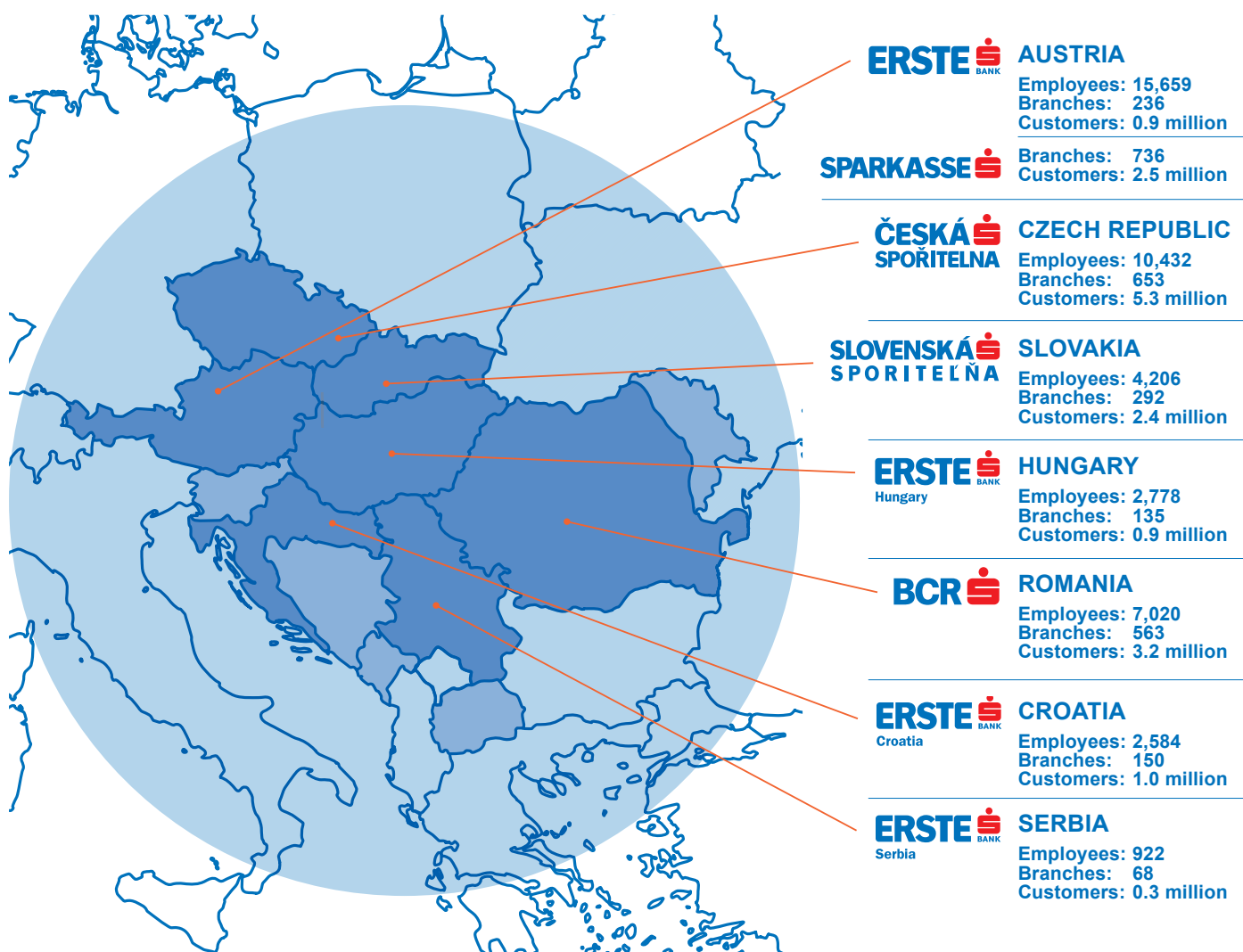




Disclosure pursuant to article 15a Disclosure Regulation as of 31 December 2013

Extensive presence in Central and Eastern Europe



Disclosure of information on Remuneration policy and practices in Erste Group Bank AG

Disclosure requirements covered: Article 15a para. 1 DisclReg

Principles applicable to the governance of remuneration policy and practices

The entire Board of Directors of Erste Group actively oversees the compensation system's design and operation. Experts from Group HR, Group Performance Management and Group Risk Management advise the Board of Directors regarding remuneration policies and practices.

The Remuneration Committee of the Supervisory Board is responsible for all decisions in relation to the remuneration policy. This includes in particular the design of remuneration policies and practices for managing risk, capital and liquidity. The Remuneration Committee shall take into account the long-term interests of shareholders, investors and other stakeholders. It reviews the remuneration policy and practices regularly. Erste Group's local subsidiaries have implemented the same governance structure for remuneration policies and practices. The Remuneration Committee is advised by the external consultants Oliver Wyman and Mercer Consulting.

Principles applicable to the performance-linked components of remuneration

The performance-linked components of remuneration serve the long-term interests of Erste Group Bank and help avoid excessive risk-taking behavior. The performance-linked components consider:

- _ the performance of the individual,
- _ the performance of the business unit (department/division/entity), and
- _ the results (capital, profitability and strategic achievements) of the respective company.

Material Risk takers

Material Risk takers are those employees whose professional activities have a significant material impact on the overall risk profile of Erste Group.

The definition of material risk takers is based on the

- _ CEBS guidelines on remuneration (part of Capital Requirements Directive IV),
- _ Article 39b pursuant to the Austrian Banking Act and for the CEE Banks and local subsidiaries on the respective banking acts.

This means for 2013 about 1.3% (for 2012: 0.7%) of the entire population in Erste Group are identified as material risk takers.

For the material risk takers the payout of performance-linked compensation components depends on achieving the minimum profitability criteria as approved by the Supervisory Board. Each CEE Bank or significant financial services subsidiary has defined minimum profitability criteria, which meet local legal CRD IV requirements and are aligned with the long-term interests of the institute as well as of Erste Group.

The minimum profitability criteria for Erste Group Bank AG are:

- _ Erste Group meets the consolidated requirement for the Solvency Ratio (according to Basel III);
- _ Erste Group Bank is in the position to pay dividends to shareholders;
- _ Erste Group Bank is in the position to pay dividends on participation capital.

Bonus payments

The bonus pool is on company and/or profit-center level. In general the bonus pool is calculated ex-ante and ex-post based on the following indicators:

- _ net profit or economic value added or operating result;
- _ capital adequacy and/or liquidity ratios; and
- _ fulfillment of the annual strategy objectives according to the strategy review dialogues.

The performance-linked payments are limited to 200% of gross annual salary for the CEO of Erste Group Bank, as well as for management board members of Erste Group Bank with responsibility for divisions and 100% of gross annual salary for other members of the management board.

The pay-out of performance-linked components is linked with minimum profitability and performance objectives that resemble the success of the bank and provide a risk-balanced direction for the Board of Directors and senior management staff.

The criteria for performance-linked components for financial year 2013 for the Board of Directors of Erste Group Bank are: Group Return on Equity, Group Division-based EVA (Group Corporates & Markets), Group Common Equity Tier 1 ratio (defined under the EBA framework), Group Solvency ratio, Group NPL coverage ratio, Group cost/income ratio, Sustainable Growth, Customer Experience Index and Leadership.

The criteria for performance-linked components for financial year 2013 for the Board of Directors of CEE Banks are: Economic Value Added, Divisional Economic Value Added, NPL Coverage ratio, Cost/ Income ratio, Customer Experience Index, Leadership and other individual business-specific key performance indicators. The leadership component is evaluated based on several leadership criteria.

The pay-out of performance-linked components for material risk takers is based on 60% upfront and 40% deferred amounts of which consists of a 50% cash part and a 50% non-cash instrument part. The 50% non-cash part is retained for 1 year in all countries with the exception of the Czech Republic with a retention period of 1,5 years. In Austria the deferred element is paid out over a period of 5 years. In the other countries the deferred element is paid out over a period of 3 years, with the exception of the Slovakia where the deferred bonus is paid out in once after 3 years holding. In all countries Erste Group adheres to the local rules for payment of bonuses to risk-takers. The payment of the deferred bonus depends on achieving minimum profitability in the respective performance year. Where legally allowed by local CRD IV legislation, the applied non-cash instrument is the phantom share based on the average weighted daily share price of Erste Group. The average weighted daily share price is calculated based on the official information by Datastream (Thomson Reuters Corp) and taken from the published data on the Vienna Stock Exchange. The average weighted daily share price in 2013 was 23.85 EUR (2012: 17.11 EUR).

Remuneration information

The table below represents the quantitative information on remuneration of employees and Identified Staff in Erste Group, including all companies which are part of the regulatory scope of consolidation.

The remuneration data is provided for the main categories of Investment Banking, Retail Banking, Asset Management and category "Other". Investment Banking includes business lines such as: Corporate Finance, Private Equity, Capital Markets, Sales & Trading (Treasury). Retail Banking includes business lines with focus on lending to private individuals and small and medium-sized companies. Information on employees in Asset Management would include those managing of equity, bond and money market funds, or other alternative investments. The total remuneration is balanced in such a way that it ensures sustainability and does not promote excessive risk-taking. The fix remuneration represents a significantly high portion of the total remuneration to allow the operation of a fully flexible variable remuneration policy.

Specific data on the Identified Staff is shown in compliance with respective remuneration policies and regulatory guidelines. The sub-item "senior management" includes those who are members of the Board of Directors and those employees who are directly subordinated to the Board of Directors, or employees who belong to a core business segment. The sub-item "control functions" is the total number of employees in a management function of the following segments: Compliance, Risk Management, Human Resources and Internal Audit.

In the Erste Group the non-cash instrument are the phantom shares, except for our banks in the Czech and Slovakia where the non-cash instrument is a certificate. There are no equities granted to neither Identified Staff nor other employees.

All staff

denominated in thousand EUR

Business area	Investment Banking	Retail Banking	Asset Management	Other	Total
Number of employees	958	25,297	369	17,335	43,959
Total remuneration	62,070	740,606	27,137	645,331	1,475,144
hereof fix remuneration	48,747	682,525	25,154	608,267	1,364,693
hereof variable remuneration	13,323	58,081	1,983	37,064	110,451

Identified Staff / Risk Takers

Business area	Investment Banking	Retail Banking	Asset Management	Other	Total
Number of Identified Staff	29	172	14	294	509
hereof senior management (merge, one category)					397
hereof in control functions (merge, one category)					121
Total remuneration	7,922	24,047	2,034	57,595	91,598
hereof total fix remuneration	4,938	21,481	1,729	49,054	77,202
hereof total variable remuneration	2,984	2,566	305	8,541	14,396
hereof in cash	1,730	1,823	237	5,652	9,442
hereof in equity (i.e. phantom shares)	1,085	578	25	2,686	4,374
hereof in other instruments	169	165	43	203	580
Hereof deferred variable remuneration	1,180	711	71	2,885	4,847
hereof in cash	511	300	44	1,358	2,213
hereof in equity (i.e. phantom shares)	387	205	10	1,111	1,713
hereof in other instruments	282	206	17	416	921

Guaranteed remuneration

Number of Identified Staff	1	1	0	0	2
Total amount of guaranteed variable remuneration	35	84	0	0	119

Severance payments

Number of Identified Staff	0	1	0	5	6
Total amount of severance payments	0	64	0	1,125	1,189

In „other category“ are business areas such as: Finance, Human Resources, Internal Audit, Compliance, Risk management, Procurement, Back-office and Mid-office employees