their election or delegation to the supervisory board or before resigning from their mandate or their delegation being revoked.

The following table shows the attendance of meetings by ordinary members without accounting for the attendance of substitute members. In the exceptional circumstances caused by Covid-19 in 2020, members attending virtual meetings only via acoustic channels are still considered to be in regular attendance in all regards under an ordinance issued by the Federal Ministry of Justice.

Meeting attendance in 2020

Name	Supervisory board (7 meetings)	Risk committee (16 meetings)	Executive-committee (1 meeting)	Audit committee (7 meetings)	Nomination committee (4 meetings)	Remuneration committee (4 meetings)	IT committee (4 meetings)
Friedrich Rödler	100%	100%	100%	100%	100%	100%	100%
Jan Homan	100%	100%	100%	100%	100%	100%	
Maximilian Hardegg	100%	100%	100%	86%	100%	100% ²	100%
Matthias Bulach	100%			100%			
Henrietta Egerth-Stadlhuber	100%	100% ²					100%
Gunter Griss	100% ¹						
Jordi Gual Solé	100%					100%	
Marion Khüny	100%	94%					100%
Elisabeth Krainer Senger-Weiss	100%	100%	100%		100%		
Wilhelm Rasinger	100% ¹	86% ¹		67% ¹			
Friedrich Santner	100% ²			100% ²			
András Simor	100% ²					100% ²	
John James Stack	100%					100%	
Michèle F. Sutter-Rüdisser	100%			100%			
Delegated by the employees' council							
Markus Haag	100%	94%					
Regina Haberhauer	100%			71%			
Andreas Lachs	100%	88%				100%	100%
Barbara Pichler	100%			71%	100%	100%	
Jozef Pinter	100%	81%		71%			
Karin Zeisel	100%				75%	100%	50%

¹ member until 10 November 2020, ² member since 10 November 2020

PROMOTING WOMEN TO MANAGEMENT BOARDS, SUPERVISORY BOARDS AND MANAGING POSITIONS

Promoting women and achieving a balanced representation of women and men in management positions has long been a priority within Erste Group. In 2020, 50.4% of all management positions in the Holding and local banking subsidiaries were held by women (2019: 49.0%). The proportion of women in top management positions (board members and board minus 1 level) in the Holding and local banking subsidiaries stood at 26.6% (2019: 27.4%). The highest shares were reported by Banca Comercială Română, Erste Bank Serbia and Erste Bank Oesterreich. With Gerda Holzinger-Burgstaller, the latter has again had a female CEO since 1 January 2021.

As Erste Group had failed to reach its self-declared target of 35% women in top management in the 2019 financial year, the focus in 2020 was on analysis, development of a strategy and a package of measures. At the same time, a new target was defined, and a roadmap was adopted that sets out the path towards this goal. By 2025, 37% of all top management positions group-wide should be held by women. In addition, a corridor of 40 to 60% was adopted for the third and fourth management levels, to be reached by 2025.

At year-end 2020, the share of women on the Holding's supervisory board stood at 38.9% (2019: 38.9%). The target of 35% female representation at supervisory board level was also reached in Erste Bank Oesterreich, Erste Bank Hungary, Banca Comercială Română and Slovenská sporiteľňa. Taking into account all local banking subsidiaries, 37.5% (2019: 34.3%) of all supervisory board seats were held by women.

Erste Group organised a variety of initiatives to support female leadership in 2020. An important instrument is the more balanced gender and age structure in its talent and succession pools. In Austria, initiatives such as the Erste Women's Hub employee resource group, the WoMentoring programme, financial education for women, networking events for female employees and clients were continued. The latter were very successfully converted into online formats in response to the work environment induced by Covid-19. Another focus in 2020 was again on encouraging more men to take advantage of parental leave options and flexible working. Česká spořitelna launched a new top management mentoring program for women in leadership positions, which had a very successful start. Banca Comercială Română took a multitude of measures to implement the EU Diversity Charter, which focused most notably on training and professional development as well as building employee competencies. Further information is provided in the (consolidated) non-financial report.

DIVERSITY

Erste Group's diversity and inclusion principles are reflected in its Statement of Purpose and Code of Conduct, which both emphasise that the work environment must be free of discrimination and harassment and must value the work of each and every person, regardless of gender, age, marital status, sexual orientation, physical ability, race, skin colour, religious or political affiliation, ethnic background, nationality, citizenship or any other aspect unrelated to employment. An independent Anti-Discrimination Officer advises and mediates in matters concerning harassment and discrimination, and works with management on awareness and prevention.

Erste Group's Diversity and Inclusion Policy provides the framework for local diversity managers to define priorities and initiatives that support the group diversity strategy. The Policy also defines the diversity concepts applicable in appointing management board and supervisory board members with regard to age, gender, education and professional career. In addition to setting group-wide targets for the share of women in top management and on the supervisory board, it also requires that all positions, including management positions, have to be advertised internally (unless candidates from a succession pool are already available for a position). Selection processes and criteria must be transparent, and job offers have to be worded in a gender-neutral manner: Talent pools and programmes must be open to suitable employees of any age group, gender or origin; when filling top management positions, at least one candidate per gender must be short-listed; when filling supervisory board mandates, the nomination committees (Holding and local banks) must consider female candidates.

In 2020, Erste Group pursued the following diversity priorities: more networking and best-practice sharing within the group as well as the joint development of a group-wide diversity strategy; further increasing the number of women in management positions; developing and encouraging more initiatives for LGBT+ inclusion in the CEE region; and implementing local initiatives promoting diversity in CEE.

Further information is provided in the (consolidated) non-financial report.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

Erste Group Bank AG has directors' and officers' liability insurance. Unless otherwise provided by local law, the insurance policy covers former, current and future members of the management board or managing directors, of the supervisory board, of the administrative board and of the advisory board as well as senior management, holders of statutory powers of attorney (Prokuristen) and management staff of Erste Group Bank AG and the subsidiaries in which Erste Group Bank AG holds more than 50% of the shares or voting rights either directly or indirectly through one or more subsidiaries. The costs are borne by the company.

EXTERNAL EVALUATION

Erste Group Bank AG commissioned an external evaluation of compliance with the Austrian Code of Corporate Governance in accordance with C-Rule 62 of the Austrian CCG at least every three years, most recently for the 2020 fiscal year. All evaluations reached the conclusion that Erste Group Bank AG had met all requirements of the Code. The deviations from C-Rules were described and explained. Summary reports on these evaluations are available on the website of Erste Group Bank AG.

SHAREHOLDERS' RIGHTS

Erste Group Bank AG has no rights arising from its own shares. Neither a subsidiary nor a third party holding shares on behalf of Erste Group Bank AG or of a subsidiary may exercise its voting rights and its rights for subscription of these shares.

Voting rights

Each share of Erste Group Bank AG entitles its holder to one vote at the annual general meeting. In general, shareholders may pass resolutions at an annual general meeting by a simple majority of the votes cast or, in the event that the majority of the share capital present is required to approve a measure, by a simple majority of the share capital present, unless Austrian law or the articles of association require a qualified majority vote.

The articles of association differ from the statutory majority requirements in three cases: First, the appointment of supervisory board members can be revoked before the end of their respective term by a resolution of the annual general meeting that requires a majority of 75% of the votes cast and a majority of 75% of the share capital present at such meeting. Second, the articles of association may be amended by a resolution of the annual general meeting. Provided that such amendment does not concern the business purpose, this requires a simple majority of the votes cast and a simple majority of the share capital present at such meeting. Third, any provision regulating increased majority requirements can only be amended with the same increased majority.

Dividend rights

Each shareholder is entitled to receive dividends if and to the extent the distribution of dividends is resolved by the annual general meeting.

Liquidation proceeds

In case of dissolution of Erste Group Bank AG, the assets remaining after the discharge of liabilities and repayment of supplementary capital as well as additional tier 1 capital will be distributed pro rata to the shareholders. The dissolution of Erste Group Bank AG requires a majority of at least 75% of the share capital present at an annual general meeting.

Subscription rights

All holders of shares have subscription rights allowing them to subscribe to any newly issued shares to maintain their existing share in the share capital of Erste Group Bank AG. Such subscription rights are in proportion to the number of shares held by such shareholders prior to the issue of the new shares. The said subscription rights do not apply if the respective shareholder does not exercise these subscription rights or subscription rights are excluded in certain cases by a resolution of the annual general meeting or by a resolution of the management board and the supervisory board.

The Austrian Stock Corporation Act contains provisions that protect the rights of individual shareholders. In particular, all shareholders must be treated equally under equal circumstances

unless the shareholders affected have consented to unequal treatment. Furthermore, measures affecting shareholders' rights, such as capital increases and the exclusion of subscription rights, generally require a shareholders' resolution.

The articles of association of Erste Group Bank AG do not contain any provisions regarding a change in the share capital, the rights associated with the shares or the exercise of the shareholders' rights that differ from statutory requirements.

Stock corporations such as Erste Group Bank AG must hold at least one annual general meeting (ordinary shareholders' meeting) per year, which must be held within the first eight months of any financial year and cover at least the following items:

- _ Presentation of certain documents
- _ Appropriation of profit
- _ Discharge of the members of the management board and the supervisory board for the financial year ended.

At annual general meetings, shareholders may ask for information about the company's affairs to the extent that this is required for the proper assessment of an agenda item.

Management Board

Bernhard Spalt mp, Chairman

Ingo Bleier mp, Member

Stefan Dörfler mp, Member

Alexandra Habeler-Drabek mp, Member

David O'Mahony mp, Member

Maurizio Poletto mp, Member

Thomas Schaufler mp, Member

Vienna, 26 February 2021