

Prospectus Supplement No. 2**Erste Group Bank AG**

(Incorporated as a joint stock company in the Republic of Austria under registered number FN 33209 m)

relating to the

€30,000,000,000

Debt Issuance Programme

This supplement (the "Supplement") constitutes a prospectus supplement pursuant to Art 16 (1) of the Directive 2003/71/EC as amended (the "Prospectus Directive") and Article 13.1 of Chapter 1 of Part II of the Luxembourg Act dated 10 July 2005 on prospectuses for securities (the "Prospectus Act") and is supplemental to, and should be read in conjunction with, the prospectus dated 31 May 2012 (the "Original Prospectus" and together with the supplement no. 1 dated 11 June 2012, the "Prospectus") relating to a €30,000,000,000 Debt Issuance Programme (the "Programme") of Erste Group Bank AG (the "Issuer" or "Erste Group Bank").

The Original Prospectus was approved on 31 May 2012 by the *Commission de Surveillance du Secteur Financier* ("CSSF") of the Grand-Duchy of Luxembourg ("Luxembourg") in its capacity as competent authority under the Prospectus Act.

This Supplement has been filed for approval with the CSSF in its capacity as competent authority under the Prospectus Act. This Supplement has been filed with the Wiener Börse, which has admitted the Programme to the "Amtlicher Handel" (Official Market) and the "Geregelter Freiverkehr" (Second Regulated Market). This Supplement has been published in electronic form on the website of the Issuer under "<http://www.erstegroup.com/de/Capital-Markets/Prospekte/Anleihen/DIP-31052012>" and the website of the Luxembourg Stock Exchange under www.bourse.lu. Printed copies of this Supplement will be made available free of charge at the registered office of the Issuer, Graben 21, 1010 Vienna, Austria. The document incorporated by reference into the Prospectus by the Supplement has been published in electronic form on the website of the Issuer under "<http://www.erstegroup.com/de/Investoren/Berichte>". The Issuer has requested the CSSF to provide the competent authorities in Austria, Germany, the Czech Republic, Hungary, the Slovak Republic and Romania with a certificate of approval attesting that this Supplement has been drawn up in accordance with the Prospectus Directive and relevant implementing legislation in Luxembourg.

Terms defined in the Prospectus shall have the same meaning when used in this Supplement.

This Supplement does not constitute an offer of, or an invitation by or on behalf of any of the Issuer, the Dealers or the Arrangers to subscribe for, or purchase, any Notes.

To the extent that there is any inconsistency between a) any statement in this Supplement or any statement incorporated by reference into the Prospectus by this Supplement and b) any other statement in or incorporated by reference in the Prospectus, the statements in a) above will prevail.

Save as disclosed in this Supplement, no other significant new factor, material mistake or inaccuracy relating to information in the Prospectus has arisen or been noted, as the case may be, since the publication of the Prospectus.

In accordance with Art 16 of the Prospectus Directive and Article 13.2 of Chapter 1 of Part II of the Prospectus Act, investors who have agreed to subscribe for Notes after the occurrence of the significant new factors described in this Supplement but before the publication of this Supplement have a right to withdraw their acceptances within two banking days after the date of publication of this Supplement. The withdrawal period ends on 24 September 2012

20 September 2012

No person has been authorised to give any information or to make any representation other than those contained in this Supplement in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Dealers (as defined in "Subscription and Sale" of the Prospectus) or either of J.P. Morgan Securities plc (the "International Arranger") or Erste Group Bank AG (in its capacity as the arranger of issues of Domestic Notes only, the "Domestic Arranger" and together with the International Arranger, the "Arrangers"). Neither the delivery of this Supplement nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer or the Erste Group since the date hereof or the date upon which this Supplement has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer or the Erste Group since the date hereof or the date upon which this Supplement has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The distribution of this Supplement and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Supplement comes are required by the Issuer, the Dealers and the Arrangers to inform themselves about and to observe any such restriction. The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act"), and may include Notes in bearer form that are subject to US tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to US persons. For a description of certain restrictions on offers and sales of Notes and on distribution of this Supplement, see "Subscription and Sale" of the Prospectus.

The Dealers and the International Arranger have not separately verified the information contained in this Supplement. None of the Dealers or the International Arranger makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Supplement. Neither this Supplement nor any financial statements supplied in connection with the Programme or any Notes are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer, the Dealers or the Arrangers that any recipient of this Supplement or any financial statements should purchase the Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Supplement or any financial statements and its purchase of Notes should be based upon any such investigation as it deems necessary. None of the Dealers or the International Arranger undertakes to review the financial condition or affairs of the Issuer or the Erste Group during the life of the arrangements contemplated by this Supplement nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Dealers or the International Arranger.

Significant new factors (as referred to in Art 16.1 of the Prospectus Directive and Article 13.1 of Chapter 1 of Part II of the Prospectus Act) have arisen which in the Issuer's perception are capable of affecting the assessment of the Notes, and are thus herewith included in the Prospectus as follows:

1. Documents incorporated by reference

1.1 On page 11 of the Original Prospectus in the fourth paragraph the reference to "www.erstegroup.com" is deleted and replaced by the following reference:

"<http://www.erstegroup.com/de/Capital-Markets/Prospekte/Anleihen/DIP-31052012>"

1.2 On page 11 of the Original Prospectus the fifth paragraph is deleted and replaced by the following paragraph:

"The prospectuses incorporated by reference into this Prospectus will be available on the website of the Issuer under "<http://www.erstegroup.com/de/Capital-Markets/Prospekte/Anleihen/DIP2005-07062010>", "<http://www.erstegroup.com/de/Capital-Markets/Prospekte/Anleihen/DIP-ab08062010>" and "<http://www.erstegroup.com/de/Capital-Markets/Prospekte/Anleihen/DIP-08062011>" as well as on the website of the Luxembourg Stock Exchange under "www.bourse.lu."

2. Interim Financial Statements

The Issuer has published its unaudited interim financial statements for the first half year ended 30 June 2012.

2.1 In the chapter "Documents incorporated by reference" commencing on page 8 of the Original Prospectus in the table relating to financial information which is incorporated by reference in the Original Prospectus, after the section headed "English translation of the Unaudited Consolidated Interim Financial Statements of the Issuer for the first quarter year ended 31 March 2012" the following new section is included:

"English translation of the Unaudited Consolidated Interim Financial Statements of the Issuer for the first half year ended 30 June 2012 – Interim Report First Half Year 2012 (the "Unaudited Consolidated Interim Financial Statements 30 June 2012")

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2.2 On page 10 of the Original Prospectus, the last paragraph is replaced by the following paragraph:

"For the avoidance of doubt, such parts of the annual report of the Issuer for the financial years 2010 and 2011 respectively, of the quarterly report for the first quarter year in 2012 as well as of the report for the first half year in 2012 which are not explicitly listed in the table above, are not incorporated by reference into this Prospectus as these parts are either not relevant for the investor or covered elsewhere in this Prospectus."

2.3 On page 11 of the Original Prospectus, the sixth paragraph is replaced by the following paragraph:

"The Audited Consolidated Financial Statements 2010 and 2011, the Unaudited Consolidated Interim Financial Statements 31 March 2012 as well as the Unaudited Consolidated Interim Financial Statements 30 June 2012 incorporated by reference into this Prospectus will be available on the website of the Issuer under "<http://www.erstegroup.com/de/Investoren/Berichte>" and on the website of the Luxembourg Stock Exchange under "www.bourse.lu"."

2.4 On page 11 of the Original Prospectus, the eighth paragraph is replaced by the following paragraph:

"Unless otherwise stated, statistical and other data provided in this Prospectus has been extracted from the Audited Consolidated Financial Statements 2011 and the Annual Report thereon, the Unaudited Consolidated Interim Financial Statements 31 March 2012 and the Unaudited Consolidated Interim Financial Statements 30 June 2012. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by such sources, no facts have been omitted which would render the reproduced information inaccurate or misleading."

2.5 On page 22 of the Original Prospectus, the paragraph below the table is replaced by the following paragraph:

"Furthermore, the Issuer has published its Unaudited Consolidated Interim Financial Statements of the Issuer for the first quarter year ended 31 March 2012 as well as its Unaudited Consolidated Interim Financial Statements of the Issuer for the first half year 2012 which are incorporated by reference into this Prospectus."

2.6 On page 170 of the Original Prospectus, after the table entitled "Consolidated Balance Sheet of Erste Group as at 31 March 2012 and 31 December 2011" the following text and table are included:

"The Unaudited Consolidated Interim Financial Statements 30 June 2012 are incorporated by reference in this Prospectus. An extract from such statements is set out below.

**Consolidated Income Statement of Erste Group for the six months ended 30 June
2012 and 2011**

in EUR million	For the half year ended 30 June	
	2012	2011 restated*)
Net interest income	2,651.7	2,703.9
Risk provisions for loans and advances	-981.8	-920.8
Net fee and commissions income	865.5	906.1
Net trading result	121.5	288.8
General administrative expenses	-1,887.4	-1,926.3
Other operating result	-68.1	-260.2
Result from financial instruments – at fair value through profit or loss	42.4	-19.9
Result from financial assets – available for sale	3.7	14.1
Result from financial assets – held to maturity	-19.8	2.0
Pre-tax profit/loss	727.7	787.7
Taxes on income	-196.6	-175.4
Net profit/loss for the period	531.1	612.3
attributable to non-controlling interests	77.5	91.5
attributable to owners of the parent	453.6	520.8

*) Regarding restatement, see Annual Report 2011, Notes to the financial statements, C, Accounting policies / Restatement

Consolidated Balance Sheet of Erste Group as at 30 June 2012 and 31 December 2011

in EUR million	As of	
	30 June 2012	31 December 2011
Assets		
Cash and balances with central banks	5,737	9,413
Loans and advances to credit institutions	13,311	7,578
Loans and advances to customers	133,944	134,750
Risk provisions for loans and advances	-7,612	-7,027
Derivative financial instruments	11,974	10,931
Trading assets	5,953	5,876
Financial assets – at fair value through profit or loss	845	1,813
Financial assets – available for sale	22,514	20,245
Financial assets – held to maturity	17,905	16,074
Equity method investments	169	173
Intangible assets	3,211	3,532
Property and equipment	2,244	2,361
Current tax assets	117	116
Deferred tax assets	586	702
Assets held for sale	118	87
Other assets	4,212	3,384
Total assets	215,228	210,006
Liabilities and equity		
Deposits by banks	24,844	23,785
Customer deposits	122,252	118,880
Debts securities in issue	30,254	30,782
Derivative financial instruments	10,550	9,337
Trading liabilities	431	536
Provisions	1,579	1,580
Current tax liabilities	61	34
Deferred tax liabilities	351	345
Other liabilities	4,705	3,766
Subordinated liabilities	4,309	5,783
Total Equity	15,892	15,180
attributable to non-controlling interests	3,267	3,143
attributable to owners of the parent	12,625	12,037
Total liabilities and equity	215,228	210,006

2.7 On page 210 of the Original Prospectus, the last sentence in section (3) is replaced by the following sentence:

"Except as disclosed under "Recent developments" on page 159 and "Historical Financial Information" on pages 167 to 170 of this Prospectus, there has been no significant change in the financial or trading position of the Erste Group since 30 June 2012 and no material adverse change in the prospects of the Issuer since 31 December 2011."

2.8 On page 211 of the Original Prospectus, section (9) is replaced by the following section:

"Copies of the Audited Consolidated Financial Statements 2010 and 2011, of the Unaudited Interim Financial Statements 31 March 2012 and of the Unaudited Interim Financial Statements 30 June 2012, and copies of the Prospectus (including any Supplement to the Prospectus), any Final Terms and the Agency Agreement will be available for inspection at the registered office of the Issuer and at the specified offices of each of the Paying Agents during normal business hours, so long as any of the Notes are outstanding."

2.9 On page 211 of the Original Prospectus, in sub-paragraph (v) of section (11), and in sub-paragraph (iv) of section (12), after the reference to the "Unaudited Interim Financial Statements 31 March 2012" reference to the "Unaudited Interim Financial Statements 30 June 2012" is included.

3. Changes of Regulatory Capital Conditions

3.1 On page 14 of the Original Prospectus, the first sentence under the heading entitled "Subordinated Notes" is deleted.

3.2 On page 15 of the Original Prospectus, the paragraph under the heading entitled "Negative Pledge, Events of Default and Cross Default" is deleted and replaced by the following paragraph:

"The Notes will contain a negative pledge in respect of Senior Notes, events of default and (save for *Pfandbriefe* (Mortgage Bonds), *Kommunalschuldverschreibungen (Öffentliche Pfandbriefe)* (Public-Sector Covered Bonds), Covered Bonds and Subordinated Notes) cross-default provisions as set out in the Terms and Conditions of the Notes."

3.3 On page 19 of the Original Prospectus the following paragraphs are included after the first paragraph:

"Risk of redemption for Regulatory Reasons

Investors in Subordinated Notes may be subject to the risk that as a result of a redemption for regulatory reasons their investment will have a yield that is lower than expected and that the redemption amount received can not be reinvested in such a way that it earns the same rate of return as the redeemed Subordinated Notes.

Limited legal remedies under the Subordinated Notes

Investors in Subordinated Notes are subject to the risk that there are only limited enforcement rights under the Subordinated Notes upon the occurrence of an Event of Default."

3.4 On page 37 of the Original Prospectus, the following paragraphs are inserted after the fifth paragraph:

"Risk of redemption for Regulatory Reasons

The applicable Final Terms will indicate whether the Subordinated Notes will be subject to a redemption for regulatory reasons upon the occurrence of a Capital Disqualification Event (as defined in Condition 6(g)). If the Issuer exercises such right to redeem all of the Subordinated Notes prior to maturity, each holder of such Subordinated Notes is exposed to the risk that due to such early redemption his investment will have a yield that is lower than expected. Also, each holder of Subordinated Notes may be subject to the risk that the redemption amount received as a result of such redemption for regulatory reasons can not be reinvested in such a way that it earns the same rate of return as the redeemed Subordinated Notes.

There are limited legal remedies available under the Subordinated Notes

In accordance with Condition 10, holders of Subordinated Notes have only limited enforcement rights upon the occurrence of an Event of Default. These rights are limited, in case of a default to make payment of any sums payable under the Subordinated Notes pursuant to Condition 10(a) or in case of an event contemplated by Condition 10(e), to (i) inform the Financial Markets Authority of the occurrence of such event and request that the Financial Markets Authority applies to the competent court in Vienna for the commencement of bankruptcy proceedings against the Issuer or (ii) if bankruptcy proceedings are commenced against the Issuer, file an application in the relevant court demanding repayment of all principal amounts due under the Notes together with accrued interest and any additional amounts. In any case, a holder of Subordinated Notes may accelerate its Subordinated Notes only upon the declaration of a competent court that the Issuer has become bankrupt. A holder of Subordinated Notes is therefore subject to the risk that he is limited in the enforcement of his rights under the Subordinated Notes."

3.5 On page 39 of the Original Prospectus, the section entitled "The Notes are governed by English or Austrian law, and changes in applicable laws, regulations or regulatory policies may have an adverse effect on the Issuer, the Notes and the investors" is deleted and replaced by the following sections:

"The Notes are governed by English or Austrian law, and changes in applicable laws, regulations or regulatory policies may have an adverse effect on the Issuer, the Notes and the investors"

The Terms and Conditions of the Notes are based either on English or Austrian law in effect as at the date of the Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to English, Austrian, European or any other applicable laws, regulations or administrative practices after the date of the Prospectus. Such changes in law may include, but are not limited to, the introduction of a variety of statutory resolution and loss-absorption tools which may affect the rights of holders of securities issued by the Issuer, including the Notes. Such tools may include the ability to write off sums otherwise payable on such securities at a time when the Issuer is no longer considered viable by its regulator or upon the occurrence of another trigger (see the risk factors entitled "Statutory loss absorption", "Basel III Reforms — Loss absorbency at the point of non-viability" for further details).

Investors should also note that the governing law may not be the law of their own home jurisdiction and that the law applicable to the Notes may not provide them with similar protection as their own law."

3.6 On page 40 of the Original Prospectus, the section below the heading "Regulatory changes or changes in existing, or new laws may have an adverse effect on the Notes and payments thereunder" is replaced by the following sections:

"Statutory Loss Absorption"

Currently, discussions, initiatives and review processes dealing with loss absorbency and bail-in rules are and have been on-going at various levels (Basel Committee on Banking

Supervision, European Commission, Austrian National Bank and the FMA) which may result in significant changes in the regulatory framework for capital and debt instruments of credit institutions. However, the exact scope of such regulations and requirements is still in discussion and not yet codified.

On 13 January 2011 the Basel Committee on Banking Supervision published minimum requirements for regulatory capital to ensure loss absorbency at the point of non-viability for banks (see also below *Basel III Reforms – Loss absorbency at the point of non-viability*).

In addition, on 6 June 2012, the European Commission proposed a new directive establishing an EU-wide framework for the recovery and resolution of credit institutions and investment firms (the "Crisis Management Directive"). The exact provisions of the Crisis Management Directive are under discussion in the current on-going legislative procedure, and it has not been enacted yet.

The Crisis Management Directive includes proposals to give the competent regulator and/or authority the power to write down the share capital of a credit institution and to write down or to convert into equity its relevant capital instruments (i.e. the own funds instruments of the credit institution) if certain conditions are met (the "write-down tool"). The write-down tool would be applicable in particular if the competent regulator and/or authority determine that, unless the write-down tool is applied, the credit institution will no longer be viable or if a decision has been made to provide the credit institution with extraordinary public support without which the credit institution will no longer be viable.

The Crisis Management Directive further includes proposals to require the competent regulator and/or authority to be given the following resolution powers (the "resolution tools").

- to transfer to an investor shares, other instruments of ownership and/or all specified assets, rights or liabilities of the credit institution (the "sale of business tool"), and/or
- to transfer all or specified assets, rights or liabilities of the credit institution to a bridge institution which is wholly owned by public authorities (the "bridge institution tool"), and/or
- to transfer assets, rights or liabilities to a legal entity which is wholly owned by public authorities for the purpose of sale or otherwise ensuring that the business is wound down in an orderly manner, to be applied in conjunction with another resolution tool (the "asset separation tool"), and/or
- to recapitalise an institution to the extent sufficient to restore its ability to comply with the conditions for authorisation and to carry on the activities for which it is authorised or to provide capital for a bridge institution (the "bail-in tool"), in each case by taking the measures described in the following paragraph.

Under the write-down tool and the bail-in tool the competent regulator and/or authority would have the power, upon certain trigger events, to cancel existing shares, to write down eligible liabilities (i.e. own funds instruments and, in the case of the bail-in tool, other subordinated debt and even senior debt, subject to exceptions in respect of certain liabilities) of a failing credit institution or to convert such eligible liabilities of a failing credit institution into equity at certain rates of conversion representing appropriate compensation to the affected holder for the loss incurred as a result of the write-down and conversion, to strengthen the credit institution's financial position and allow it to continue as a going concern subject to appropriate restructuring. Where a credit institution meets the conditions for resolution, the competent regulator and/or authority would be required to apply the write-down tool before applying the resolution tools. The further delineation between the write-down tool and the bail-in tool is subject to further clarification.

The resolution tools would be applicable pursuant to the Crisis Management Directive if the credit institution is failing or is likely to fail, in particular if the credit institution

- breaches the applicable capital requirements in a way that would justify the withdrawal by the competent authority of the relevant credit institution's bank licence, or
- is or will be, in the near future, balance sheet insolvent (i.e. the liabilities of the credit institution exceeding its assets), or
- is or will be, in the near future, unable to pay its debts as they fall due, or
- is about to receive certain extraordinary public financial support.

Pursuant to the Crisis Management Directive, any write-down (or conversion) of all or part of the principal amount of any Notes, included accrued but unpaid interest in respect thereof, in accordance with the bail-in tool or the write-down tool would not constitute an event of default under the terms of the relevant instruments. Consequently, any amounts so written down would be irrevocably lost and the holders of such instruments would cease to have any claims thereunder, regardless whether or not the bank's financial position is restored. Pursuant to the Crisis Management Directive, resolution authorities would ensure that, when applying the resolution tools, creditors however do not incur greater losses than those that they would incur if the credit institution would have been wound down in normal insolvency proceedings.

If enacted as currently proposed, the Crisis Management Directive would require Member States to apply the national law, regulations and administrative provisions adopted to comply with the Crisis Management Directive by 1 January 2015. However, provisions adopted to implement the bail-in tool would be applied by Member States by 1 January 2018. The Crisis Management Directive sets out a minimum set of resolution tools. Member States may however retain specific national tools and powers to deal with failing institutions if those additional powers are consistent with the principles and objectives of the resolution framework pursuant to the Crisis Management Directive and do not pose obstacles to effective group resolution. The Austrian Parliament may also decide to implement the Crisis Management Directive or other rules that entail similar write-down or resolution tools already prior to 2015.

Such legal provisions and/or regulatory measures may severely affect the rights of the holders of Notes, may result in the loss of the entire investment in the event of non-viability or resolution of the Issuer, and may have a negative impact on the market value of the Notes also prior to non-viability or resolution. In addition, any indication that the Notes will become subject to statutory loss absorption could have an adverse effect on the market price of the relevant Notes.

Basel III Reforms – Loss absorbency at the point of non-viability

Notes constituting Tier 2 capital (as such term is used in the Basel III regulatory framework), which do not contain any contractual terms providing for their writing off or conversion into ordinary shares upon the occurrence of a Non-Viability Event (as defined below), will, subject to implementation of the Basel III regulatory framework and to applicable transitional provisions, cease to be eligible to count in full as Tier 2 capital from 1 January 2013 unless, among other things, the jurisdiction of the relevant bank has in place laws that (i) require such instruments to be written down upon the occurrence of a Non-Viability Event, or (ii) otherwise require such instruments fully to absorb losses before tax payers are exposed to loss. It is possible that any powers which result from any future change in law to give effect to Basel III could be used in such a way as to result in the Notes absorbing losses in the manner described in (i) or (ii) above. Accordingly, the operation of any such future legislation may have an adverse effect on the position of holders of Subordinated Notes.

As used herein, “Non-Viability Event” means the earlier of (a) a decision that a write-off, without which the relevant bank would become non-viable, is necessary; and (b) the decision to make a public sector injection of capital, without which the relevant bank would become non-viable, in each case as determined by the relevant authority. This definition is for illustrative purposes only and may not necessarily reflect the meaning ascribed to the term

"Non-Viability Event" (or any term equivalent thereto) pursuant to any law or regulation implementing the Basel III regulatory framework."

3.7 On page 48 of the Original Prospectus, the second sentence of the item "Cross Default" is deleted and replaced by the following sentence:

"*Pfandbriefe* (Mortgage Bonds), *Kommunalschuldverschreibungen (Öffentliche Pfandbriefe)* (Public-Sector Covered Bonds), Covered Bonds and Subordinated Notes are not subject to Cross Default."

3.8 On page 48 of the Original Prospectus, the first sentence of the item "Early Redemption" is deleted and replaced by the following sentence:

"Except as provided in "Optional Redemption" above, Notes will be redeemable at the option of the Issuer prior to maturity for tax or regulatory reasons and, at the option of the Noteholders, only in certain defined circumstances."

3.9 On page 59 of the Original Prospectus, the second, third and fourth paragraph in Condition 3(b) are deleted.

3.10 On page 59 of the Original Prospectus, the fifth paragraph in Condition 3(b) is deleted and replaced by the following paragraph:

"Claims of the Issuer are not permitted to be offset against repayment obligations of the Issuer under these Notes and no contractual collateral may be provided by the Issuer or a third person for the liabilities constituted by the Subordinated Notes. No subsequent agreement may limit the subordination pursuant to this Condition 3(b) or amend the maturity of Subordinated Notes."

3.11 On page 59 of the Original Prospectus, the sixth paragraph in Condition 3(b) is replaced by the following paragraph:

"In respect of this Condition 3(b), reference is made to statutory loss absorption as more fully described in the risk factors entitled "Statutory loss absorption", " Basel III Reforms – Loss absorbency at the point of non-viability" and "Change of Law" in the prospectus relating to the Notes."

3.12 On page 76 of the Original Prospectus, Condition 6(b) is replaced by the following paragraph:

"If, as a result of any amendment to or change in the laws or regulations of Austria or of any political subdivision thereof or any authority therein or thereof having power to tax or any change in the official or generally accepted interpretation or application of such laws or regulations which becomes effective on or after the Issue Date (in the case of a non-syndicated Series) or the signing date (in the case of a syndicated Series), as the case may be, the Issuer has or will become obliged to pay any additional amounts as described in Condition 8 (and such amendment or change has been evidenced by the delivery by the Issuer to the Fiscal Agent (who shall accept such certificate and opinion as sufficient evidence thereof) of (i) a certificate signed by two authorised signatories of the Issuer on behalf of the Issuer stating that such amendment or change has occurred (irrespective of whether such amendment or change is then effective), describing the facts leading thereto and stating that such requirement cannot be avoided by the Issuer taking reasonable measures available to it and (ii) an opinion of independent legal advisers of recognised standing to the effect that such amendment or change has occurred (irrespective of whether such amendment or change is then effective)) on any Interest Payment Date (if this Note is either a Floating Rate Note or Index-Linked Note), or, at any time (if this Note is neither a Floating Rate Note or Index-Linked Note), the Issuer may (having given not less than 30 nor more than 90 days' irrevocable notice to the Noteholders and to the holders in accordance with Condition 14)

redeem all, but not some only, of the Notes (other than Notes in respect of which the Issuer shall have given a notice of redemption pursuant to Condition 6(c) or Condition 6 (g) or an Exercise Notice in accordance with Condition 6(d), prior to any notice being given under this Condition 6(b)) at their Early Redemption Amount, together with accrued interest to the date fixed for such redemption, provided that (i) no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be required to pay such additional amounts were a payment in respect of the Note then due and (ii) in the case of Subordinated Notes, only to the extent required by the Relevant Rules, as applicable at the time, the Issuer has available to it a corresponding amount of capital of the same amount and of at least equal quality.

The provisions of this Condition 6(b) shall only apply to the extent that the inclusion of this Condition 6(b) as a term of the Subordinated Notes shall not result in the Subordinated Notes being excluded from Tier 2 Capital for the purposes of the Relevant Rules.

It is currently expected that the Relevant Rules will oblige the Issuer to demonstrate to the satisfaction of the Competent Authority that (among other things) the relevant event was not reasonably foreseeable at the Issue Date.

"Competent Authority" means the FMA or any successor entity or such other governmental authority which has responsibility for bank supervision for capital adequacy purposes of the Issuer.

"CRD IV" means the Directive of the European Parliament and of the Council on the access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms and amending Directive 2002/87/EC of the European Union a proposal for which was published by the EU Commission on 20 July 2011.

"CRR" means the Regulation of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms a proposal for which was published by the EU Commission on 20 July 2011.

"Relevant Rules" mean, at any time, the laws, regulations, rules and requirements relating to capital adequacy then in effect and applicable to the Issuer and as amended from time to time including through the implementation of the CRD IV and/or adoption of CRR."

3.13 On page 77 of the Original Prospectus, in the first paragraph of Condition 6(c), the last sentence is replaced by the following sentence:

"No such redemption shall be possible prior to the expiry of the minimum period that may be required for such Note in accordance with the Relevant Rules, as applicable at the time of redemption."

3.14 On page 78 of the Original Prospectus, the following new Condition 6(g) is inserted:

"(g) Redemption for Regulatory Reasons

If so provided herein, in the case of Subordinated Notes, following the occurrence of a Capital Disqualification Event, the Issuer may (having given not less than 30 nor more than 90 days' irrevocable notice to the Noteholders in accordance with Condition 14) redeem all, but not some only, of the Notes (other than Notes in respect of which the Issuer shall have given a notice of redemption pursuant to Condition 6(b) or 6(c), prior to any notice being given under this Condition 6(g)) at their Early Redemption Amount, together with accrued interest to the date fixed for such redemption, provided that (i) only to the extent required by the Relevant Rules, as applicable at the time, the Issuer has available to it a corresponding amount of capital of the same amount and of at least equal capital quality as applicable and (ii) that such notice is given no later than 90 days following the occurrence of such Capital Disqualification Event.

"Capital Disqualification Event" means:

(i) as a result of any amendment to or change in the Act that was not reasonably foreseeable by the Issuer on the date of issuance, the outstanding principal amount of the Subordinated Notes is fully excluded from inclusion in Own Funds of the Issuer, provided that such exclusion is not as a result of any applicable limits on the amount of Own Funds, or

(ii) following the implementation in Austria of CRD IV or adoption of the CRR, the outstanding principal amount of the Subordinated Notes are fully excluded from inclusion in the Tier 2 Capital of the Issuer, provided that such exclusion is not as a result of any applicable limits on the amount of Tier 2 Capital.

"Tier 2 Capital" has the meaning given to it in the Relevant Rules, as applicable to the Issuer from time to time.

It is currently expected that the Relevant Rules (as defined in (b) above) will oblige the Issuer to demonstrate to the satisfaction of the Competent Authority (as defined in (b) above) that (among other things) the relevant event was not reasonably foreseeable at the Issue Date."

3.15 On page 78 of the Original Prospectus, the following new Condition 6(h) is inserted:

"(h) Redemption Condition

In the case of Subordinated Notes, no redemption shall be possible unless the Issuer has received prior approval from the Competent Authority (as defined in (b) above), to the extent required by the Relevant Rules, as applicable at the time of redemption."

3.16 On page 83 of the Original Prospectus, the following paragraph shall replace Condition 10(b):

"(b) for Notes other than Subordinated Notes, the Issuer failing to perform or observe any covenant, condition or provision contained in the Notes (other than any obligation for the payment of principal or interest in respect of the Notes) and on its part to be performed and observed which default is incapable of remedy or is not remedied within 45 days after notice of such default shall have been given to the Fiscal Agent at its specified office by any Noteholder; or"

3.17 On page 83 of the Original Prospectus, the following paragraph shall replace Condition 10(c):

"(c) for Notes other than Subordinated Notes, any other Indebtedness (as defined below) of the Issuer or any Material Subsidiary (i) is not paid when due nor within any grace period applicable to such Indebtedness, or (ii) has become or becomes capable of being rendered due and payable before its scheduled maturity by reason of a default by the Issuer, or (iii) if payable on demand, is not paid when demanded, or (iv) any guarantee or indemnity given by the Issuer in respect of any Indebtedness of any other person is not honoured when due and called upon; or"

3.18 On page 83 of the Original Prospectus, the following paragraph shall replace Condition 10(d):

"(d) for Notes other than Subordinated Notes, the security for any Indebtedness of the Issuer becomes enforceable and the creditors entitled thereto take steps to enforce the same; or"

3.19 On page 83 of the Original Prospectus, Condition 10(ii)(x) shall be deleted, and in Condition 10(ii)(y) the references to sub-paragraphs "(c)" and "(d)" shall be deleted.

3.20 On page 85 of the Original Prospectus, the definition "Indebtedness" is deleted and replaced as follows:

""Indebtedness" means any present or future non-subordinated indebtedness (whether being principal, premium, interest or other amounts) for or in respect of (i) money borrowed, (ii) liabilities under or in respect of any acceptance or acceptance credit, or (iii) any notes, bonds, debentures, debenture stock, loan stock or other securities offered, issued or distributed whether by way of public offer, private placing, acquisition consideration or otherwise and whether issued for cash or in whole or in part for a consideration other than cash, in each case in an aggregate principal amount in excess of US\$15,000,000 or its equivalent in other currencies;"

3.21 On page 96 of the Original Prospectus, the second, third and fourth paragraph in Condition 3(b) are deleted.

3.22 On page 96 of the Original Prospectus, the fifth paragraph in Condition 3(b) is deleted and replaced by the following paragraph:

"Forderungen der Emittentin dürfen nicht gegen Rückzahlungspflichten der Emittentin gemäß diesen Schuldverschreibungen aufgerechnet werden und für die Nachrangigen Schuldverschreibungen dürfen keine vertraglichen Sicherheiten durch die Emittentin oder einen Dritten bestellt werden. Durch nachträgliche Vereinbarung darf weder die Nachrangigkeit gemäß dieser Bedingung 3(b) eingeschränkt werden, noch darf die Fälligkeit von Nachrangigen Schuldverschreibungen geändert werden."

3.23 On page 96 of the Original Prospectus, the sixth paragraph in Condition 3(b) is replaced by the following paragraph:

"Hinsichtlich dieser Bedingung 3(b) wird auf gesetzliche Verlustabsorptionsmechanismen verwiesen, die in den Risikofaktoren "Statutory loss absorption", " Basel III Reforms – Loss absorbency at the point of non-viability" und "Change of Law" im Prospekt über die Schuldverschreibungen genauer beschrieben werden."

3.24 On page 116 of the Original Prospectus, Condition 6(b) is replaced by the following paragraph:

"Wenn als Ergebnis einer Novelle oder Änderung von Gesetzen oder Vorschriften der Republik Österreich oder einer ihrer Gebietskörperschaften oder einer dort tätigen Behörde mit der Befugnis, Steuern einzuhoben, oder von Änderungen in der offiziellen oder allgemein anerkannten Auslegung oder der Anwendung solcher Gesetze und Vorschriften, die am oder nach dem Emissionstag (im Fall einer nicht syndizierten Serie) oder am Unterfertigungstag (im Fall einer syndizierten Serie) in Kraft treten, die Emittentin verpflichtet ist oder verpflichtet sein wird, zusätzliche Beträge, wie in Bedingung 8 beschrieben, zu bezahlen und eine solche Novelle oder Änderung durch Einreichung bei der Emittentin oder dem Fiskalagenten (der eine solche Bestätigung und ein solches Gutachten als ausreichenden Nachweis hierüber anerkennen wird) (i) einer von zwei bevollmächtigten Vertretern der Emittentin im Namen der Emittentin unterzeichneten Bestätigung, in der ausgeführt wird, dass eine solche Änderung oder Novelle eingetreten ist (unabhängig davon, ob eine solche Novelle oder Änderung zu diesem Zeitpunkt bereits in Kraft ist), in der die Tatsachen, die hierzu geführt haben, beschrieben werden und festgestellt wird, dass diese Verpflichtung von der Emittentin nicht durch das Ergreifen vernünftiger, ihr zur Verfügung stehender Maßnahmen abgewendet werden kann, und (ii) einem Gutachten eines unabhängigen Rechtsberaters von anerkannter Reputation, besagend, dass eine solche Novelle oder Änderung (unabhängig davon, ob eine solche Änderung oder Novelle dann bereits in Kraft ist) an einem Zinszahlungstag (wenn die Schuldverschreibung entweder eine Variabel Verzinsliche Schuldverschreibung oder eine Schuldverschreibung mit indexgebundener Verzinsung ist) oder zu jeder anderen Zeit (wenn die Schuldverschreibung weder eine Variabel Verzinsliche Schuldverschreibung noch eine Schuldverschreibung mit indexgebundener Verzinsung ist) eingetreten ist, ist die Emittentin

(welche den Gläubigern der Schuldverschreibung und den Inhabern in Übereinstimmung mit Bedingung 14 eine unwiderrufliche Anzeige innerhalb einer Frist von nicht weniger als 30 und nicht mehr als 90 Tagen gegeben hat) berechtigt, alle (nicht jedoch nur einzelne) Schuldverschreibungen (ausgenommen Schuldverschreibungen, hinsichtlich derer die Emittentin eine Tilgungserklärung gemäß Bedingung 6(c) oder Bedingung 6(g) oder eine Ausübungserklärung in Übereinstimmung mit Bedingung 6(d) vor einer gemäß dieser Bedingung 6(b) gegebenen Erklärung abgegeben hat) zu ihrem Vorzeitigen Tilgungsbetrag gemeinsam mit bis zu dem festgesetzten Zeitpunkt für die Tilgung aufgelaufenen Zinsen zurückzahlen, vorausgesetzt, dass (i) keine solche Tilgungserklärung früher als 90 Tage vor dem frühesten Zeitpunkt abgegeben wird, an dem die Emittentin verpflichtet wäre, zusätzliche Beträge zu bezahlen, wenn eine Zahlung hinsichtlich der Schuldverschreibung fällig wäre, und (ii) im Fall von Nachrangigen Schuldverschreibungen, jedoch nur, wenn dies gemäß den Relevanten Regeln, wie zu diesem Zeitpunkt anwendbar, verlangt wird, die Emittentin einen Kapitalbetrag in der selben Höhe zur Verfügung hat, der zumindest die gleiche Qualität aufweist.

Die Bestimmungen dieser Bedingung 6(b) sind nur insoweit anwendbar, als die Aufnahme dieser Bedingung 6(b) als Bestimmung der Nachrangigen Schuldverschreibungen nicht im Ausschluss dieser Nachrangigen Schuldverschreibungen aus dem Tier 2 Kapital für Zwecke der Relevanten Regeln resultieren würde.

Gegenwärtig wird davon ausgegangen, dass die Relevanten Regeln (wie in 6(b) definiert) die Emittentin dazu verpflichten werden, der Zuständigen Behörde (wie in 6(b) definiert) zufriedenstellend nachzuweisen, dass (unter anderem) das jeweilige Ereignis vernünftigerweise am Tag der Emission der Schuldverschreibungen nicht vorhersehbar war.

"Zuständige Behörde" meint die FMA oder eine Nachfolgebehörde oder jede andere Behörde, die für die Bankenaufsicht für Kapitaladäquanzzwecke der Emittentin verantwortlich ist.

"CRD IV" meint die Richtlinie des Europäischen Parlaments und des Rates über den Zugang zur Tätigkeit von Kreditinstituten und die Beaufsichtigung von Kreditinstituten und Wertpapierfirmen und zur Änderung der Richtlinie 2002/87/EG, deren Entwurf von der Europäischen Kommission am 20.7.2011 veröffentlicht wurde.

"CRR" meint die Verordnung des Europäischen Parlaments und des Rates über Aufsichtsanforderungen an Kreditinstitute und Wertpapierfirmen, deren Entwurf von der Europäischen Kommission am 20.7.2011 veröffentlicht wurde.

"Relevante Regeln" meint die Kapitalregeln, die von Zeit zu Zeit auf die Emittentin anwendbar sind, in der jeweiligen Fassung, einschließlich der Umsetzung der CRD IV und/oder die Annahme der CRR."

3.25 On page 117 of the Original Prospectus, in the first paragraph of Condition 6(c), the last sentence is replaced by the following sentence:

"Eine solche Tilgung ist nicht vor dem Ablauf der Mindestperiode, die für eine solche Schuldverschreibung gemäß den Relevanten Regeln, wie jeweils zum Zeitpunkt der Tilgung anwendbar, vorgesehen ist, möglich."

3.26 On page 118 of the Original Prospectus, the following new Condition 6(g) is inserted:

"(g) Tilgung aus regulatorischen Gründen

Sofern dies in den Endgültigen Bedingungen festgelegt ist, kann die Emittentin im Fall von Nachrangigen Schuldverschreibungen (nachdem sie nicht weniger als 30 und nicht mehr als 90 Tage vorher eine unwiderrufliche Mitteilung gemäß Bedingung 14 erteilt hat) nach Eintritt eines Kapital-Aberkennungs-Ereignisses alle, aber nicht einige der Schuldverschreibungen (außer Schuldverschreibungen hinsichtlich derer die Emittentin eine Tilgungserklärung

gemäß Bedingung 6(b) oder 6(c) vor einer gemäß dieser Bedingung 6(g) abgegebenen Erklärung abgegeben hat) zum Vorzeitigen Tilgungsbetrag gemeinsam mit bis zu dem festgesetzten Tag für die Tilgung aufgelaufenen Zinsen zurückzahlen, vorausgesetzt dass (i) jedoch nur, wenn dies gemäß den Relevanten Regeln, wie zu diesem Zeitpunkt anwendbar, verlangt wird, die Emittentin einen Kapitalbetrag in derselben Höhe zur Verfügung hat, der zumindest die gleiche Qualität aufweist, und (ii) diese Mitteilung nicht später als 90 Tage nach dem Eintritt des Kapital-Aberkennungs-Ereignisses erfolgt.

"Kapital-Aberkennungs-Ereignis" meint:

(i) wenn als Folge einer Abänderung oder Änderung des Bankwesengesetzes, die am Tag der Emission der Schuldverschreibungen für die Emittentin vernünftigerweise nicht absehbar war, der ausstehende Kapitalbetrag der Nachrangigen Schuldverschreibungen zur Gänze von der Aufnahme in die Eigenmittel der Emittentin ausgeschlossen wird, vorausgesetzt dass dieser Ausschluss nicht eine Folge einer auf den Betrag solcher Eigenmittel anwendbaren Beschränkung ist, oder

(ii) wenn nach der Umsetzung der CRD IV in Österreich und der Annahme der CRR der ausstehende Kapitalbetrag der Nachrangigen Schuldverschreibungen zur Gänze von der Aufnahme in das Tier 2 Kapital der Emittentin ausgeschlossen werden, vorausgesetzt dass dieser Ausschluss nicht eine Folge einer auf den Betrag des Tier 2 Kapitals anwendbaren Beschränkung ist,

"Tier 2 Kapital" hat jene Bedeutung, die ihm in den Relevanten Regeln, wie auf die Emittentin von Zeit zu Zeit anwendbar, gegeben wird (und meint Ergänzungskapital gemäß der CRR)."

3.27 On page 118 of the Original Prospectus, the following new Condition 6(h) is inserted:

"(h) Voraussetzung für die Tilgung

Im Fall von Nachrangigen Schuldverschreibung ist eine Tilgung nur möglich, wenn die Emittentin zuvor die Bewilligung der Zuständigen Behörde (wie in 6(b) definiert) erlangt hat, soweit dies gemäß den Relevanten Regeln zum Tilgungszeitpunkt erforderlich ist."

3.28 On page 124 of the Original Prospectus, the following paragraph shall replace Condition 10(b):

"(b) für Schuldverschreibungen, die keine Nachrangigen Schuldverschreibungen sind, die Emittentin es unterlässt, seitens der Emittentin zu erfüllende oder einzuhaltende und in den Schuldverschreibungen enthaltene Zusicherungen, Bedingungen oder Bestimmungen (abgesehen von der Verpflichtung zur Zahlung des Kapitals oder von Zinsen gemäß den Schuldverschreibungen) zu erfüllen oder einzuhalten, wenn dieser Verzugsfall keiner Heilung zugänglich ist oder innerhalb von 45 Tagen nach Mitteilung über einen solchen Verzugsfall an die bezeichnete Geschäftsstelle des Fiskalagenten durch einen Gläubiger der Schuldverschreibung nicht saniert wird; oder"

3.29 On page 124 of the Original Prospectus, the following paragraph shall replace Condition 10(c):

"(c) für Schuldverschreibungen, die keine Nachrangigen Schuldverschreibungen sind, eine andere Verschuldung (wie unten definiert) der Emittentin oder einer Wesentlichen Tochtergesellschaft (i) weder bei Fälligkeit noch innerhalb einer auf die Verschuldung anwendbaren Nachfrist bezahlt wird, oder (ii) vor der geplanten Fälligkeit aufgrund eines Verzugsfalles der Emittentin fällig und zahlbar wird oder fällig und zahlbar gestellt werden kann, oder (iii) wenn sie auf Abruf zahlbar ist, auf Abruf nicht gezahlt wird, oder (iv) eine von der Emittentin im Hinblick auf die Verschuldung einer anderen Person eingeräumte Garantie oder Haftung bei Fälligkeit oder Abruf nicht erfüllt wird; oder"

3.30 On page 124 of the Original Prospectus, the following paragraph shall replace Condition 10(d):

"(d) für Schuldverschreibungen, die keine Nachrangigen Schuldverschreibungen sind, eine Sicherheit für eine Verschuldung der Emittentin vollstreckbar wird und die dazu berechtigten Gläubiger Schritte für die Vollstreckung derselben einleiten; oder"

3.31 On page 125 of the Original Prospectus, Condition 10(ii)(x) shall be deleted and in Condition 10(ii)(y) the references to sub-paragraphs "(c)" and "(d)" shall be deleted.

3.32 On page 127 of the Original Prospectus, the definition of "Verschuldung" shall be replaced by the following;

""Verschuldung" die gegenwärtige oder zukünftige nicht-nachrangige Verschuldung (unabhängig, ob sie Kapital, Aufgeld, Zinsen oder andere Beträge betrifft) für oder im Hinblick auf (i) Ausleihungen, (ii) Verbindlichkeiten unter oder im Hinblick auf einen Wechsel oder einen Wechselkredit, oder (iii) Schuldverschreibungen, Anleihen, Schuldscheine, Obligationen, Obligationsanleihen oder andere angebotene, ausgegebene oder vertriebene Wertpapiere, entweder im Wege eines öffentlichen Angebots, einer Privatplatzierung, eines Kaufpreises oder auf andere Weise und entweder als Gegenleistung für Geld oder (ganz oder teilweise) eine andere nicht aus Geld bestehende Gegenleistung, in jedem Einzelfall mit einem Gesamtkapitalbetrag von mehr als US-Dollar 15 Millionen oder dem Gegenwert in anderen Währungen;"

3.33 On page 216 and 233 of the Original Prospectus, in item 13(i) the term "Subordinated Capital" shall be replaced by the term "Subordinated Notes".

3.34 On pages 220 and 237 of the Original Prospectus, a new paragraph 24a is included after the item numbered 24:

"24a. Redemption for Regulatory Reasons [Applicable/Not Applicable]"

3.35 On pages 255 and 274 of the Original Prospectus, a new paragraph 24a is included after the item numbered 24:

"24a. Tilgung aus regulatorischen Gründen [Anwendbar/Nicht anwendbar]"

4. Recent Developments

On page 159 of the Original Prospectus, after the section with the heading "Repurchase of hybrid instruments and Tier 2 securities" the following additional section is inserted:

"Higher own funds requirements expected

Following the introduction of a minimum 9% CET1 requirement by the EBA in October 2011 as well as the early implementation of Basel III in Austria as of 2013, Erste Group Bank and its home supervising regulators, the Austrian National Bank and the FMA, entered into a yearly process that - in light of a 9% common equity tier 1 requirement - will likely lead to an increase of Erste Group Bank's own funds requirements beyond the actual statutory 8% requirement under the Austrian Banking Act, as of 2013. As at 30 June 2012, Erste Group Bank's own funds ratio amounted to 14.3% (excluding retained earnings for the first half year of 2012). Erste Group Bank expects a new own funds ratio requirement of up to 13% based on the current macroeconomic environment and therefore is already in full compliance with any such increased own funds requirements. A final figure is expected to be determined by year-end 2012."

RESPONSIBILITY STATEMENT OF ERSTE GROUP BANK AG

Erste Group Bank AG, with its registered office at Graben 21, A-1010 Vienna, Austria, is solely responsible for the information given in this Supplement.

The Issuer hereby declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Supplement is, to the best of the knowledge of the Issuer, in accordance with the facts and contains no omission likely to affect its import.