

Report of the management board on the intended use of own shares

The management board of Erste Group Bank AG, having its registered office in Vienna and its business address at Am Belvedere 1, 1100 Vienna, registered in the commercial register of the Commercial Court of Vienna under FN 33209 m (the „**EGB**“ or the „**Company**“), submits the following report to the shareholders of the Company regarding the intended use of own shares of the Company in the form of a transfer to employees of the Company as well as affiliated companies of the Company (the „**Participating Companies**“).

1. The share offer

The Company intends to deliver shares of the Company (the „**ESP Shares**“) to Eligible Employees and selected members of the governing bodies of the Company and the Participating Companies (the „**Eligible Persons**“) under the employee share programme „WeShare by Erste Group 2022“ („**ESP**“).

The ESP is divided into two components, based on which ESP Shares can be allocated to the Eligible Persons:

- The Participation Component, on the basis of which each Eligible Person will receive ESP Shares in the net amount of at least EUR 350 or an equivalent amount in the local currency (the „**Participation Component**“) on the basis of a reference price per ESP Share equal to the closing price of the Erste Group Bank AG share (ISIN AT000652011) on the Vienna Stock Exchange (www.wienerboerse.at) on 1 September 2022.

The number of shares resulting from the mathematical calculation is rounded up to the nearest whole number and this resulting number represents ESP Shares under the participation component.

- The Investment Component, which is at the discretion of the Eligible Persons and on the basis of which each Eligible Person, who undertakes to invest in shares of the Company up to a certain amount (the „**Own Personal Investment**“), shall be allocated an additional number of ESP Shares of the Employer in accordance with the Conditions of Participation without consideration (the „**Benefit Investment**“); the relationship between the Benefit Investment and the Own Personal Investment shall be set forth in the Participation Conditions to the ESP (the „**Participation Conditions**“) (Own Personal Investment and Benefit Investment together the „**Investment Component**“, the Investment Component and the Participation Component together the „**Share Offer**“).

The Own Personal Investment amount per Eligible Person will be used to determine the number of ESP Shares, based on the Benefit Investment, to be allotted to an Eligible Person under the Investment Component (unless otherwise provided in the terms and conditions for certain Participating Companies). The determination shall be made on the basis of a reference price per ESP Share in the amount of the closing price of the Erste Group Bank AG share (ISIN AT000652011) on the Vienna Stock Exchange (www.wienerboerse.at) on 1 September 2022 and the respective exchange rate, if such exchange rate is applicable pursuant to the Terms and Conditions.

The number of ESP shares for the investment component resulting from this mathematical calculation is rounded down to the nearest whole number.

The acceptance of the Share Offer by the Eligible Persons took place from 10 June 2022 (or for certain Participating Companies - if applicable - from another date) until 30 June 2022 (or for certain Participating Companies - if applicable - until another date). The transfer of ESP shares to the securities accounts of the Eligible Persons will take place at the beginning of September 2022 at the closing price of Erste Group Bank AG shares (ISIN AT000652011) on 1 September 2022.

2. Number of shares to be used

Based on the number of Eligible Persons and the amount of the respective maximum possible Participation Component and the Benefit Investment, depending on the closing price of the Erste Group Bank AG share (ISIN AT000652011) on the Vienna Stock Exchange on 1 September 2022, the maximum number of own shares to be used (ESP shares) would be 8,083,333. This therefore corresponds to approximately 0.72% of the total shares of the Company.

The Company intends to satisfy claims of the Eligible Persons arising from the acceptance of the Share Offer by transferring own shares of the Company excluding the shareholders' repurchase or subscription rights. The management board of the Company intends to adopt a resolution to this effect and to request the supervisory board to approve the transfer of own shares to Beneficiaries excluding the subscription rights of existing shareholders. For the Eligible Persons, a separate approval of the Annual General Meeting or an authorization of the management board for such a resale by the Annual General Meeting is not required based on Sec. 65 para. 1b last sentence AktG.

3. Exclusion of the shareholders' subscription rights

The ESP aims to strengthen the identification of the Eligible Persons with Erste Group, to create incentives for organizational commitment, to arouse interest in Erste Group's business through the ownership of shares and to offer the Eligible Persons financial recognition for their commitment to Erste Group. In their capacity as shareholders of the Company, employees also gain greater interest in the economic success of the Company. In addition, the ESP is also attractive from a tax perspective. The use of own shares under exclusion of shareholders' subscription rights is therefore in the interest of the Company.

The transfer of own shares to or the use of own shares for employees, executives and/or members of the management body of the Company or of a company affiliated with the Company is already objectively justified by law pursuant to Sec. 65 para. 1b last sentence AktG (analogous). In the specific case, the exclusion of the subscription right is furthermore objectively justified because

- the transfer of shares is in the interest of the Company in light of the reasons stated above;
- the exclusion of the subscription rights is also suitable for achieving the objective stated with the ESP;
- no other equivalent means exists by which the objective can be achieved without excluding the subscription rights of existing shareholders; and
- the exclusion of subscription rights is proportionate.

The use of own shares excluding shareholders' subscription rights for the purpose of transferring shares to employees is also a customary and recognized procedure whose objective justification is now beyond doubt. The use of own shares also does not result in the „typical“ dilution of shareholders because no „new“ shares are issued. The situation as it was prior to the repurchase of own shares is merely restored once the own shares have been transferred.

In view of the approval requirement by the supervisory board, the management board of the Company cannot decide alone, so that the interests of the shareholders are not exposed to any particular risk as a result.

As a result, the proposed transfer of own shares to Eligible Persons to service their claims arising from acceptance of the Share Offer, excluding shareholders' subscription rights, therefore complies with the statutory provisions.

4. Next steps

After expiry of a period of at least 14 days after publication of this report and at the earliest three trading days after publication of the framework programme for the intended use of own shares, own shares of the Company may be transferred under the conditions described above to Eligible Persons to satisfy their claims arising from the acceptance of the Share Offer.

Vienna, on 17 August 2022

The management board of Erste Group Bank AG

Willibald Cernko mp, Chairman
Stefan Dörfler mp, Member
Mitglied David O'Mahony mp, Member

Ingo Bleier mp, Member
Alexandra Habeler-Drabek mp, Member
Maurizio Poletto mp, Member