

24.03.2014

Final Terms⁴

**4.00% Erste Group Protect on EURO STOXX 50® 2014-2018 Prémiový dluhový cenný papír 4 %
EURO STOXX 50® (the Notes)**

issued pursuant to the

Equity Linked Notes Programme

of

Erste Group Bank AG

Initial Issue Price: 100.00 per cent.

Issue Date: 26.03.2014⁵

Series No.: 36

Tranche No.: 1

⁴ In the following, Notes with a Specified Denomination of at least Euro 100,000 (or its foreign currency equivalent) will be referred to as **Wholesale Notes**. In the following, Notes with a Specified Denomination of less than Euro 100,000 (or its foreign currency equivalent) will be referred to as **Retail Notes**.

⁵ The Issue Date is the date of issue and payment of the Notes. In the case of free delivery, the Issue Date is the delivery date.

IMPORTANT NOTICE

These Final Terms have been prepared for the purpose of Article 5 (4) of the Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003, as amended by Directive 2010/73/EU of the European Parliament and of the Council of 24 November 2010 and must be read in conjunction with the Equity Base Prospectus pertaining to the Equity Linked Notes Programme (the "**Programme**") of Erste Group Bank AG (the "**Issuer**"), dated 18.07.2013 (the "**Prospectus**") and the supplements to the Prospectus dated 12.08.2013, 18.12.2013 and 13.02.2014. The Prospectus and any supplements thereto are available for viewing in electronic form on the website of the Issuer (www.erstegroup.com) and copies of the Prospectus and any supplement thereto may be obtained free of charge during normal business hours at the registered office of the Issuer (Erste Group Bank AG, Graben 21, A 1010, Vienna, Austria). Full information on the Issuer and the Notes is only available on the basis of the combination of the Prospectus, any supplements thereto and these Final Terms.

TEIL A - TERMS AND CONDITIONS

The Conditions applicable to the Notes (the "**Conditions**") are the General Conditions contained in the Prospectus and the Issue Specific Conditions set out below .

§ 1

CURRENCY, PRINCIPAL AMOUNT, DENOMINATION, BUSINESS DAY AND LANGUAGE

(1) *Currency, Principal Amount and Denomination.* This tranche (the "**Tranche**") of notes (the "**Notes**") is being issued by Erste Group Bank AG (the "**Issuer**") in Czech Koruna (CZK) (the "**Specified Currency**") in the aggregate principal amount of up to CZK 4,000,000,000 (in words: four billion) (the "**Aggregate Principal Amount**") in the denomination of CZK 10,000 (the "**Specified Denomination**" or the "**Principal Amount per Note**").

(2) *Business Day.* "**Business Day**" means a calendar day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets in Prague settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) and the Trans-European Automated Real-Time Gross Settlement Express Transfer System 2 or its successor ("**TARGET**") is open.

(3) *Language.* These Terms and Conditions are written in the English language.

§ 2

INTEREST

(1) *Rate of Interest and Interest Payment Dates.* The Notes shall bear interest on their outstanding Aggregate Principal Amount at the rate of 4.00 per cent. per annum (from, and including, 26.03.2014 (the "**Interest Commencement Date** ") to, but excluding, the Maturity Date (as defined in § 3 of the Issue Specific Conditions). With the exception of the first payment of interest, interest shall be payable Annually in arrear on 26.04. in each year (each such date, an "**Interest Payment Date** "), commencing on 26.04.2015 and ending on 26.04.2018. Interest Payment Dates are subject to adjustment in accordance with the provisions set out in § 4 of the Issue Specific Conditions.

(2) *Calculation of Amount of Interest.* If the amount of interest payable under the Notes is required to be calculated for any period of time such amount of interest shall be calculated by applying the rate of interest to the Specified Denomination, multiplying such sum by the applicable Day Count Fraction (as defined below), and rounding the resultant figure to the nearest sub-unit of the Specified Currency, half of such sub-unit being rounded upwards or otherwise in accordance with the applicable market convention.

(3) *Day Count Fraction.* "**Day Count Fraction**" means, in respect of the calculation of an amount of interest on any Note for any period of time (the "**Calculation Period**"):

the number of days in the Calculation Period divided by 360, the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (1) the last day of the Calculation Period is the 31st day of a month but the first day of the Calculation Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (2) the last day of the Calculation Period is the last day of the month of February in which case the month of February shall not be considered to be lengthened to a 30-day month).

§ 3

REDEMPTION

Each Note will be redeemed by the Issuer as follows:

- (i) by payment of 100.00% of the Principal Amount per Note on the Maturity Date, if the Index Level has not been equal to or below the Barrier at any time (continuous observation) during the Observation Period;
- (ii) by payment of the Redemption Amount per Note on the Maturity Date, if the Index Level has been equal to or below the Barrier at any time (continuous observation) during the Observation Period.

"**Barrier**" is 60.00% of the Closing Price the Index on the Strike Fixing Date.

"**Valuation Date**" is, subject to an adjustment pursuant to § 5 of the Issue Specific Conditions, 12.04.2018, or if such day is not an Exchange Business Day (as defined in § 5 of the Issue Specific Conditions), the next Exchange Business Day.

"**Observation Period**" is the period from, but excluding, the time of publication of the Closing Price of the Index on the Strike Fixing Date to, and including, the time of publication of the Closing Price of the Index on the Valuation Date.

"**Exchange**" means any exchange on which any Component of the Index is, in the determination of the Calculation Agent, principally traded, or any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Components underlying such Index has been temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the Components underlying such Index on such temporary substitute exchange or quotation system as on the original Exchange).

"**Maturity Date**" is, subject to an adjustment pursuant to § 4 of the Issue Specific Conditions, 26.04.2018.

"**Index**" is the EURO STOXX 50® Reuters .STOXX50E

"**Index Level**" is any level of the Index calculated and published by the Index Sponsor and determined by the Calculation Agent.

"**Index-Sponsor**" is STOXX Ltd. or any successor of it.

"**Strike Fixing Date**" is, subject to an adjustment pursuant to § 5 of the Issue Specific Conditions, 23.04.2014, or if such day is not an Exchange Business Day, the next Exchange Business Day.

"**Redemption Amount**" is an amount, which is calculated by the Calculation Agent and is equal to the product of (i) the Principal Amount per Note and (ii) the Performance of the Index, however, no more than 100.00% of the Principal Amount per Note (the "**Maximum Redemption Price**"), and is calculated by using the following formula:

$$\text{PA} \times \text{Min} \left[\frac{\text{Closing Price on the Valuation Date}}{\text{Closing Price on the Strike Fixing Date}}, \text{Maximum Redemption Price} \right]$$

"**Closing Price**" is the official Closing Price of the Index, as determined by the Calculation Agent and calculated and published by the Index Sponsor.

"**Performance of the Index**" is an amount expressed as a percentage, which is calculated by the Calculation Agent and is equal to the result of dividing (i) the Closing Price of the Index on the Valuation Date by (ii) the Closing Price of the Index on the Strike Fixing Date, and is calculated by using the following formula:

$$\frac{\text{Closing Price on the Valuation Date}}{\text{Closing Price on the Strike Fixing Date}}$$

"**Min**" followed by a series of amounts inside brackets, means whichever is the lesser of the amounts separated by a semi colon inside those brackets.

"**PA**" means Principal Amount per Note.

§ 4

MANNER OF PAYMENT AND PAYMENT BUSINESS DAY

(1) *Manner of Payment.* Subject to applicable fiscal and other laws and regulations, payments of amounts due in respect of the Notes shall be made in the Specified Currency.

If the Issuer determines that it is impossible to make payments of amounts due on the Notes in freely negotiable and convertible funds on the relevant due date for reasons beyond its control or that the Specified Currency or any successor currency provided for by law (the "**Successor Currency**") is no longer used for the settlement of international financial transactions, the Issuer may fulfil its payment obligations by making such payments in Euro on the relevant due date on the basis of the Applicable Exchange Rate. Holders shall not be entitled to further interest or any additional amounts as a result of such payment. The "**Applicable Exchange Rate**" shall be (i) (if such exchange rate is available) the exchange rate of Euro against the Specified Currency or the Successor Currency (if applicable) determined and published by the European Central Bank for the most recent calendar day falling within a reasonable period of time prior to the relevant due date, or (ii) (if such exchange rate is not available) the exchange rate of Euro against the Specified Currency or the Successor Currency (if applicable) which the Calculation Agent has calculated as the arithmetic mean of offered rates concerning the Specified Currency or the Successor Currency (if applicable) quoted to the Calculation Agent by four leading banks operating in the international foreign

exchange market for the most recent calendar day falling within a reasonable (as determined by the Calculation Agent in its reasonable discretion) period of time prior to the relevant due date, or (iii) (if such exchange rate is not available) the exchange rate of Euro against the Specified Currency or the Successor Currency (if applicable) as determined by the Calculation Agent in its reasonable discretion.

(2) *Payment Business Day*. If the due date for any payment in respect of the Notes would otherwise fall on a day which is not a Payment Business Day (as defined below), the due date for such payment shall be postponed to the next day which is a Payment Business Day.

"Payment Business Day" means a day (other than a Saturday or a Sunday) on which (i) the Clearing System is open, and (ii) commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in Prague and the Trans-European Automated Real-Time Gross Settlement Express Transfer System 2 (**TARGET**) is open.

If the due date for a payment of interest is postponed (as described above), the Interest Amount shall be adjusted accordingly.

If the due date for the redemption of the Principal Amount of the Notes is adjusted the Holder shall not be entitled to payments in respect of such adjustment.

§ 5

Market Disruptions in respect of the Index

(a) Market Disruptions

If the Calculation Agent determines that any Reference Date is a Disrupted Day, then the Reference Date for the Index shall be the first succeeding Scheduled Trading Day that the Calculation Agent determines is not a Disrupted Day in respect of the Index, unless the Calculation Agent determines that each of the consecutive Scheduled Trading Days up to and including the Reference Cut-Off Date is a Disrupted Day. In that case or if any Reference Date falls on the Reference Cut-Off Date as the original date on which it was scheduled to fall is not a Scheduled Trading Day:

- (i) that Reference Cut-Off Date shall be deemed to be the Reference Date for the Index, notwithstanding the fact that such day is a Disrupted Day or is not a Scheduled Trading Day; and
- (ii) the Calculation Agent shall determine the relevant level or price of the Index as of the relevant Valuation Time on that Reference Cut-Off Date in accordance with the formula for and method of, calculating the Index last in effect prior to the Reference Cut-Off Date using the Exchange traded or quoted price as of the relevant Valuation Time on that Reference Cut-Off Date of each Component comprised in the Index (or, if an event giving rise to a Disrupted Day has occurred in respect of any relevant Component on that Reference Cut-Off Date, its good faith estimate of the value for the relevant Component as of the relevant Valuation Time on that Reference Cut-Off Date) (and such determination by the Calculation Agent pursuant to this paragraph (ii) shall be deemed to be the Index Level at the Valuation Time in respect of the relevant Reference Date).

(b) Notification

The Calculation Agent shall give notice, as soon as practicable, to the Holders in accordance with § 11 of the General Conditions of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day would have been a Reference Date. Any failure by the Calculation Agent to so notify the Holders of the occurrence of a Disrupted Day shall not affect the validity of the occurrence or the consequences of such Disrupted Day.

(c) Definitions

"Valuation Date" has the meaning as defined in § 3 of the Issue Specific Conditions.

"Valuation Time" means (a) for the purposes of determining whether an Early Closure, an Exchange Disruption or a Trading Disruption has occurred in respect of (I) any Component, the Scheduled Closing Time on the Exchange in respect of such Component (provided that, if the Exchange closes prior to its Scheduled Closing Time, then the Valuation Time shall be such actual closing time), and (II) any options contracts or futures contracts on the Index, the close of trading on the Related Exchange, and (b) in all other circumstances, the time at which the official closing level of the Index is calculated and published by the Index Sponsor.

"Exchange" means each exchange on which any Component of the Index is, in the determination of the Calculation Agent, principally traded, or as otherwise determined by the Calculation Agent in its reasonable discretion, any successor to such Exchange or quotation system or any substitute exchange or quotation system to which trading in the Components underlying the Index has been temporarily relocated (provided

that the Calculation Agent has determined that there is comparable liquidity to Components underlying the Index on such temporary substitute exchange or quotation system as on the original Exchange).

"Exchange Business Day" means any Scheduled Trading Day on which (a) the Index Sponsor calculates and publishes the level of the Index, and (b) the Related Exchange is open for trading during its regular trading session, notwithstanding the Related Exchange closing prior to its Scheduled Closing Time.

"Exchange Disruption" means, any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general to effect transactions in, or obtain market values for (a) any Component on the relevant Exchange in respect of such Component, or (b) futures or options contracts relating to the Index on the relevant Related Exchange.

"Trading Disruption" means any suspension or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise (a) relating to any Component on the Exchange in respect of such Component, or (b) in futures or options contracts relating to the Index on the Related Exchange.

"Index" has the meaning as defined in § 3 of the Issue Specific Conditions.

"Index Level" has the meaning as defined in § 3 of the Issue Specific Conditions.

"Index Sponsor" has the meaning as defined in § 3 of the Issue Specific Conditions.

"Component" means each security or other component included in the Index.

"Market Disruption Event" means

(a) (I) the occurrence or existence, in respect of any Component, of:

- (A) a Trading Disruption in respect of such Component, which the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time in respect of the Exchange on which such Component is principally traded;
- (B) an Exchange Disruption in respect of such Component, which the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time in respect of the Exchange on which such Component is principally traded; or
- (C) an Early Closure in respect of such Component; and

(II) the aggregate of all Components in respect of which a Trading Disruption, an Exchange Disruption or an Early Closure occurs or exists comprises 20 per cent. or more of the level of the Index; or

(b) the occurrence or existence, in each case in respect of futures or options contracts relating to the Index, of (i) a Trading Disruption, or (ii) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the Valuation Time in respect of the Related Exchange, or (iii) an Early Closure.

For the purposes of determining whether a Market Disruption Event exists in respect of the Index at any time, if an Early Closure, an Exchange Disruption, or a Trading Disruption occurs in respect of a Component at that time, then the relevant percentage contribution of that Component to the level of the Index shall be based on a comparison of (y) the portion of the level of the Index attributable to that Component and (z) the overall level of the Index.

"Reference Cut-Off Date" means the eighth Scheduled Trading Day immediately following the Scheduled Reference Date or, if earlier, the Scheduled Trading Day falling on or immediately preceding the second Business Day immediately preceding the due date on which payment of any amount or delivery of any assets may have to be made pursuant to any calculation or determination made on such Reference Date, provided that the Reference Cut-Off Date shall not fall prior to the original date on which such Reference Date was scheduled to fall.

"Reference Date" means the Valuation Date or, if earlier, the Reference Cut-Off Date.

"Disrupted Day" means any Scheduled Trading Day on which (a) the Index Sponsor fails to publish the level of the Index (provided that the Calculation Agent may, in its discretion, determine that such event instead results in the occurrence of an Index Disruption), (b) the Related Exchange fails to open for trading during its regular trading session, or (c) a Market Disruption Event has occurred.

"Related Exchange" means each exchange or quotation system (as the Calculation Agent may select) where trading has a material effect (as determined by the Calculation Agent) on the overall market for

futures or options contracts relating to the Index or, in any such case, any transferee or successor exchange of such exchange or quotation system (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Index on such temporary substitute exchange or quotation system as on the original Related Exchange).

"Scheduled Closing Time " means in respect of the Exchange or Related Exchange the scheduled weekday closing time of the Exchange or Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours.

"Scheduled Trading Day" means any day on which (a) the Index Sponsor is scheduled to publish the level of the Index, and (b) the Related Exchange is scheduled to be open for trading for its regular trading session.

"Scheduled Reference Date " means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been a Reference Date.

"Early Closure " means the closure on any Exchange Business Day of the Exchange in respect of any Component, or the Related Exchange, prior to its Scheduled Closing Time unless such earlier closing is announced by such Exchange or Related Exchange (as the case may be) at least one hour prior to the earlier of (a) the actual closing time for the regular trading session on such Exchange or Related Exchange (as the case may be) on such Exchange Business Day, and (b) the submission deadline for orders to be entered into such Exchange or Related Exchange system for execution as at the relevant Valuation Time on such Exchange Business Day.

§ 6

Additional Disruption Events

If any Additional Disruption Event occurs, the Issuer, in its reasonable discretion, may:

- (i) require the Calculation Agent to determine, in its reasonable discretion, the appropriate adjustment, if any, to be made to any of the terms of these Issue Specific Conditions to account for the Additional Disruption Event and determine the effective date of that adjustment; or
- (ii) terminate the Notes in whole but not in part by giving notice to Holders in accordance with § 11 of the General Conditions. If the Notes are so redeemed, the Issuer will pay to each Holder, in respect of each Note held by such Holder, an amount equal to the fair market value of a Notes taking into account the Additional Disruption Event, adjusted to account fully for any reasonable expenses and costs of the Issuer and/or its affiliates of unwinding any underlying and/or related hedging and funding arrangements (including, without limitation, any equity options, equity swaps, or other securities of any type whatsoever hedging the Issuer's obligations under the Notes), all as determined by the Calculation Agent in good faith and in a commercially reasonable manner. Payments will be made in such manner as shall be notified to the Holders in accordance with § 11 of the General Conditions.

Upon the occurrence of an applicable Additional Disruption Event, the Issuer shall give notice, as soon as practicable, to the Holders in accordance with § 11 of the General Conditions, stating the occurrence of the Additional Disruption Event, giving details thereof and the action proposed to be taken in relation thereto. Any failure to give, or non-receipt of, such notice will not affect the validity of the Additional Disruption Event.

"Hedge Positions " means any purchase, sale, entry into or maintenance of one or more (i) positions or contracts in securities, options, futures, derivatives, or foreign exchange, (ii) stock loan transactions, or (iii) other arrangements (howsoever described) by the Issuer and/or any of its affiliates in order to hedge, individually or on a portfolio basis, its obligations under the Notes.

"Hedging Disruption " means that the Issuer and/or any of its affiliates is unable, after using commercially reasonable efforts, to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity or other price risk of the Issuer issuing and performing its obligations with respect to the Notes, or (ii) realize, recover, or remit the proceeds of any such transaction(s) or asset(s).

"Increased Cost of Hedging " means that the Issuer and/or any of its affiliates would incur a materially increased (as compared with circumstances existing on the Strike Date) amount of tax, duty, expense, or fee (other than brokerage commissions) to (i) acquire, establish, re-establish, substitute, maintain, unwind, or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity or other price risk of the Issuer issuing and performing its obligations with respect to the Notes, or (ii) realize, recover, or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or any of its affiliates shall not be deemed an Increased Cost of Hedging.

"Change in Law " means that, on or after the Strike Date, due to (i) the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (ii) the promulgation of or any change in the interpretation by any court, tribunal, or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Calculation Agent determines, in its reasonable discretion, that (y) it has become illegal for the Issuer and/or any of its affiliates to hold, acquire, or dispose of relevant Hedge Positions (including any Components comprised in an Index), or (z) the Issuer and/or any of its affiliates will incur a materially increased cost in performing its obligations under the Notes (including, without limitation, due to any increase in tax liability, decrease in tax benefit, or other adverse effect on its tax position).

"Additional Disruption Event " means any Change in Law, Hedging Disruption, and/or Increased Cost of Hedging.

§ 7

Adjustments in respect to the Index

(a) Adjustments

(i) If an Index is (1) not calculated and announced by the Index Sponsor but is calculated and announced by a successor sponsor acceptable to the Calculation Agent, or (2) replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula for, and method of, calculation as used in the calculation of that Index, then that index (the **"Successor Index"**) will be deemed to be the Index.

(ii) If the Calculation Agent determines that, (1) on or prior to any Reference Date or other relevant date, the relevant Index Sponsor makes or announces that it will make a material change in the formula for, or the method of, calculating a relevant Index, or in any other way materially modifies that Index (other than a modification prescribed in that formula or method to maintain that Index in the event of changes in the Components, capitalization and/or other routine events) (an **"Index Modification"**), or permanently cancels a relevant Index and no Successor Index exists as at the date of such cancellation (an **"Index Cancellation"**), or (2) on any Reference Date or other relevant date, the Index Sponsor fails to calculate and announce a relevant Index (an **"Index Disruption"** (provided that, the Calculation Agent may, in its reasonable discretion, determine that such event instead results in the occurrence of a Disrupted Day) and, together with an Index Modification and an Index Cancellation, each an **"Index Adjustment Event"**) then:

the Calculation Agent shall determine if such Index Adjustment Event has a material effect on the Notes and, if so, shall calculate the relevant Index Level using, in lieu of a published level for that Index, the level for that Index as at the Valuation Time on that Reference Date or other relevant date, as the case may be, as determined by the Calculation Agent in accordance with the formula for, and method of, calculating that Index last in effect prior to the relevant Index Adjustment Event, but using only those Components that comprised that Index immediately prior to that Index Adjustment Event (other than those Components that have since ceased to be listed on the relevant Exchange).

If, provided that, in the determination of the Calculation Agent, the above provisions would not achieve a commercially reasonable result, on giving notice to Holders in accordance with § 11 of the General Conditions, the Issuer shall redeem the Notes in whole but not in part, each Note being redeemed by payment of an amount equal to the fair market value of such Note taking into account the Index Adjustment Event, adjusted to account fully for any reasonable expenses and costs of the Issuer and/or its affiliates of unwinding any underlying and/or related hedging and funding arrangements (including, without limitation, any equity options, equity swaps, or other securities of any type whatsoever hedging the Issuer's obligations under the Notes), all as determined by the Calculation Agent in good faith and in a commercially reasonable manner. Payments will be made in such manner as shall be notified to the Holders in accordance with § 11 of the General Conditions.

(b) Correction of Index Level

If the level of the relevant Index published by the Index Sponsor on any date which is utilized for any calculation or determination (a **"Relevant Calculation"**) is subsequently corrected and the correction is published by the Index Sponsor (the **"Corrected Index Level"**) no later than two Business Days prior to the date of payment of any amount to be calculated by reference to the Relevant Calculation then such Corrected Index Level shall be deemed to be the relevant level for such Index on such day and the Calculation Agent shall use such Corrected Index Level in determining the relevant level.

PART B - OTHER INFORMATION

ESSENTIAL INFORMATION

Interests of Natural and Legal Persons Involved in the Issue or the Offering

- Save for the commercial interests of the Manger, so far as the Issuer is aware, no person involved in the issue or offering of the Notes has an interest material to the issue or the offering.
- Other Interests

Reasons for the Offer and use of Proceeds⁷

Not applicable

Estimated Net Proceeds⁸

Not applicable

Estimated Total Expenses of the Issue

up to EUR 4,000

INFORMATION CONCERNING THE SECURITIES TO BE OFFERED OR ADMITTED TO TRADING

Security Codes

- ISIN AT0000A16R04
- German Security Code EB0D8R
- Any Other Security Code

Information about the past and future performance of the underlying and its volatility

Details information about the past and future performance of the Index can be obtained from the following screen page.

Index	Screen Page
EURO STOXX 50®	Reuters .STOXX50E

Issue Yield

Not applicable.

Representation of debt security holders including an identification of the organisation representing the investors and provisions applying to such representation. Indication of where the public may have access to the contracts relating to these forms of representation

Not applicable

Resolutions, authorisations and approvals by virtue of which the Notes will be created and/or issued

According to Overall Planning Approval of Management Board dated 26 November 2013 and Supervisory Board dated 19 December 2013

TERMS AND CONDITIONS OF THE OFFER

Conditions, Offer Statistics, Expected Timetable and Action Required to Apply for the Offer

Conditions, to which the offer is subject

Not applicable

Total amount of the issue/offer; if the amount is not fixed, description of the arrangements and time for announcing to the public the definitive amount of the offer

up to CZK 4,000,000,000

The time period, including any possible amendments, In case of tap issues the time period

⁷ See the section entitled "Use of Proceeds" in the Prospectus. If the net proceeds shall not be applied for the for general funding purposes of the Issuer insert those reasons. Not to be completed in case of Wholesale Notes

⁸ If proceeds are intended to be used for more than one principal use will need to split up and order in order of priority.

during which the offer will be open and description of the application process	during which the offer will be open corresponds with the maturity of the Notes, which means the period starting with 26.03.2014 until the Maturity Date or the end of the offer determined by the Issuer.
A description of the possibility to reduce subscriptions and the manner for refunding excess amount paid by applicants	Not applicable
Details of the minimum and/or maximum amount of application (whether in number of securities or aggregate amount to invest)	Minimum amount of application is CZK 10,000
Method and time limits for paying up the securities and for delivery of the securities	Payment of the Issue Price and delivery of the securities is made on the basis of the subscription agreement to be concluded between the investor and the Issuer in relation to the purchase of the Notes.
A full description of the manner and date in which results of the offer are to be made public	In case of a tap issue the results of the offer will be made public by the Issuer at the end of the subscription period, which means immediately at the end of the offer by notifying the Oesterreichische Kontrollbank Aktiengesellschaft as common securities depository and the stock exchange on which the Notes are listed.
The procedure for the exercise of any right of pre-emption, the negotiability of subscription rights and the treatment of subscription rights not exercised	Not applicable

Plan of Distribution and Allotment

If the offer is being made simultaneously in the markets of two or more countries and if a tranche has been or is being reserved for certain of these, indicate any such tranche.	Not applicable
Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made.	The subscriber will be informed of the amount of securities allocated by way of booking such amount to its deposit account. Commencement of trading is not possible before the allocation of the Notes.

Pricing

An indication of the expected price at which the securities will be offered or the method of determining the price and the process for its disclosure.	Initial Issue Price: 100.00%, may be adjusted from time to time in accordance with the market price
Indicate the amount of any expenses and taxes specifically charged to the subscriber or purchaser.	Selling concession: not higher than 2.00% of the principal amount, but may be lower depending on the market development during the offer period

PLACING AND UNDERWRITING

Name and address of the co-ordinator(s) of the global Diverse Financial Service Provider in offer and of single parts of the offer and, to the extent Czech Republic known to the Issuer or the offeror, or the placers in the various countries where the offer takes place.

Method of Distribution

- Non-Syndicated
 Syndicated

Subscription Agreement

Date of Subscription Agreement Not applicable
General Features of the Subscription Agreement Not applicable

Details with Regard to the Managers

Manager(s) Not applicable
 Firm Commitment
 Without Firm Commitment
Stabilising Manager Not applicable

Commissions, Concessions, Estimated Total Expenses and Estimated Net Proceeds

- Management and Underwriting Commission
 Selling Concession
 Other
Total Commission and Concession

LISTINGS ADMISSIONS TO TRADING AND DEALING ARRANGEMENTS

Listing(s) **No**

Frankfurt am Main
 Regulated Market
 Open Market
 Regulated Market "Bourse de Luxembourg"
 Stuttgart
 Regulated Market
 Open Market
 Vienna
 Official Market
 Second Regulated Market
 Other Stock Exchange

Date of Admission(s) Not applicable

Estimate of the total expenses related to the admission to trading Not applicable

All regulated markets or equivalent markets on which to the knowledge of the Issuer, notes of the same class of the Notes to be offered or admitted to trading are already admitted to trading Not applicable

Name and address of the entities which have committed themselves to act as intermediaries in secondary trading, providing liquidity through bid and offer rates and description of the main terms of their commitment Not applicable

ADDITIONAL INFORMATION

Rating

The Notes are not rated.

Selling Restrictions

TEFRA

TEFRA C

Additional Selling Restrictions Not applicable

Consent to the Use of the Prospectus

Offer period during which subsequent resale or final placement of the Notes by Dealers and/or financial intermediaries can be made For the duration of the validity of the Prospectus

Further conditions for the use of the Prospectus Not applicable

Signed on behalf of the Issuer

By:
Duly authorised

By:
Duly authorised

ANHANG - EMISSIONSSPEZIFISCHE ZUSAMMENFASSUNG

This summary is made up of disclosure requirements known as elements (the "Elements"). These Elements are numbered in sections A - E (A.1 - E.7).

This summary contains all the Elements required to be included in a summary for this type of securities and the Issuer. As some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in the summary because of the type of securities and the issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the specification of "Not applicable".

A.Introduction and Warnings

A.1 Warning

This summary (the "**Summary**") should be read as an introduction to this prospectus (the "**Prospectus**") of the Equity Linked Notes Programme (the "**Programme**").

Any decision by an investor to invest in notes issued under this Prospectus (the "**Notes**") should be based on consideration of the Prospectus as a whole by the investor.

Where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States of the European Economic Area, have to bear the costs of translating the Prospectus before the legal proceedings are initiated.

Civil liability attaches only to Erste Group Bank AG ("**Erste Group Bank**"), Graben 21, 1010 Vienna, Austria (in its capacity as issuer under the Programme, the "**Issuer**") who tabled the Summary including any translation thereof, but only if the Summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus, or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such Notes.

A.2 Consent by the Issuer or person responsible for drawing up the Prospectus to the use of the Prospectus for subsequent resale or final placement of securities by financial intermediaries. Indication of the offer period within which subsequent resale or final placement of securities by financial intermediaries can be made and for

The Issuer consents that all credit institutions pursuant to the Directive 2006/48/EC acting as financial intermediaries subsequently reselling or finally placing the Notes (together, the "**Financial Intermediaries**") are entitled to use this Prospectus during the relevant offer period during which subsequent resale or final placement of the relevant Notes can be made, provided however, that the Prospectus is still valid in accordance with section 6a of the KMG which implements the Prospectus Directive.

which consent to use the Prospectus is given.

Any other clear and objective conditions attached to the consent which are relevant for the use of the Prospectus.

Notice in bold informing investors that, in the event of an offer being made by a financial intermediary, this financial intermediary will provide information to investors on the terms and conditions of the offer at the time the offer is made.

The consent by the Issuer to the use of the Prospectus for subsequent resale or final placement of the Notes by the Financial Intermediaries has been given under the condition that (i) potential investors will be provided with the Prospectus, any supplement thereto and the relevant Final Terms and (ii) each of the Financial Intermediaries ensures that it will use the Prospectus, any supplement thereto and the relevant Final Terms in accordance with all applicable selling restrictions specified in this Prospectus and any applicable laws and regulations in the relevant jurisdiction.

In the applicable Final Terms, the Issuer can determine further conditions attached to its consent which are relevant for the use of this Prospectus.

In the event of an offer being made by financial intermediary the financial intermediary shall provide information to investors on the terms and conditions of the offer at the time the offer is made.

B. The Issuer

- B.1** The legal and commercial name of the Issuer: The legal name of Erste Group Bank is "Erste Group Bank AG", its commercial name is "Erste Group". "**Erste Group**" also refers to Erste Group Bank and its consolidated subsidiaries.
- B.2** The domicile and legal form of the Issuer, the legislation under which the Issuer operates and its country or incorporation: Erste Group Bank is a stock corporation (*Aktiengesellschaft*) organised and operating under Austrian law, registered with the companies register (*Firmenbuch*) at the Vienna Commercial Court (*Handelsgericht Wien*) under the registration number FN 33209m. Erste Group Bank's registered office is in Vienna, Republic of Austria. It has its business address at Graben 21, 1010 Vienna, Austria.
- B.4b** Any known trends affecting the Issuer and the industries in which it operates: The past global financial crisis has led to an increase in regulatory activities at national and international levels to adopt new and more strictly enforce existing regulation for the financial industry in which the Issuer operates. Regulatory changes or enforcement initiatives could further affect the financial industry. New governmental or regulatory requirements and changes in levels of adequate capitalisation, liquidity and leverage could lead to increased capital and liquidity requirements or standards. Governmental and central bank action in response to the financial crisis could significantly affect competition and may affect investors of financial institutions.
- B.5** If the Issuer is part of a group, a "Erste Group" consists of Erste Group Bank, together with its subsidiaries and participations, including Erste Bank

description of the group and the Issuer's position within the group:

Oesterreich in Austria, eská spoitelna in the Czech Republic, Banca Comercial Român in Romania, Slovenská sporiteľňa in the Slovak Republic, Erste Bank Hungary in Hungary, Erste Bank Croatia in Croatia, Erste Bank Serbia in Serbia and, in Austria, Salzburger Sparkasse, Tiroler Sparkasse, s-Bausparkasse, other savings banks of the Haftungsverbund, Erste Group Immorent, and others. Erste Group Bank operates as the parent company of Erste Group and is the lead bank in the Austrian Savings Banks Sector.

B.9 Where a profit forecast or estimate is made, state the figure:

Not applicable; no profit forecast or estimate has been made.

B.10 A description of the nature of any qualifications in the audit report on the historical financial information:

Not applicable; there are no qualifications.

B.12 Selected historical key financial information:

in millions of Euro	31 December 2012	31 December 2011
Total liabilities and equity	213,824.0	210,006.3
Total equity	16,338.5	15,180.0
Net interest income	5,235.3	5,569.0
Pre-tax profit/loss	801.2	(322.1)
Net profit/loss for the year	631.0	(562.6)
Net profit/loss for the year attributable to owners of the parent	483.5	(718.9)

Source: Audited Consolidated Financial Statements 2012 and 2011

in millions of Euro	31 March 2013	31 December 2012
Total liabilities and equity	212,99	213,824
Total equity	16,43	16,339
in millions of Euro	31 March 2013	31 March 2012
Net interest income	1,240.6	1,336.9
Pre-tax profit/loss	301.4	487.1
Net profit/loss for the period	235.0	379.9
Net profit/loss for the period attributable to owners of the parent	176.2	346.5

Source: Unaudited Interim Condensed Consolidated Financial Statements 31 March 2013

Statement with regard to no material adverse change in the prospects of the issuer since the date of its last published

As of the date of this Prospectus, there has been no material adverse change in the prospects of the Issuer and its subsidiaries since the date of the Audited Consolidated Financial Statements 2012.

	audited financial statements or a description of any material adverse change:	
	Description of significant changes in the financial or trading position subsequent to the period covered by the historical financial information:	Not applicable. There has been no significant change in the financial position of the Issuer and its consolidated subsidiaries since 31 March 2013.
B.13	Description of any recent events particular to the Issuer which are to a material extent relevant to the evaluation of the Issuer's solvency:	Not applicable; there are no recent events particular to the Issuer that are to a material extent relevant to the evaluation of the Issuer's solvency.
B.14	If the Issuer is part of a group, any dependency upon other entities within the group:	The Issuer is the parent company of Erste Group and thus dependent on the business results of the operations of all of its affiliates, subsidiaries and group companies.
B.15	A description of the Issuer's principal activities:	It provides a full range of banking and financial services, including deposit and current account products, mortgage and consumer finance, investment and working capital finance, private banking, investment banking, asset management, project finance, international trade finance, trading, leasing and factoring.
B.16	To the extent known to the Issuer, state whether the Issuer is directly or indirectly owned or controlled and by whom and describe the nature of such control.	<p>According to its most recent voting rights notification on 10 July 2013, 24.24% of the shares in Erste Group Bank were attributable to DIE ERSTE Österreichische Spar-Casse Privatstiftung ("Erste Stiftung"), including shares held by Wiener Städtische Wechselseitiger Versicherungsverein-Vermögensverwaltung-Vienna Insurance Group attributable to Erste Stiftung on the basis of a shareholders' agreement.</p> <p>According to its most recent voting rights notification published on 24 November 2011, 9.98% of the shares in Erste Group Bank were held by CaixaBank, S.A. (formerly Criteria Caixacorp, S.A.) (not taking into account the increases in the share capital of Erste Group Bank implemented after that date and the acquisition by CaixaBank, S.A. of 1,000,000 additional shares in Erste Group Bank AG from Erste Stiftung in 2012).</p> <p>According to its most recent voting rights notification published on 9 January 2013, 4.42% of the shares in Erste Group Bank were held by Austria Versicherungsverein auf Gegenseitigkeit Privatstiftung.</p>
B.17	Credit ratings assigned to an issuer or its debt securities at the request or with the cooperation of the issuer in the rating process:	<p>Credit rating assigned to the Notes: Not applicable; the Notes are not rated.</p> <p>Credit rating assigned to the Issuer as per 26 February 2013:</p> <p>Standard & Poors assigned the following ratings:</p>

Long term deposits	Short term deposits	Subordinated notes	Outlook
A	A-1	BBB	negative

Moody's assigned the following ratings:

	Long term deposits	Short term deposits	Outlook
Erste Group Bank AG	A3	P-2	negative
Public Sec. Cov. Bonds	Aaa	-	-
Mortgage Cov. Bonds	Aaa	-	-
Subordinated	Ba1		

Fitch assigned the following ratings:

Long term deposits	Short term deposits	Outlook
A	F1	stable

C. Securities

C.1 Description of the type and the class of the securities being offered and/or admitted to trading, including any security identification number:

Class and Type

The Notes are issued in bearer form and are represented by a Permanent Global Note. Definitive Notes and coupons will not be issued.

Issuance in Series

The Notes are issued as Series number 36, Tranche number 1.

Security Identification Numbers

ISIN: AT0000A16R04

WKN: EB0D8R

C.2 Currency of the securities issue:

The Notes are issued in Czech Koruna.

C.5 Description of any restrictions on the free transferability of the securities:

Not applicable. The Notes are freely transferable.

C.8 Description of the rights attached to the securities including ranking and limitation to those rights:

The interest payments under the Notes are not linked to the performance of the underlying Index.

The redemption amount payable under the Notes is linked to the performance of the underlying Index.

Status

The Notes constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer and rank *pari passu* among themselves and (subject to any applicable statutory exceptions and without prejudice to the aforesaid) the payment obligations of the Issuer under the Notes rank *pari passu* with all other unsecured and unsubordinated obligations of the Issuer, present and future.

Acceleration

In case of an event of default, each Holder shall be entitled to declare its Notes due and demand immediate redemption thereof at the redemption amount(s) together with accrued interest (if any) to (but excluding) the date of repayment.

C.9 - Interest Rate

Interest Rate

4.00 per cent. per annum from, and including, the Interest Commencement Date to, but excluding, the Maturity Date.

- Interest Commencement Date

Interest Commencement Date

The Interest Commencement Date of the Notes is 26.03.2014

- Interest Payment Date

Interest Payment Dates

26.04. in each year, starting on 26.04.2015

- Underlying on which interest rate is based

The interest payments under the Notes are not linked to the performance of the underlying Index.

- Maturity date including repayment procedures

Maturity Date

The Maturity Date of the Notes is 26.04.2018.

Repayment procedures

Payment of the relevant redemption amount shall be made to the Clearing System or to its order for credit to the accounts of the relevant account holders of the Clearing System.

- Indication of yield

Yield

Not applicable.

- Name of representative of Holders

Name of representative of Holders

Not applicable. No Joint Representative has been appointed in the General Conditions.

C.10 Explanation how the value of the investment is affected in the case the Notes have a derivative component in the interest payment

Not applicable. The Notes have no derivative component in the interest payment.

C.11 Indication as to whether the securities offered are or will be the object of an application for admission to trading, with a view to their distribution in a regulated market or other equivalent markets with indication of the markets in question:

Not applicable, this individual issue will not be listed.

C.15 A description of how

The Notes are linked to the performance of the underlying

the value of the investment is affected by the value of the underlying instrument(s), unless the securities have a denomination of at least EUR 100 000.

Index.

Each Note will be redeemed by the Issuer as follows:

(i) by way of payment of 100.00% of the Principal Amount per Note on the Maturity Date, if the level of the underlying Index has not at any time (continuous observation) during the Observation Period been equal to or below the Barrier;

(ii) by way of payment of the Redemption Amount per Note on the Maturity Date, if the level of the Index has at any time (continuous observation) during the Observation Period been equal to or below the Barrier.

"Redemption Amount" is an amount equal to the product of (i) the Principal Amount per Note and (ii) the performance of the Index (i.e. the result of the division of (x) the closing price of the Index on the Valuation Date and (y) the closing price of the Index on the Strike Fixing Date). The Redemption Amount is capped at the Maximum Redemption Price of the Principal Amount per Note.

The Observation Period, the Valuation Date, the Strike Fixing Date, the Maximum Redemption Price and the Maturity Date will be determined in the Terms and Conditions of the Notes as set out in Final Terms for the Notes.

C.16 The expiration or maturity date of the derivative securities - the exercise date or final reference date.

Maturity Date

The Maturity Date of the Notes is 26.04.2018.

Exercise Date

Not applicable. The Notes do not need to be exercised by the holders.

Valuation Date (Final Reference Date)

The Valuation Date of the Notes is 12.04.2018.

C.17 A description of the settlement procedure of the derivative securities.

All payments under the Notes shall be made by the Issuer to the Clearing System for on-payment to the depositary banks of the holders of the Notes.

C.18 A description of how the return on derivative securities takes place.

Payment of a cash amount on the Maturity Date.

C.19 The exercise price or the final reference price of the underlying.

Closing Price of the Index on the Valuation Date.

C.20 A description of the type of the underlying and where the information on the underlying can be found.

Type: Index

Name of the Index	Index Sponsor	Single Exchange or Multi Exchange Index	Exchange	Screen Page
EURO STOXX 50®	STOXX Ltd.	Multi Exchange Index	various exchanges/trading	Reuters .STOXX50E

			platforms	
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Information on the underlying Index can be obtained on the Screen Page indicated above.

D.Risks

D.2 Key information on the key risks that are specific to the Issuer

Risks related to the business of Erste Group

- Difficult macroeconomic and financial market conditions may have a material adverse effect on Erste Group's business, financial condition, results of operations and prospects.
- Erste Group has been and may continue to be affected by the ongoing European sovereign debt crisis, and it may be required to take impairments on its exposures to the sovereign debt of certain countries.
- Erste Group has experienced and may in the future continue to experience a deterioration in credit quality, particularly as a result of financial crises or economic downturns.
- Erste Group is subject to significant counterparty risk, and defaults by counterparties may lead to losses that exceed Erste Group's provisions.
- Erste Group's hedging strategies may prove to be ineffective.
- Erste Group is exposed to declining values of the collateral supporting commercial and residential real estate loans.
- Market fluctuations and volatility may adversely affect the value of Erste Group's assets, reduce profitability and make it more difficult to assess the fair value of certain of its assets.
- Erste Group is subject to the risk that liquidity may not be readily available.
- Rating agencies may suspend, downgrade or withdraw a rating of Erste Group Bank or of a country where Erste Group is active, and such action might negatively affect the refinancing conditions for Erste Group Bank, in particular its access to debt capital markets.
- New governmental or regulatory requirements and changes in perceived levels of adequate capitalisation and leverage could subject Erste Group to increased capital requirements or standards and require it to obtain additional capital or liquidity in the future.
- Erste Group's risk management strategies and internal control procedures may leave it exposed to unidentified or unanticipated risks.
- Erste Group's business entails operational risks.
- Erste Group may have difficulty recruiting or retaining qualified employees.
- Any failure or interruption in or breach in security of Erste Group's information systems, and any failure to update such systems, may result in lost business and other losses.
- Erste Group Bank may be required to provide financial support to troubled banks in the Haftungsverbund, which could result in significant costs and a diversion of resources from other activities.
- Changes in interest rates are caused by many factors beyond Erste Group's control, and such changes can have significant adverse effects on its financial results, including net interest income.
- Since a large part of Erste Group's operations, assets and customers are located in CEE countries that are not part of the Eurozone, Erste Group and its customers are exposed to currency risks.
- Erste Group may be unable to achieve the return to profitability of BCR or

may be required to recognize further impairment charges resulting from previous acquisitions.

- A change of the ECB's collateral standards could have an adverse effect on the funding of Erste Group and access to liquidity.
- Erste Group operates in highly competitive markets and competes against large international financial institutions as well as established local competitors.
- Erste Group Bank's major shareholder may be able to control shareholder actions.
- Contractual arrangements with the Republic of Austria may affect the business of Erste Group Bank and Erste Bank Oesterreich.
- Compliance with anti-money laundering, anti-corruption and anti-terrorism financing rules involves significant costs and efforts and non-compliance may have severe legal and reputational consequences.
- Changes in consumer protection laws as well as the application or interpretation of such laws might limit the fees and other pricing terms that Erste Group may charge for certain banking transactions and might allow consumers to claim back certain of those fees already paid in the past.
- The integration of potential future acquisitions may create additional challenges.

Risks related to the markets in which Erste Group operates

- The departure of any one or more countries from the Eurozone could have unpredictable consequences for the financial system and the greater economy, potentially leading to declines in business levels, write-downs of assets and losses across Erste Group's business.
- Erste Group operates in emerging markets that may experience rapid economic or political changes, either of which may adversely impact its financial performance and results of operations.
- Committed EU funds may not be released or further aid programmes may not be adopted by the EU.
- Loss of customer confidence in Erste Group's business or in banking businesses generally could result in unexpectedly high levels of customer deposit withdrawals, which could have a material adverse effect on the Group's results, financial condition and liquidity.
- Liquidity problems experienced by certain CEE countries may adversely affect the broader CEE region and could negatively impact Erste Group's business results and financial condition.
- Governments in countries in which Erste Group operates may react to financial and economic crises with increased protectionism, nationalisations or similar measures.
- Erste Group may be adversely affected by slower growth or recession in the banking sector in which it operates as well as slower expansion of the Eurozone and the EU.
- The legal systems and procedural safeguards in many CEE countries and, in particular, in the Eastern European countries are not yet fully developed.
- Applicable bankruptcy laws and other laws and regulations governing creditors' rights in various CEE countries may limit Erste Group's ability to

obtain payments on defaulted loans and advances.

- Erste Group may be required to participate in or finance governmental support programs for credit institutions or finance governmental budget consolidation programmes, including through the introduction of banking taxes and other levies.

D.3

Key information on the key risks that are specific to the securities

RISK WARNING: Investors should be aware that they may lose the value of their entire investment or part of it, as the case may be. However, each investor's liability is limited to the value of his investment (including incidental costs).

Risk factors relating to an Index or Index Basket as reference asset

- Factors having a negative effect on the Performance of the Index may also affect the value and Redemption Amount of the Notes.
- Notes relating to a price index do not take into account dividends and other distributions, since they are not reflected in the price of such an index.
- The Issuer has no influence on the existence, composition and calculation of the Index.
- Certain events in relation to the Index may result in an adjustment or early redemption of the Notes
- The sponsor of the Index does not carry out any activity which affects the value of the Index and does not issue investment recommendations regarding the Index.
- If one or several components of the Index of the Index are linked with emerging markets, a holder of securities must expect considerable political and economic uncertainty, which may considerably affect the price development of the Notes.
- Holders of securities do not have any rights to the components of the Index underlying the Index.

Risk factors relating to conflicts of interest

The Issuer may engage in activities that could involve certain conflicts of interest and may affect the value of the Notes.

Risks related to the pricing of the Notes

- The issue price of the Notes may include a margin on the mathematical (fair) value of the Notes.
- Since the Issuer will, when determining the price of the securities on the secondary market, also take into account, in particular, the subscription fee (agio), the spread between bid and ask prices as well as commission and other fees in addition to the mathematical (fair) value of the Notes, the prices quoted by the Issuer may considerably deviate from the fair market value of the Notes.

Risks related to Notes generally

- In the event that any Notes are redeemed prior to their maturity, a Holder of such Notes may be exposed to risks, including the risk that his investment will have a lower than expected yield (Risk of Early Redemption).
- The General Conditions of the Notes provide for resolutions of Holders, certain rights of a Holder may be amended or reduced or even cancelled by way of resolutions, which could affect the Holder negatively.
- The General Conditions of the Notes provide for the appointment of a Joint Representative, a Holder may be deprived of its individual right to pursue and enforce its rights under the relevant Terms and Conditions of the Notes against

the Issuer

- An Austrian court can appoint a trustee (*Kurator*) for the Notes to exercise the rights and represent the interests of Holders on their behalf in which case the ability of Holders to pursue their rights under the Notes individually may be limited.
- Under the European Union Savings Directive, if a payment were to be made or collected through a paying agent in a state which has opted for a withholding system and an amount of, or in respect of tax were to be withheld from that payment, neither the Issuer nor any paying agent nor any other person would be obliged to pay additional amounts with respect to any Notes as a result of the imposition of such withholding tax (No gross-up).
- Credit ratings of Notes may not adequately reflect all risks of the investment in such Notes and may be suspended, downgraded or withdrawn which could have an adverse effect on the market value and trading price of the Notes.
- The Notes are governed by Austrian law, and changes in applicable laws, regulations or regulatory policies may have an adverse effect on the Issuer, the Notes and the Holders.

Risks related to the market generally

- Holders are exposed to the risk of partial or total failure of the Issuer to make interest and/or redemption payments under the Notes.
- Holders in the Notes assume the risk that the credit spread of the Issuer widens resulting in a decrease in the price of the Notes.
- The Holder may be exposed to the risk that due to future money depreciation (inflation), the real yield of an investment may be reduced.
- There can be no assurance that a liquid secondary market for the Notes will develop or, if it does develop, that it will continue. In an illiquid market, a Holder may not be able to sell his Notes at fair market prices.
- No conclusion may be drawn from the indicated Aggregate Principal Amount in case of "up to" Notes.
- There is a risk that trading in the Notes or underlyings will be suspended, interrupted or terminated, which may have an adverse effect on the price of such Notes.
- Holders are exposed to the risk of an unfavourable development of market prices of their Notes which materialises if the Holder sells the Notes prior to the final maturity of such Notes.
- Exchange rate risks may occur, if a Holder's financial activities are denominated in a currency or currency unit other than the Specified Currency in which the Issuer will make principal and interest payments. Furthermore, government and monetary authorities may impose exchange controls that could adversely affect an applicable exchange rate.
- If a loan or credit is used to finance the acquisition of the Notes, the loan or credit may significantly increase the amount of a loss.
- Incidental costs related in particular to the purchase and sale of the Notes may have a significant impact on the profit potential of the Notes.
- Holders have to rely on the functionality of the relevant clearing system.
- Holders should note that the applicable tax regime may change to the disadvantage of the Holders and therefore, the tax impact of an investment in the Notes should be carefully considered.
- Legal investment considerations may restrict certain investments.

Risks related to FATCA

Payments, including principal, on the Notes to Holders and beneficial owners of interests in the Notes that (i) fail to comply with tax certifications or identification

requirements (including providing a waiver of any laws prohibiting the disclosure of such information to a taxing authority) or (ii) are financial institutions that fail to comply with the U.S. Foreign Account Tax Compliance Act or any analogous provisions of non-U.S. laws, including any voluntary agreements entered into with a taxing authority pursuant thereto, may be subject to a withholding tax of 30 percent. The Issuer will not be obligated to make any additional payments in respect of any such amounts withheld by the Issuer or an intermediary paying agent.

E.Offer

- | | | |
|-------------|-----------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| E.2b | Reasons for the offer and use of proceeds when different from making profit and/or hedging certain risks: | The net proceeds from the issue of any Notes will be used by the Issuer for its general funding purposes and for making profit, which are also the reasons for the offer. |
| E.3 | Description of the terms and conditions of the offer: | <p>Aggregate principal amount
up to CZK 4,000,000,000</p> <p>Issue price
100.00%</p> <p>Minimum/Maximum subscription size
Minimum subscription size CZK 10,000</p> <p>Type of distribution
Diverse Financial Service Provider in Czech Republic
Non-Syndicated</p> <p>Other or further conditions
Not applicable</p> |
| E.4 | Description of any interest that is material to the issue/offer including conflicting interest: | <p>The Issuer may from time to time act in other capacities with regard to the Notes, such as calculation agent which allow the Issuer to calculate the value of the Underlying or any other reference asset or determine the composition of the Underlying, which could raise conflicts of interest where securities or other assets issued by the Issuer itself or a group company can be chosen to be part of the Underlying, or where the Issuer maintains a business relationship with the issuer or obligor of such securities or assets.</p> <p>The Issuer may from time to time engage in transactions involving the Underlying for its proprietary accounts and for accounts under its management. Such transactions may have a positive or negative effect on the value of the Underlying or any other reference asset and consequently upon the value of the Notes.</p> <p>The Issuer may issue other derivative instruments in respect of the Underlying and the introduction of such competing products into the marketplace may affect the value of the Notes.</p> <p>The Issuer may use all or some of the proceeds received from the sale of the Notes to enter into hedging transactions which may affect the value of the Notes.</p> |

The Issuer may acquire non-public information with respect to the Underlying, and the Issuer does not undertake to disclose any such information to any Noteholder. The Issuer may also publish research reports with respect to the Underlying. Such activities could present conflicts of interest and may affect the value of the Notes.

E.7 Estimated expenses charged to the investor by the Issuer or the offeror: Selling Concession: not higher than 2.00% of the Principal Amount