

Remuneration Report 2020

Remuneration report of the management board and the supervisory board of Erste Group Bank AG

Table of contents

Introduction	1
Remuneration of the management board	2
Basic remuneration principles for members of the management board	2
Overview of elements of remuneration	2
Procedure for awarding variable remuneration	3
Deviation of the remuneration policy	3
Total remuneration of management board members	4
Total remuneration awarded or owed	4
Variable remuneration awarded or owed	6
Details regarding variable remuneration	6
Total remuneration paid	9
Annual change	10
Remuneration of the supervisory board	11
Principles of the remuneration policy for members of the supervisory board	11
Total remuneration of supervisory board members	11
D&O Insurance	14

Introduction

Following the publication of the remuneration policy in the previous year, we are now presenting a remuneration report of Erste Group Bank AG for the first time in accordance with the amended provisions of the Austrian Stock Corporation Act. The new formats aim to increase transparency and to regularly involve shareholders in the topic of remuneration ("Say on Pay").

While the remuneration policy sets out the principles and framework of the remuneration system, the remuneration report will annually provide a detailed and comprehensive overview of the remuneration awarded to the members of the management board and supervisory board during the last financial year. In the past, Erste Group had published information on the remuneration of the management board and supervisory board in the Corporate Governance Report and the Annual Report.

2020 – an exceptional year in many respects

Bernhard Spalt took over as CEO from Andreas Treichl on 1 January 2020, and changes were made to the management board during the course of the year. Ara Abrahamyan and David O'Mahony were also appointed as members of the management board with effect from 1 January 2020. Peter Bosek and Ara Abrahamyan left the management board at the end of 2020.

The year 2020 was marked by the Covid-19 pandemic worldwide, and thus also in the core markets. Erste Group generated a net profit of EUR 783.1 million in 2020, with all local subsidiaries remaining profitable. The operating result was better than expected at EUR 2.9 billion, given the challenging environment. The cost/income ratio remained unchanged at 59.0%. Although credit quality hardly deteriorated until the end of the year (the NPL ratio was 2.7%, barely above the lowest level in more than two decades), risk provisions of EUR 1.3 billion were set aside in order to be prepared for possible future loan losses. In an environment characterised by economic downturns, Erste Group recorded growth in customer loans and deposits in all core markets. The Common Equity Tier 1 ratio of 14.2% at the end of December 2020 demonstrates Erste Group's solid capital position, above regulatory requirements and the internal target of 13.5%. Details on Erste Group's overall performance and financial results are presented in Erste Group's Annual Report 2020.

In view of the exceptional circumstances of the year marked by the Covid-19 pandemic, the European Banking Authority and the European Central Bank issued various recommendations. This also resulted in deviations from the remuneration policy adopted in the previous year: the payout model for the variable remuneration awarded for the performance years 2020 and 2019 was modified in order to ensure an appropriate adjustment to pandemic-related risks.

Remuneration of the management board

Basic remuneration principles for members of the management board

The remuneration policy, and thus the principles for the remuneration of the members of the management board and the supervisory board of Erste Group Bank AG, were submitted to the shareholders of Erste Group Bank AG for a vote at the annual general meeting on 10 November 2020 pursuant to section 78b in conjunction with section 98a of the Austrian Stock Corporation Act (AktG), and adopted with the required majority of votes.

The principles of the remuneration policy are aligned with the Statement of Purpose and the strategy of Erste Group and are designed to motivate the management board members to drive sustainable and positive corporate development. In addition, they ensure that Erste Group's remuneration is competitive with that of other credit institutions of a similar type and size.

The remuneration policy of Erste Group Bank AG is available at the following link: https://cdn0.erstegroup.com/content/dam/at/eh/www_erstegroup_com/de/ir/2020/HV/Erste_Group_Verguetungspolitik_HV_2020.pdf?forceDownload=1

OVERVIEW OF ELEMENTS OF REMUNERATION

The remuneration of the members of the management board of Erste Group Bank AG consists of two components, a fixed and a variable component.

Fixed remuneration

The fixed remuneration is granted irrespective of performance and, in addition to the basic, includes contributions to the company pension scheme (pension fund), insurance benefits and other benefits in kind. It is based on the area of responsibility of the respective management board member, taking into account the strategic and operational areas of responsibility.

Management board members do not receive any separate remuneration for their activities as supervisory board members in affiliated companies.

Variable remuneration

All variable remuneration is granted on the basis of performance. The award and payment of variable remuneration is linked to specific, verifiable performance criteria that are aligned with the business strategy and long-term development of Erste Group Bank AG. Targets at group or individual institution level as well as individual targets are taken into account. In case of non-fulfilment of defined minimum performance criteria, no variable remuneration is awarded or paid out.

Part of the variable remuneration (50%) is linked to the performance of phantom shares (share equivalents) in accordance with No. 11 of the Annex to section 39b of the Austrian Banking Act (BWG). These are not shares traded on the stock exchange, but a technical figure based on the average weighted daily price of the Erste Group share and thus reflect the development of the share price. After the expiry of the one-year retention period following the award, these phantom shares are converted and paid out in cash.

In principle, the variable remuneration is paid partly as upfront remuneration and partly, spread over several years, as deferred remuneration.

Components of the remuneration of the members of the management board

Type/ component	Elements	Method of payment	Features
Fixed remuneration			
Base salary		Cash	- Consideration of the area of responsibility of the respective board member - Promoting cooperation within the board
	Pension fund	Assumption of contributions by the company	- Defined contribution pension plans via external pension fund - Severance fund (Mitarbeiter-Vorsorgekasse)
Other remuneration	Insurances	Assumption of contributions by the company	- Risk insurance against occupational disability and in case of death - Risk accident insurance
	Benefits in kind	Various	- Any annual leave payments - Possible one-time sign-on bonus - Benefits in kind, e.g. company car including driver and parking space
Variable remuneration			
Upfront bonus (40%)	Upfront cash (50% of the upfront bonus)	Cash payment in the subsequent fiscal year	
	Upfront phantom shares (50% of the upfront bonus)	Cash settlement in the second following year (1-year retention period for phantom shares)	- Alignment with the fulfilment of certain comprehensible performance criteria aligned with business strategy and long-term development of Erste Group - Consideration of targets at group and/or individual institution level and - Consideration of individual targets
Deferrals (60%)	Deferral cash payments (50% of the deferrals)	Cash payment from the second following fiscal year in 5 annual tranches	
	Deferred phantom shares (50% of the deferrals)	Cash settlement from the third following fiscal year in 5 annual tranches	

PROCEDURE FOR AWARDING VARIABLE REMUNERATION

The performance criteria and their impact on the variable remuneration of members of the management board of Erste Group Bank AG are determined by the supervisory board at the beginning of the year.

The total amount of variable remuneration related to a particular performance year is decided by the supervisory board based on the recommendation of the remuneration committee in the following year. Generally, the variable remuneration is paid partly as upfront remuneration and partly, spread over several years, as deferred remuneration (deferral). At least 50% of variable remuneration is linked to the performance of phantom shares. The decision to pay out the upfront and the deferred parts to board members in a given year depends on the results of Erste Group Bank AG in the respective performance period. If in a specific year the remuneration committee decides that the performance conditions in the performance period have not been met, both the upfront and deferred portions of variable remuneration are cancelled. The deferred remuneration parts related to previous service periods may also be cancelled.

If variable remuneration for the respective performance period exceeds EUR 150,000 gross and if the conditions for the award of variable remuneration have been met, 40% of the variable remuneration is paid in succession in the first two years following the performance period (upfront payment): the cash payment of 20% of total variable remuneration immediately in the following year (1st subsequent year), and the non-cash portion of likewise 20% one year later. The remaining 60% of the variable remuneration is deferred and paid pro rata over a period of 5 years, starting from the 2nd subsequent year (after the respective performance year) – provided the minimum performance criteria are met. The portion of the deferred remuneration determined by the performance of the phantom shares is distributed over the deferral period, taking into account the vesting/retention period, and paid out in subsequent years according to the respective weighted average annual share price.

Deviation of the remuneration policy

The remuneration policy provides for the possibility of deviation in exceptional circumstances, such as a pandemic, which are likely to have a major impact on the company's business activities. Likewise, recommendations and other requirements of the relevant regulatory authorities shall be taken into account.

For the variable remuneration granted for the performance years 2020 and 2019, the payment model described above has therefore been modified in order to comply with the recommendations of the European Banking Authority (EBA) and the European Central Bank (ECB) and to achieve an appropriate adjustment to the risks arising from the Covid-19 pandemic.

The EBA issued an opinion on dividend payouts, share buybacks and variable remuneration on 31 March 2020, calling on banks to ensure that "remuneration, and in particular its variable portion, should be set at a conservative level. In order to achieve an appropriate adjustment to the risks arising from the Covid-19 pandemic, a greater proportion of variable remuneration could be deferred over a longer period and a greater proportion paid in instruments."

As a direct response to the Covid-19 pandemic and the EBA statement, the supervisory board resolved at the supervisory board meeting on 23 April 2020 in view of the EBA statement that the variable remuneration (bonuses) due for 2019 will be awarded entirely in phantom shares, resulting in the variable remuneration being deferred for a longer period. Unlike in regular financial years, no cash portion of the variable remuneration was paid out for the 2019 performance year in the 2020 financial year. The variable remuneration for 2019 was awarded in phantom shares at the weighted average share price of EUR 32.08 for 2019. The conversion of the total upfront remuneration for 2019 will take place in 2021 at the weighted average share price of EUR 21.38 for 2020. The deferred portion of the variable remuneration for the performance year 2019 is also fully linked to the future development of Erste Group's share price.

On 15 December 2020, the European Central Bank (ECB) published a Letter on Remuneration policies in the context of the coronavirus (Covid-19) pandemic advising entities "to introduce adjustments in their remuneration policies to limit the impact of variable remuneration on their capital base in the context of the Covid-19 crisis." Furthermore, the ECB called for "extreme moderation with regard to variable remuneration until 30 September 2021, and in particular institutions should consider whether a larger part of variable remuneration could be deferred for a longer period of time, as well as to consider the payment of variable remuneration in instruments" (as defined in Art. 94 (1) CRD).

As a result, the supervisory board decided to deviate from the approved remuneration policy regarding the variable remuneration of the members of the management board for the performance year 2020 and to apply the same approach as for the performance year 2019. The variable remuneration granted for the performance year 2020 will therefore also be awarded exclusively in phantom shares and thus deferred for another year due to the retention period.

Total Remuneration of management board members

TOTAL REMUNERATION AWARDED OR OWED IN THE FINANCIAL YEAR

In the years 2019 and 2020, there were far-reaching changes in the appointments to the individual management board positions. Bernhard Spalt was appointed by the supervisory board as a member of the management board with effect from 1 July 2019 and initially acted as vice chairman of the management board. As of 1 January 2020, he assumed the function of chairman of the management board after Andreas Treichl resigned his mandate at the end of 2019. Gernot Mittendorfer and Jozef Sikela resigned from the management board as of 30 June 2019, Petr Brávek as of 31 December 2019. The supervisory board appointed Alexandra Habeler-Drabek, Ingo Bleier and Stefan Dörfler as members of the management board with effect from 1 July 2019 and Ara Abrahamyan and David O'Mahony with effect from 1 January 2020. Peter Bosek and Ara Abrahamyan left the management board at the end of 2020.

Due to these changes, there is no direct comparability between financial years 2019 and 2020 and a comparison of the total remuneration of the management board members is not meaningful. The tables below show the total remuneration of the respective incumbent management board members for the 2020 and 2019 financial years.

Total remuneration by management board function 2020

in EUR	Position	2020
Bernhard Spalt	Chairman of the Board	2,083,663.67
Ara Abrahamyan	Chief Digital Transformation Officer	1,429,322.47
Ingo Bleier	Chief Corporates and Capital Markets Officer	1,480,987.64
Peter Bosek	Chief Retail Officer	1,468,597.08
Stefan Dörfler	Chief Financial Officer	1,480,943.81
Alexandra Habeler-Drabek	Chief Risk Officer	1,481,123.46
David O'Mahony	Chief Operations Officer	1,477,667.80
Total		10,902,305.93

Peter Bosek also served as a member of the management board of Erste Bank der oesterreichischen Sparkassen AG (EBOe). The latter did not grant any remuneration for this; pro rata costs were charged to EBOe by Erste Group Bank AG.

Total remuneration by management board function 2019

in EUR	Position	2019
Andreas Treichl	Chairman of the Board	4,118,795.87
Bernhard Spalt (from 1 July 2019)	Vice Chairman of the Board	830,104.14
Ingo Bleier (from 1 July 2019)	Chief Corporates and Capital Markets Officer	827,361.57
Jozef Sikela (until 30 June 2019)		824,812.04
Peter Bosek	Chief Retail Officer	1,640,253.60
Stefan Dörfler (from 1 July 2019)	Chief Financial Officer	830,129.66
Gernot Mittendorfer (until 30 June 2019)		826,108.16
Willibald Cernko (until 30 June 2019)	Chief Risk Officer	822,001.29
Alexandra Habeler-Drabek (from 1 July 2019)		824,864.70
Petr Brávek	Chief Operations Officer	1,870,926.80
Total		13,415,357.83

The total amount shown in this table also includes the total remuneration granted and owed to the former members of the management board who left the company during the 2019 financial year.

This table shows the amount paid to former management board members based on contractual obligations.

Total remuneration of former board members

in EUR	2019	2020
Board member 2019		
Gernot Mittendorfer (from 1 July 2019)	815,104.14	841,065.87
Jozef Sikela (from 1 July 2019)	815,104.14	840,782.94
Andreas Treichl	-	1,723,920.95
Petr Brávek	-	54,895.03
Total	1,630,208.28	3,460,664.79

The former chairman of the management board, Andreas Treichl, acted as advisor to the board from 1 January 2020 to 30 June 2020. The total amount comprises the remuneration for this function as well as the contractually agreed pension fund payments for the years 2019 and 2020 and other remuneration.

In addition to the total remuneration for 2020, Andreas Treichl received a statutory severance payment to which he is entitled on the basis of his more than 25 years of service according to section 23 Austrian Employees Act (AngG) in the amount of EUR 3,487,145.16, which was paid in the financial year 2020.

The following tables show the total remuneration awarded or owed for the 2020 financial year per management board member as well as a breakdown of the short-term and long-term variable remuneration.

At least 50% of the variable remuneration granted or owed is linked to the performance of phantom shares. These are a technical figure that reflects the development of the share price of Erste Group Bank AG. As a result, the amount actually paid out may differ from the variable remuneration awarded, depending on the share price performance.

In 2020, the weighted average daily price of the Erste Group share was EUR 21.81 (2019: EUR 32.08), which is determined on the basis of data published by Datastream (Thomson Reuters Corp) and the Vienna Stock Exchange.

Total remuneration awarded or owed for 2020 by management board member

in EUR	Fixed remuneration			Total remuneration	Relative part	
	Base salary	Other remuneration	Variable remuneration		Fixed	Variable
Bernhard Spalt	1,000,000.00	183,663.67	900,000.00	2,083,663.67	56.8%	43.2%
Ara Abrahamyan	700,000.00	129,322.47	600,000.00	1,429,322.47	58.0%	42.0%
Ingo Bleier	700,000.00	130,987.64	650,000.00	1,480,987.64	56.1%	43.9%
Peter Bosek	700,000.00	138,597.08	630,000.00	1,468,597.08	57.1%	42.9%
Stefan Dörfler	700,000.00	130,943.81	650,000.00	1,480,943.81	56.1%	43.9%
Alexandra Habeler-Drabek	700,000.00	131,123.46	650,000.00	1,481,123.46	56.1%	43.9%
David O'Mahony	700,000.00	127,667.80	650,000.00	1,477,667.80	56.0%	44.0%
Total	5,200,000.00	972,305.93	4,730,000.00	10,902,305.93		

Ara Abrahamyan was also granted a contractual severance payment of EUR 700,000 in connection with mutual termination of his management board function, which will be paid out in cash in the financial year 2021.

Peter Bosek received a holiday compensation payment of EUR 64,699.49 as part of his contract termination, which was paid out in the financial year 2020.

Total remuneration awarded or owed for 2019 by management board member

In EUR	Fixed remuneration		Variable remuneration	Total remuneration
	Base salary	Other remuneration		
Andreas Treichl	1,475,000.12	643,795.75	2,000,000.00	4,118,795.87
Ingo Bleier (from 1 July 2019)	350,000.00	64,361.57	413,000.00	827,361.57
Jozef Sikela (until 30 June 2019)	350,000.00	74,812.04	400,000.00	824,812.04
Peter Bosek	700,000.00	140,253.60	800,000.00	1,640,253.60
Stefan Dörfler (from 1 July 2019)	350,000.00	65,129.66	415,000.00	830,129.66
Gernot Mittendorfer (until 30 June 2019)	350,000.00	76,108.16	400,000.00	826,108.16
Alexandra Habeler-Drabek (from 1 July 2019)	350,000.00	64,864.70	410,000.00	824,864.70
Willibald Cernko (until 30 June 2019)	350,000.00	72,001.29	400,000.00	822,001.29
Petr Brávek	700,000.00	370,926.80	800,000.00	1,870,926.80
Bernhard Spalt (1 July until 31 December 2019)	350,000.00	65,104.14	415,000.00	830,104.14
Total	5,325,000.12	1,637,357.71	6,453,000.00	13,415,357.83

VARIABLE REMUNERATION AWARDED OR OWED

Variable remuneration awarded or owed for 2020 by management board member

in EUR	Upfront		Deferral		Total variable remuneration
	Cash	Phantom shares	Cash	Phantom shares	
Bernhard Spalt	-	360,000.00	-	540,000.00	900,000.00
Ara Abrahamyan	-	240,000.00	-	360,000.00	600,000.00
Ingo Bleier	-	260,000.00	-	390,000.00	650,000.00
Peter Bosek	-	252,000.00	-	378,000.00	630,000.00
Stefan Dörfler	-	260,000.00	-	390,000.00	650,000.00
Alexandra Habeler-Drabek	-	260,000.00	-	390,000.00	650,000.00
David O'Mahony	-	260,000.00	-	390,000.00	650,000.00
Total	-	1,892,000.00	-	2,838,000.00	4,730,000.00

Variable remuneration awarded or owed for 2019 by management board member

in EUR	Upfront		Deferral		Total variable remuneration
	Cash	Phantom shares	Cash	Phantom shares	
Andreas Treichl	-	800,000.00	-	1,200,000.00	2,000,000.00
Ingo Bleier (from 1 July 2019)	-	165,200.00	-	247,800.00	413,000.00
Jozef Sikela (until 30 June 2019)	80,000.00	80,000.00	120,000.00	120,000.00	400,000.00
Peter Bosek	-	320,000.00	-	480,000.00	800,000.00
Stefan Dörfler (from 1 July 2019)	-	166,000.00	-	249,000.00	415,000.00
Gernot Mittendorfer (until 30 June 2019)	80,000.00	80,000.00	120,000.00	120,000.00	400,000.00
Alexandra Habeler-Drabek (from 1 July 2019)	-	164,000.00	-	246,000.00	410,000.00
Willibald Cernko (until 30 June 2019)	-	160,000.00	-	240,000.00	400,000.00
Petr Brávek	-	320,000.00	-	480,000.00	800,000.00
Bernhard Spalt (1 July to 31 Dec 2019)	-	166,000.00	-	249,000.00	415,000.00
Total	160,000.00	2,421,200.00	240,000.00	3,631,800.00	6,453,000.00

DETAILS REGARDING VARIABLE REMUNERATION

Performance management

The performance criteria and their impact on the variable remuneration of the management board of Erste Group Bank AG were determined by the supervisory board at the beginning of the year.

The **first criterion for determining the variable remuneration of the members of the management board is the financial performance of Erste Group as a whole**. The fulfilment of minimum performance criteria (net result attributable to owners of the parent, capital and liquidity requirements) is the basic prerequisite for the awarding of variable remuneration. Based on the fulfilment of weighted business-related performance criteria, a bonus pool multiplier reflecting the overall achievement at group level is determined. For the year 2020, the bonus pool multiplier was calculated based on the following criteria: operating result minus risk costs, cost/income ratio and

customer experience. These performance criteria defining the bonus pool multiplier were not changed for the performance year 2020 despite the currently prevailing general economic situation. The criteria were partially met in the financial year which resulted in a greatly reduced award of variable remuneration to the members of the management board for the performance year 2020.

Despite the exceptional individual performance of the management board members, the bonus pool multiplier was lower due to the increased risk costs resulting from the Covid-19 pandemic. Taking this into account, the supervisory board has made use of the option provided in the remuneration policy to adjust the bonus pool multiplier based on an overall assessment of performance, affordability and competitiveness.

The **individual targets for the award of variable remuneration take into account Erste Group's strategic and operational objectives as well as a leadership component.** In this way, the variable remuneration contributes to the long-term development of the company and creates incentives to actively pursue the key pillars of Erste Group's strategy (efficiency, digital transformation and growth).

As a basis for the targeted implementation of the group's strategic thrusts (growth, efficiency and digital transformation), strategic priorities have been defined at group level, which are being implemented step by step as part of the "Strategic Development Program (SDP)". These include, among others:

- _ Introduction of the "Prosperity Advice" approach in retail banking as well as measures to increase business in bancassurance and asset management
- _ Strengthening of digitalisation activities on the corporate side, such as the expansion of the George business model from private to corporate customers ("George Business")
- _ Establishing a holistic ESG/sustainability approach on the basis of a tangible group-wide ESG/sustainability strategy
- _ Strengthening activities to develop a data-driven bank, i.e. investing in analytical capabilities to transform raw data into business-relevant information
- _ Stepping up ongoing activities to further modernise and increase efficiency in IT systems as well as to digitalise operations (with a focus on Austria)
- _ Ongoing measures (with a focus on Austria) to specifically increase efficiency and optimise the cost position

The individual strategic targets are further defined in more detail in the scorecard of the respective board member, and the achievement of these is evaluated at the end of the performance period.

Performance with regard to leadership targets of management board members is assessed by the remuneration committee. The results of multi-source feedback are used as an objective basis for this assessment. The Head of People & Culture presents individual feedback profiles and average scores to the members of the remuneration committee, who discuss each individual feedback profile and adjust the rating based on situational observations. In addition, the leadership criteria for top executives are consulted to underpin the final rating. The remuneration committee may make comparative adjustments before approving the final ratings.

A validation process ensures that there is a balanced mix of feedback providers, close cooperation between board members and the feedback providers and frequent interaction as a reliable basis for observing and giving specific feedback based on different work situations.

In 2020, a LEAD 360° survey was used to gather feedback from multiple sources on how each management board member and his/her team collaborates with other areas, adapts to change and implements the business strategy. Feedback is obtained from the chairman of the management board or the chairman of the supervisory board of Erste Group Bank AG as well as from other members of the management board of Erste Group Bank AG and the local banks and subsidiaries. In addition, the members of the management board evaluate themselves.

On an individual level, the targets for 2020 include:

- _ Operational result,
- _ ROTE (return on tangible equity),
- _ Risk costs,
- _ NPL ratio,
- _ Data management and
- _ Strategic targets in the relevant area of responsibility.

Target achievement and variable remuneration 2020

Board member	Function	KPI	Weighting	Achievement in %	Weighted target achievement	Approved bonus in EUR
Bernhard Spalt	CEO	Operating result	18.8%	105.9%	19.9%	
		Return on tangible equity	18.8%	0.0%	0.0%	
		Strategic targets	37.5%	107.0%	40.1%	
		Leadership	25.0%	100.0%	25.0%	
		Total	100.0%		85.0%	900,000.00
Ara Abrahamyan	CDTO	Operating result	15.0%	105.9%	15.9%	
		Return on tangible equity	15.0%	0.0%	0.0%	
		Data management	7.5%	100.0%	7.5%	
		Strategic targets	37.5%	100.0%	37.5%	
		Leadership	25.0%	100.0%	25.0%	
Total	100.0%		85.9%	600,000.00		
Ingo Bleier	C & M	Operating result business line	18.8%	106.7%	20.0%	
		Operating result group	7.5%	105.9%	7.9%	
		Return on tangible equity	11.3%	0.0%	0.0%	
		CXI C&M	7.5%	88.1%	6.6%	
		Strategic targets	30.0%	100.0%	30.0%	
		Leadership	25.0%	100.0%	25.0%	
Total	100.0%		89.6%	650,000.00		
Peter Bosek	RETAIL EBOe CEO & COO	Operating result business line	6.8%	0.0%	0.0%	
		Operating result group	2.7%	105.9%	2.9%	
		Return on tangible equity	4.1%	0.0%	0.0%	
		CXI Retail	2.7%	125.0%	3.4%	
		Strategic targets	10.8%	100.0%	10.8%	
		Leadership	9.0%	100.0%	9.0%	
EBOe targets	64.0%	99.3%	63.6%			
Total	100.0%		89.6%	630,000.00		
Stefan Dörfler	CFO	Operating result	15.0%	105.9%	15.9%	
		Return on tangible equity	15.0%	0.0%	0.0%	
		Data management	7.5%	100.0%	7.5%	
		Strategic targets	37.5%	108.0%	40.5%	
		Leadership	25.0%	100.0%	25.0%	
Total	100.0%		88.9%	650,000.00		
Alexandra Habeler-Drabek	CRO	NPL ratio	15.0%	75.0%	11.3%	
		Risk costs	15.0%	0.0%	0.0%	
		Data management	7.5%	100.0%	7.5%	
		Strategic targets	37.5%	108.0%	40.5%	
		Leadership	25.0%	120.0%	30.0%	
Total	100.0%		89.3%	650,000.00		
David O'Mahony	COO	Operating result	15.0%	105.9%	15.9%	
		Return on tangible equity	15.0%	0.0%	0.0%	
		Data management	7.5%	100.0%	7.5%	
		Strategic targets	37.5%	106.0%	39.8%	
		Leadership	25.0%	100.0%	25.0%	
Total	100.0%		88.2%	650,000.00		

The maximum amount for variable remuneration of the management board members is 100% of fixed remuneration.

If the calculated bonus of a management board member would exceed 100% of fixed remuneration, the bonus amount actually awarded is set at 100% of fixed remuneration.

In the financial year 2020, Peter Bosek was a member of the management boards of Erste Group Bank AG and Erste Bank der oesterreichischen Sparkassen AG (EBOe). Therefore, the variable remuneration is awarded on the basis of the weighted target achievements of EBOe and Erste Group. The target structure for EBOe is similar to that in Erste Group Bank AG (e.g. operating result EBOe, return on allocated capital, strategic targets and leadership).

TOTAL REMUNERATION PAID

In the financial years 2020 and 2019, the following amounts were paid to management board members for their entitlements from management board activities undertaken in previous years. Payments to former members of the management board are shown cumulatively.

Total remuneration paid

in EUR	Bernhard Spalt		Ara Abrahamyan		Ingo Bleier		Peter Bosek	
	2019	2020	2019	2020	2019	2020	2019	2020
Fixed remuneration								
Base salary	350,000.00	1,000,000.00	-	700,000.00	350,000.00	700,000.00	700,000.00	700,000.00
Other remuneration	65,104.14	183,663.67	-	129,322.47	64,361.57	130,987.64	140,253.60	138,597.08
Variable remuneration								
Cash payment								
Financial year 2019	-	-	-	-	-	-	-	-
Financial year 2018	-	-	-	-	-	-	160,850.00	49,200.00
Financial year 2017	-	-	-	-	-	-	48,000.00	48,000.00
Financial year 2016	-	-	-	-	-	-	48,000.00	48,000.00
Financial year 2015	-	-	-	-	-	-	36,000.00	36,000.00
Financial year 2014	-	-	-	-	-	-	-	-
Financial year 2013	-	-	-	-	-	-	-	-
Financial year 2012	-	-	-	-	-	-	-	-
Phantom shares								
Financial year 2019	-	-	-	-	-	-	-	-
Financial year 2018	-	-	-	-	-	-	-	142,613.90
Financial year 2017	-	-	-	-	-	-	178,978.64	46,703.97
Financial year 2016	-	-	-	-	-	-	72,063.52	62,678.26
Financial year 2015	-	-	-	-	-	-	52,849.04	45,966.20
Financial year 2014	-	-	-	-	-	-	-	-
Financial year 2013	-	-	-	-	-	-	-	-
Financial year 2012	-	-	-	-	-	-	-	-
Total	415,104.14	1,183,663.67	-	829,322.47	414,361.57	830,987.64	1,436,994.80	1,317,759.40

in EUR	Stefan Dörfler		Alexandra Habeler-Drabek		David O'Mahony		Former board members	
	2019	2020	2019	2020	2019	2020	2019	2020
Fixed remuneration								
Base salary	350,000.00	700,000.00	350,000.00	700,000.00	-	700,000.00	700,000.00	2,212,489.15
Other remuneration	65,129.66	130,943.81	64,864.70	131,123.46	-	127,667.80	130,208.28	1,248,175.64
Variable remuneration								
Cash payment								
Financial year 2019	-	-	-	-	-	-	-	320,000.00
Financial year 2018	-	-	-	-	-	-	995,762.15	316,800.00
Financial year 2017	-	-	-	-	-	-	298,200.00	298,200.00
Financial year 2016	-	-	-	-	-	-	296,400.00	296,400.00
Financial year 2015	-	-	-	-	-	-	225,600.00	225,600.00
Financial year 2014	-	-	-	-	-	-	-	-
Financial year 2013	-	-	-	-	-	-	78,120.00	-
Financial year 2012	-	-	-	-	-	-	-	-
Phantom shares								
Financial year 2019	-	-	-	-	-	-	-	-
Financial year 2018	-	-	-	-	-	-	-	918,329.58
Financial year 2017	-	-	-	-	-	-	1,111,932.00	290,135.57
Financial year 2016	-	-	-	-	-	-	444,920.32	386,975.71
Financial year 2015	-	-	-	-	-	-	331,145.52	288,018.49
Financial year 2014	-	-	-	-	-	-	-	-
Financial year 2013	-	-	-	-	-	-	120,782.00	105,051.84
Financial year 2012	-	-	-	-	-	-	289,692.40	-
Total	415,129.66	830,943.81	414,864.70	831,123.46	-	827,667.80	5,022,762.67	6,906,175.98

The table below gives detailed information on the share-based variable remuneration of management board members.

Development of share-based remuneration in phantom shares

in EUR or in units	Number of phantom shares	New phantom shares awarded	Phantom shares paid out in cash	Average weighted share price 2019	Countervalue of phantom shares paid	Number of phantom shares
	1.1.2020					31.12.2020
Bernhard Spalt	-	20,885	-	-	-	20,885
Ara Abrahamyan	-	-	-	-	-	-
Ingo Bleier	-	12,875	-	-	-	12,875
Peter Bosek	30,511	24,941	9,289	32.08	297,991.12	46,163
Stefan Dörfler	-	12,936	-	-	-	12,936
Alexandra Habeler-Drabek	-	12,783	-	-	-	12,783
David O'Mahony	-	-	-	-	-	-
Total	30,511	84,420	9,289		297,991.12	105,642

The calculation of the phantom shares 2020 paid out in cash is based on the volume-weighted average price of the Erste Group Bank AG share in 2019.

Annual change in total remuneration, economic performance and average compensation of other employees

In future, the table below will show a five-year comparison of the change in total remuneration, the economic performance of the company and the average remuneration of other employees of Erste Group Bank AG (Holding).

Annual change

		2019	2020	Absolute	Change Relative
Total remuneration of board members	in EUR	13,415,357.83	10,902,305.93	-2,513,051.90	-18.73%
Financial success (company performance)					
Net result attributable to owners of the parent	in EUR million	1,470.1	783.1	-687.0	-46.73%
Operating result	in EUR million	2,972.7	2,934.6	-38.1	-1.28%
Return on tangible equity		11.2%	5.1%	↘	↘
Cost/income ratio		59.0%	59.0%	↔	↔
Provisioning ratio	in basis points	7	78	↗	↗
Average remuneration of employees of Holding who are not members of the management board (full-time equivalents)	in EUR	102,729.42	99,901.89	-2,827.53	-2.75%

The remuneration of the members of the management board at individual level is shown in the table "Total remuneration by management board function 2020".

Remuneration of the supervisory board

Principles of the remuneration policy for supervisory board members

The annual general meeting granted the members of the supervisory board by resolution on 24 May 2018 for the financial year 2017 and the following years (provided a future annual general meeting does not determine otherwise) annual remuneration based on a fixed scale. In accordance with this resolution, the chairperson of the supervisory board receives remuneration of EUR 150,000, the 1st vice chairperson EUR 90,000, the 2nd vice chairperson EUR 80,000 and ordinary members of the supervisory board EUR 60,000 each. The chairpersons of the risk, audit and IT committees receive additional remuneration of EUR 10,000 each, the chairpersons of the remuneration and nomination committees of EUR 5,000. In accordance with the duration of the respective Supervisory Board mandate, the remuneration for the business year shall be allocated in a prorated manner (pro rata temporis) or for the entire financial year. Members of the employees' council do not receive attendance fees or supervisory board remuneration.

Total remuneration for supervisory board members for the financial year 2020 thus totalled EUR 900,327.87. In addition, attendance fees paid to the members of the supervisory board were set at EUR 1,000 per meeting of the supervisory board or one of its committees.

Total remuneration of supervisory board members

Membership in supervisory board committees

	Executive committee	Nomination committee	Audit committee	Risk committee	Remuneration committee	IT committee
Until 10 November 2020						
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	Marion Khüny	Jordi Gual Solé	Henrietta Egerth-Stadlhuber
Member	Elisabeth Krainer Senger-Weiss	Elisabeth Krainer Senger-Weiss	Jan Homan	Elisabeth Krainer Senger-Weiss	John James Stack	Marion Khüny
Member	Barbara Pichler	Barbara Pichler	Wilhelm Rasinger	Wilhelm Rasinger		Andreas Lachs
Member	Karin Zeisel	Karin Zeisel	Michèle F. Sutter-Rüdissler	Friedrich Rödler		Karin Zeisel (from 21.1.2020)
Member			Regina Haberhauer	Markus Haag	Andreas Lachs	Martin Grießer (until 21.1.2020)
Member			Barbara Pichler	Andreas Lachs	Barbara Pichler	
Member			Jozef Pinter (from 21.1.2020)	Jozef Pinter	Karin Zeisel	
Member			Martin Grießer (until 21.1.2020)			
Substitute	Wilhelm Rasinger	Andreas Lachs	Andreas Lachs	Henrietta Egerth-Stadlhuber	Maximilian Hardegg	Elisabeth Krainer Senger-Weiss
Substitute	Andreas Lachs	Jozef Pinter	Karin Zeisel (from 21.1.2020)	Regina Haberhauer	Markus Haag	Barbara Pichler
Substitute	Jozef Pinter		Jozef Pinter (until 21.1.2020)	Karin Zeisel (from 21.1.2020)	Jozef Pinter	Jozef Pinter
Substitute				Martin Grießer (until 21.1.2020)		
From 10 November 2020						
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-Rüdissler	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

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 video-conferencing 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

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

As until 21 January 2020 (day of the effectiveness of the revocation of the delegation of Martin Grießer) no meetings of the supervisory board and no meetings of the committees of the supervisory board took place, Martin Grießer is not included in this chart.

Remuneration of members of the supervisory board for 2020

in EUR	Attendance fees	Remuneration of supervisory board	Total
Friedrich Rödler	44,000.00	170,000.00	214,000.00
Jan Homan	40,000.00	90,000.00	130,000.00
Maximilian Hardegg	40,000.00	100,000.00	140,000.00
Matthias Bulach	15,000.00	60,000.00	75,000.00
Henrietta Egerth-Stadlhuber	13,000.00	60,000.00	73,000.00
Gunter Griss (until 10.11.2020)	5,000.00	51,639.34	56,639.34
Jordi Gual Solé	11,000.00	60,000.00	71,000.00
Marion Khüny	26,000.00	60,000.00	86,000.00
Elisabeth Krainer Senger-Weiss	27,000.00	60,000.00	87,000.00
Wilhelm Rasinger (until 10.11.2020)	24,000.00	51,639.34	75,639.34
Friedrich Santner (from 10.11.2020)	3,000.00	8,524.59	11,524.59
András Simor (from 10.11.2020)	3,000.00	8,524.59	11,524.59
John James Stack	11,000.00	60,000.00	71,000.00
Michèle F. Sutter-Rüdisser	15,000.00	60,000.00	75,000.00
Delegated by the employees' council			
Martin Grießer (until 21.1.2020)	-	-	-
Markus Haag	-	-	-
Regina Haberhauer	-	-	-
Andreas Lachs	-	-	-
Barbara Pichler	-	-	-
Jozef Pinter	-	-	-
Karin Zeisel	-	-	-
Total	277,000.00	900,327.87	1,177,327.87

Remuneration of the supervisory board members for supervisory board functions in fully consolidated subsidiaries

Members of the supervisory board receive for their board functions in fully consolidated subsidiaries (affiliated companies) of Erste Group Bank AG a remuneration based on principles for the determination of supervisory board remuneration, that do also apply to all external members of the supervisory board of the individual affiliated company.

Remuneration of the supervisory board members in fully consolidated subsidiaries

in EUR	Affiliated company	2020
	Erste Bank der oesterreichischen Sparkassen AG (Chairman)	98,000.00
Friedrich Rödler	Erste Bank Hungary Zrt. (Member)	33,500.00
	Erste Bank der oesterreichischen Sparkassen AG (Vice Chairman) since 15. 9. 2020	5,250.00
Jan Homan	Slovenská sporiteľňa, a.s. (1 st Vice Chairman)	20,450.00
	TIROLER SPARKASSE Bankaktiengesellschaft Innsbruck (Member)	28,500.00
Maximilian Hardegg	Česká spořitelna, a.s. (Member)	62,900.00
Elisabeth Krainer Senger-Weiss	Banca Comercială Română (Member)	62,142.00
Friedrich Santner	Steiermärkische Bank und Sparkassen AG (Chairman)	44,400.00
John James Stack	Česká spořitelna, a.s. (Chairman)	96,000.00
Total		451,142.00

Supervisory board members of the affiliated companies receive additional remuneration for their functions as chairpersons of a committee, which is already included in the individual amounts in this chart.

D&O 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.

For the supervisory board

Friedrich Rödler e.h.

For the management board

Bernhard Spalt e.h.