

**04.04.2014**

**Final Terms**

**Erste Group Asset Linked Note on Serbia Treasury Bond 2014-2015 (the "Notes")**  
issued pursuant to the

**Asset Linked Notes Programme**

**of**

**Erste Group Bank AG**

Issue Price: 100 per cent.

Issue Date: 08.04.2014<sup>1</sup>

Series No.: 2

Tranche No.: 1

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<sup>1</sup> 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 Base Prospectus pertaining to the Asset Linked Notes Programme (the "**Programme**") of Erste Group Bank AG (the "**Issuer**"), dated 31 January 2014 (the "**Prospectus**") and the supplements to the Prospectus dated 13 February 2014 and 2<sup>nd</sup> April 2014. The Prospectus and any supplements thereto are available for viewing in electronic form on the website of the Issuer ([www.erstegroup.com](http://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.

## PART 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, AGGREGATE PRINCIPAL AMOUNT, DENOMINATION, ISSUE DATE AND BUSINESS DAY

(1) *Currency, Aggregate Principal Amount and Denomination.* This tranche (the "**Tranche**") of notes (the "**Notes**") is being issued by Erste Group Bank AG (the "**Issuer**") in Romanian Leu (RON) (the "**Specified Currency**") in the aggregate principal amount of RON 7,000,000 (in words: seven million) (the "**Aggregate Principal Amount**") in the denomination of RON 500,000 (the "**Specified Denomination**" or the "**Principal Amount per Note**") on 08.04.2014 (the "**Issue Date**").

(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 Bucharest and London 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.

### § 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 5.20 per cent. *per annum* from, and including, 08.04.2014 (the "**Interest Commencement Date**") to, but excluding, the Maturity Date (as defined in § 3 (1)).

With the exception of the first payment of interest, interest shall be payable annually in arrear on 24.05. in each year (each such date, an "**Interest Payment Date**"), commencing on 24.05.2014 and ending on 24.05.2015. Interest Payment Dates are subject to adjustment in accordance with the following provisions of this § 2 and the provisions set out in § 5 of the Issue Specific Conditions.

(2) *Cancellation of interest upon the occurrence of an Acceleration Event.* If, pursuant to the determination of the Calculation Agent between the Issue Date (including) and the Last Credit Event Observation Date (as defined in § 4) (including), an Acceleration Event (as defined in § 4) occurs with respect to the Reference Entity and/or the Reference Obligation and the Issuer publishes an Acceleration Event Notice between the Issue Date (including) and the Maturity Date of the Notes (including), interest on the Notes shall neither be paid for the Interest Period in which the Acceleration Event has occurred nor for any of the subsequent Interest Periods. The cancelled claim to interest will not revive due to the fact that the circumstances that triggered an Acceleration Event are remedied subsequently or cease to exist.

(3) *Postponement of the Interest Payment Date.* If an application has been filed with the Determinations Committee for a resolution in relation to the existence of a Credit Event (as defined in § 4) in respect of the Reference Entity prior to the Scheduled Last Credit Event Observation Date and if the Determinations Committee has not made a resolution on this application by the last ISDA-Business Day prior to the Scheduled Last Credit Event Observation Date, the Issuer can postpone the Interest Payment Date by up to 70 calendar days.

If a Potential Repudiation/Moratorium (as defined in § 4) occurs on or prior to the Scheduled Last Credit Event Observation Date and the Issuer has published a Repudiation/Moratorium-Extension Notice (as defined in § 4) on or prior to the Scheduled Last Credit Event Observation Date, then the respective Interest Payment Date(s) shall be postponed to the 70th calendar day following the

Repudiation/Moratorium Evaluation Date (as defined in § 4).

If a Potential Failure to Pay (as defined in § 4) occurs with respect to the Obligation of the Reference Entity, to which a Grace Period applies (as defined in § 4), on or prior to the Scheduled Last Credit Event Observation Date and if this Grace Period does not end on or prior to the Scheduled Last Credit Event Observation Date, then the respective Interest Payment Date(s) is or are postponed to the 70th calendar day following the day on which the Grace Period expires.

If the Interest Payment Date is postponed and the Issuer does not publish an Acceleration Event Notice, the Issuer is only obliged to pay the respective amount of interest which would have been payable on the originally scheduled Interest Payment Date without such a postponement. The Issuer is not obliged to pay additional amounts with respect to the postponement of the Interest Payment Date or the Maturity Date.

Whereby:

**"Acceleration Event Notice"** means a written notice from the Issuer to the Holders that an Acceleration Event has occurred. An Acceleration Event Notice must contain a description in reasonable detail of the facts relevant to the determination that an Acceleration Event has occurred. The Acceleration Event that is the subject of the Acceleration Event Notice does not need to continue on the date the Acceleration Event Notice becomes effective.

**"Determinations Committee"** is a committee established by the International Swaps and Derivatives Association, Inc. (or any successor organisation) ("**ISDA**") which comprises representatives of participants in the capital market and makes certain resolutions in connection with credit derivatives, as more fully described in the Credit Derivatives Determinations Committees Rules, as amended from time to time.

**"Interest Period"** is each period from the Interest Commencement Date (including) to the first Interest Payment Date (excluding) or each period from an Interest Payment Date (including) to the next following Interest Payment Date (excluding).

**"ISDA Business Day"** means a day (except for Saturday or Sunday) on which (a) the banks in London are open for transactions (including foreign exchange transactions and foreign currency deposit transactions), and (b) all parts of TARGET which are significant for settling payments in euro are in operation.

**"Reference Entity"** means Republic of Serbia or its respective Successor. The Reference Entity is an Emerging European Sovereign.

**"Successor"** is, provided the Determinations Committee has made a resolution on a Successor of the Reference Entity, the Successor named by the Determinations Committee. If the Determinations Committee has not made a resolution with respect to a Successor of the Reference Entity, the Successor is one or all direct or indirect Successor(s) of the Reference Entity, as determined by the Calculation Agent at its reasonable discretion and on the basis of the determinations of the Successor, in accordance with the Credit Derivatives Definitions published by ISDA, regardless of whether it or they assume(s) any obligation of the Reference Entity.

(4) *Calculation of Amount of Interest.* The Calculation Agent will calculate the amount of interest payable under the Notes (the "**Amount of Interest**") in respect of the Specified Denomination for the relevant Interest Period. The 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 resulting figure to the nearest sub-unit of the relevant Specified Currency, with half of

such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

(5) *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**

(1) *Redemption at Maturity*. Unless previously redeemed in whole or in part or purchased and cancelled, and subject to adjustment in accordance with the following provisions (in particular subject to the occurrence of an Acceleration Event (as defined in § 4)), the Notes shall be redeemed at their Final Redemption Amount on 24.05.2015 (the "**Maturity Date**"). The "**Final Redemption Amount**" in respect of each Note shall be the product of the Redemption Price and the Principal Amount per Note. The "**Redemption Price**" is 100 per cent.

If an application has been filed with the Determinations Committee for a resolution in relation to the existence of a Credit Event in respect of the Reference Entity prior to the Scheduled Last Credit Event Observation Date and if the Determinations Committee has not reached a resolution on this application by the last ISDA Business Day prior to the Scheduled Last Credit Event Observation Date (as defined in § 4), the Issuer can postpone the Maturity Date by up to 70 calendar days.

If a Potential Repudiation/Moratorium (as defined in § 4) occurs between the Issue Date (including) and the Scheduled Last Credit Event Observation Date (including) and the Issuer has published a Repudiation/Moratorium-Extension Notice (as defined in § 4) on or prior to the Scheduled Last Credit Event Observation Date, then the Maturity Date shall be postponed to the 70th calendar day following the Repudiation/Moratorium Evaluation Date.

If a Potential Failure to Pay (as defined in § 4) with respect to an Obligation, to which a Grace Period applies, occurs between the Issue Date (including) and the Scheduled Last Credit Event Observation Date (including) and this Grace Period does not end on or prior to the Scheduled Last Credit Event Observation Date, then the Maturity Date is postponed to the 70th calendar day following the day on which the Grace Period expires.

(2) *Consequence of the occurrence of an Acceleration Event*. If, pursuant to the determination of the Calculation Agent an Acceleration Event occurs between the Issue Date (including) and the Last Credit Event Observation Date (including) with respect to the Reference Entity and/or the Reference Obligation and the Issuer publishes an Acceleration Event Notice between the Issue Date (including) and the Maturity Date (including), the Issuer is released from its obligation to redeem the Notes on the Maturity Date at the Final Redemption Amount. The claim to redemption of the Final Redemption Amount will not revive due to the fact that the circumstances that triggered an Acceleration Event are remedied subsequently or cease to exist.

If the Issuer is released, according to the preceding paragraph, from its obligation to redeem the Notes, it must pay the Holders the Acceleration Event Redemption Amount per Note on the Cash Settlement Date at the latest.

Whereby:

**"Cash Settlement Date"** is the 30th calendar day following the calendar day on which the Issuer has published the Acceleration Event Notice, in accordance with § 11 of the General Conditions.

**"Acceleration Event Redemption Amount"** means the Reference Obligation Liquidation Proceeds converted into the Specified Currency at the prevailing exchange rate, adjusted for the Swap Value (as defined in §4 (2)), subject to a minimum of zero.

**"Reference Obligation Liquidation Proceeds"** means, with respect to the Reference Obligation Nominal Amount, the amount denominated in the currency of the Reference Obligation which a potential seller would have received from the Selected Dealer (as defined below) in respect of the sale of the Reference Obligation (including any Replacement Entitlement (if applicable)) as determined by the Calculation Agent through the following procedure:

- (a) on a Business Day selected by the Calculation Agent within 5 Business Days from (but excluding) the day on which an Acceleration Event has occurred in the opinion of the Calculation Agent (such date, the **"Liquidation Date"**), the Calculation Agent shall attempt to obtain firm bid quotations from at least 3 Dealers in accordance with prevailing market practice for the Reference Obligation (including any Replacement Entitlement (if applicable)) for a nominal amount equal to the Reference Obligation Nominal Amount and with a settlement date for the sale in accordance with prevailing market practice;
- (b) the Calculation Agent shall determine the Reference Obligation Liquidation Proceeds based on the quote from the Dealer who has submitted the highest firm bid quotation in respect of all (and not part) of the Reference Obligation Notional Amount (including any Replacement Entitlement (if applicable)) as the best quotation provider (the **"Selected Dealer"**);
- (c) if the Calculation Agent receives less than 3 bid quotations from any Dealers in respect of all (and not part) of the Reference Obligation (or any Replacement Entitlement (if applicable)) for an amount equal to the Reference Obligation Nominal Amount, the Reference Obligation Liquidation Proceeds will be determined by the Calculation Agent in good faith and in a commercially reasonable manner, and may be zero.

**"Dealers"** means a dealer in obligations of the type similar to those of the Reference Obligation (including any Replacement Entitlement (if applicable)) as of the Liquidation Date as selected by the Calculation Agent in good faith and in a commercially reasonable manner.

**"Reference Obligation"** means:

Screen Page (Bloomberg)	Reference Obligation ISIN
SERBGB 4 ½ 05/24/15	RSMFRSD24003

**"Reference Obligation Nominal Amount"** means EUR 1,554,000.

**"Replacement Entitlement"** means cash, securities, rights and/or any other asset or entitlement (whether tangible or otherwise) (in each case, whether of the relevant Reference Entity or of a third party) that the Issuer would have received or would have become entitled to receive in relation to an Unscheduled Redemption of the Reference Obligation.

**"Swap Agreement"** means all internal or external derivative transactions or agreements entered into by the Issuer or any of its affiliates in relation to the Reference Obligation underlying the Notes in an amount equal to the Reference Obligation Nominal Amount.

#### § 4

#### ACCELERATION EVENT LINKED PROVISIONS

(1) *Definition of an Acceleration Event.* An **"Acceleration Event"** means a Reference Obligation Event or a Credit Event.

(2) *Reference Obligation Event.* The following shall apply in relation to a Reference Obligation Event:

A **"Reference Obligation Event"** shall be deemed to have occurred if a Reference Obligation Scheduled Payment Deficiency, an Unscheduled Redemption of the Reference Obligation or a Value Deterioration Trigger Event occurs, as determined by the Calculation Agent.

A **"Reference Obligation Scheduled Payment Deficiency"** means with respect to the Reference Obligation and as determined by the Calculation Agent during the term of the Notes, the occurrence of a deficiency or a discrepancy, for whatever reason, of any scheduled payments on the Reference Obligation.

An **"Unscheduled Redemption of the Reference Obligation"** means with respect to the Reference Obligation, the occurrence during the term of the Notes of a) the redemption or cancellation (in whole or in part) of the Reference Obligation, or any event which has substantially the same effect, but not including a redemption of the Reference Obligation in full on its scheduled redemption date, or b) the exchange or partial exchange of the Reference Obligation for a Replacement Entitlement on or prior to the Reference Obligation's scheduled redemption date.

A **"Value Deterioration Trigger Event"** means with respect to the Reference Obligation and as determined by the Calculation Agent, that as a result of regular valuation of the Calculation Agent (each calendar day between the Issue Date and the Scheduled Last Credit Event Determination Date being a **"Valuation Date"**) the Reference Obligation Value adjusted for the Swap Value is at or below **50 per cent** of the Reference Obligation Nominal Amount. **"Reference Obligation Value"** means the value determined by the Calculation Agent at any time the market value (bid) of the Reference Obligation (including accrued interest) for a nominal amount equal to the Reference Obligation Nominal Amount and **"Swap Value"** means the unwind costs or profit for the Issuer of a Swap Agreement with a start date being the Issue Date and a final date being the Maturity Date and which provides for (i) a receiver leg (payments to be received by the Issuer if it were the counterparty to the Swap Agreement) that has identical cash flows and payment and calculation conventions as the Note and (ii) a payer leg (payments to be made by the Issuer if it were the counterparty to the Swap Agreement) which has identical cash flows and payment and calculation conventions as the Reference Obligation. For the purpose of determining the Swap Value, all market inputs necessary for determining the valuation will be taken on the relevant Valuation Date with all specifications as determined by the Calculation Agent at any time.

(3) *Credit Event.* The following shall apply in relation to a Credit Event:

A **"Credit Event"** shall be deemed to have occurred if an Obligation Acceleration, Failure to Pay, Repudiation/Moratorium or Restructuring with respect to the Reference Entity occurs, as determined by the Calculation Agent.

**"Obligation Acceleration"** means that one or more Obligations of the Reference Entity in an aggregate amount corresponding to not less than the Default Requirement have become due and payable before they would otherwise have been due and payable as a result of the occurrence of an event of default or

other similar condition (however described), other than a payment default.

**"Failure to Pay"** means if, pursuant to the reasonable discretion of the Calculation Agent, the Reference Entity fails to make, after the expiration of any applicable Grace Period, when and where due, any payments under one or more Obligations the aggregate amount of which is not less than USD 1,000,000 (or the equivalent in the currency in which the respective Obligation is denominated).

**"Grace Period"** means:

- (a) subject to the following paragraphs (b) and (c), the originally applicable grace period with respect to payments under an Obligation;
- (b) if a Potential Failure to Pay has occurred on or prior to the Scheduled Last Credit Event Observation Date and the applicable grace period cannot expire on or prior to the Scheduled Last Credit Event Observation Date, the grace period shall be less than 30 calendar days;
- (c) if, as of the date as of which an Obligation is issued or incurred, no grace period with respect to payments on this Obligation or a grace period with respect to payments of less than three Business Days is applicable, a grace period of three Grace Period Business Days shall be deemed to apply to such Obligation; however, such deemed Grace Period shall expire no later than on the Scheduled Last Credit Event Observation Date.

**"Potential Failure to Pay"** means the failure by the Reference Entity to make, when and where due, any payments in an aggregate amount of not less than USD 1,000,000 (or its equivalent in the currency in which the respective Obligation is denominated) under one or more Obligations, without regard to any Grace Period or any conditions precedent to the commencement of any Grace Period applicable to such Obligations.

**"Grace Period Business Day"** is any day on which commercial banks and foreign exchange markets are generally open to settle payments in the place or places valid for the payment of the relevant Obligation.

**"Repudiation/Moratorium"** exists if both of the following events have occurred:

- (a) an authorized officer of the Reference Entity or a governmental authority (A) disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, one or more Obligations in an aggregate amount of not less than USD 10,000,000 (or its equivalent in the currency in which the respective Obligation is denominated) (the **"Default Requirement"**) or (B) declares or imposes a moratorium, standstill, roll-over or deferral, whether de facto or de jure, with respect to one or more Obligations in an aggregate amount of not less than the Default Requirement (the occurrence of one of the events under (A) or (B) shall be a **"Potential Repudiation/Moratorium"**) and
- (b) a Failure to Pay, determined without regard to the Payment Requirement, or a Restructuring, determined without regard to the Default Requirement, with respect to any such Obligation occurs on or prior to the Repudiation/Moratorium Evaluation Date.

**"Repudiation/Moratorium Evaluation Date"** is, if a Potential Repudiation/Moratorium occurs on or prior to the Last Credit Event Observation Date,

- (a) if the Obligations to which such Potential Repudiation/Moratorium relates include Bonds, the date that is the later of (A) 60 days after the date of such Potential Repudiation/Moratorium and (B) the first payment date under any such Bond after the date of such Potential Repudiation/Moratorium (or, if later, the expiration date of any applicable Grace Period) or



- (b) if the specified Obligations to which such Potential Repudiation/Moratorium relates do not include Bonds, the date that is 60 days after the date of such Potential Repudiation/Moratorium;

provided that, in either case,

(a) or (b), the Repudiation/Moratorium Evaluation Date occurs no later than the Scheduled Last Credit Event Observation Date, unless the Issuer published a Repudiation/Moratorium-Extension Notice prior to the Last Credit Event Observation Date.

**"Restructuring"** means that, with respect to one or more Obligations (**"Restructuring Obligation"**) and in relation to an aggregate amount of not less than USD 10,000,000 (or its equivalent in the currency in which the respective Restructuring Obligation is denominated), any one or more of the following events occurs in a form (including an agreement with or an order by a governmental authority) that binds all holders of such Restructuring Obligation:

- (a) a reduction in the agreed rate of interest or amount of interest payable or the amount of scheduled interest accruals;
- (b) a reduction in the amount of principal or premium payable at maturity or at scheduled redemption dates;
- (c) a postponement or other deferral of a date or dates for either (A) the payment or accrual of interest or (B) the payment of principal or premium;
- (d) a change in the ranking in priority of payment of any Restructuring Obligation, causing the subordination of such Restructuring Obligation to any other Obligation; or
- (e) a change of the currency or the composition of the payment of interest or principal to a currency which is not either (1) the legal tender of Germany, the United States of America, Japan, the United Kingdom, Canada, France or Italy; or (2) the legal tender of any country which, as of the date of such change, is a member of the Organization for Economic Cooperation and Development and has a local currency long-term debt rating of (x) AAA or higher assigned to it by Standard & Poor's, a division of The McGraw-Hill Companies, Inc. or any successor to the rating business thereof, (y) Aaa or higher assigned to it by Moody's Investors Service, Inc. or any successor to the rating business thereof or (z) AAA or higher assigned to it by Fitch Ratings or any successor to the rating business thereof.

**"Last Credit Event Observation Date"** shall be the later of the following days:

- (a) the 24.05.2015 (the **"Scheduled Last Credit Event Observation Date"**); or
- (b) the Repudiation/Moratorium Evaluation Date, if:
  - (i) a Potential Repudiation/Moratorium in connection with this Repudiation/Moratorium occurred on or prior to the Scheduled Last Credit Event Observation Date; and
  - (ii) the Issuer published a Repudiation/Moratorium-Extension Notice on or prior to the Scheduled Last Credit Event Observation Date; or
- (c) the day on which the relevant Grace Period expires, if:
  - (i) the Credit Event, which is the subject of the Credit Event Notice, is a Failure to Pay that occurred after the Scheduled Last Credit Event Observation Date; and
  - (ii) the Potential Failure to Pay in connection with this Failure to Pay occurs prior to the

Scheduled Last Credit Event Observation Date.

**"Repudiation/Moratorium-Extension Notice"** is an irrevocable notice from the Issuer to the Holders, which is published in accordance with § 11 of the General Conditions, that describes a Potential Repudiation/Moratorium that occurred on or after the Issue Date and on or prior to the Scheduled Last Credit Event Observation Date. A Repudiation/Moratorium-Extension Notice must contain a description in reasonable detail of the facts relevant to the determination that a Potential Repudiation/Moratorium has occurred and indicate the date of the occurrence. The Potential Repudiation/Moratorium that is the subject of the Repudiation/Moratorium-Extension Notice need not be continuing until the date the Repudiation/Moratorium-Extension Notice becomes effective.

**"Obligation"** means the Reference Obligation and any obligation of the Reference Entity (either directly or as a provider of a Qualifying Guarantee) to pay or repay amounts of borrowed money in the form of, or represented by, a bond, note, certificated debt security or other debt security ("**Bond**")

- (a) which is not subordinated ("**Not Subordinated**"),
- (b) which is payable in any currency other than the lawful currency and any successor currency of the Reference Entity (the "**Domestic Currency**"). In no event shall the Domestic Currency include any successor currency if such successor currency is the lawful currency of any of Canada, Japan, Switzerland, the United Kingdom and the United States of America or euro or any successor currency ("**Not Domestic Currency**"),
- (c) that is not governed by the laws of the Reference Entity ("**Not Domestic Law**") and
- (d) at the time the relevant obligation was issued or reissued, as the case may be, or incurred, not intended to be offered for sale primarily in the domestic market of the Reference Entity. Any obligation that is registered or qualified for sale outside the domestic market of the Reference Entity (regardless of whether such obligation is also registered or qualified for sale within the domestic market of the Reference Entity) shall be deemed not to be intended for sale primarily in the domestic market of the Reference Entity ("**Not Domestic Issuance**").

**"Qualifying Guarantee"** means an arrangement evidenced by a written instrument pursuant to which the Reference Entity irrevocably agrees (by guarantee of payment or equivalent legal arrangement) to pay all amounts due under an obligation (the "**Underlying Obligation**") for which another party is the obligor (the "**Underlying Obligor**") and which is unsubordinated at the time of the Credit Event in relation to unsubordinated obligations of the Underlying Obligor from borrowed money in form of a Bond or a loan with a fixed term, a revolving loan or a similar loan and for which the definitions of Obligations respectively apply.

## § 5

### 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 fulfill 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 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 Fiscal Agent has calculated as the arithmetic mean of offered rates concerning the Specified Currency or the Successor Currency (if applicable) quoted to the Fiscal 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 Fiscal 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 Fiscal 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 calendar day which is a Payment Business Day.

**"Payment Business Day"** means a calendar 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 Bucharest and London 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 not 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.

## 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 Managers, 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

### INFORMATION CONCERNING THE SECURITIES TO BE OFFERED OR ADMITTED TO TRADING

#### Security Codes

- ☒ ISIN AT000B120514
- ☒ German Security Code EB0CDU
- ☐ Any Other Security Code

#### Information about the past and future credit-worthiness of the underlying and its volatility

*Detailed information about the past and future credit-worthiness and volatilities of the Reference Entity can be obtained from the following Screen Page.*

<b>Reference Entity</b>	<b>Screen Page (Bloomberg)</b>
Republic of Serbia	SERBGB 4 ½ 05/24/15

#### 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.*

#### 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 Manager**

Manager Not applicable

☐ Firm Commitment

☐ Without Firm Commitment

Stabilising Manager Not applicable

**Commissions, Concessions and Estimated Total Expenses**

☐ Management and Underwriting Commission

☐ Selling Concession

☐ Other

Total Commission and Concession

**LISTING ADMISSION TO TRADING AND DEALING ARRANGEMENTS**

**Listing** Yes

☒ Vienna Stock Exchange

☐ Official Market

☒ Second Regulated Market

☐ Other Stock Exchange

**Date of Admission** On or around the Issue Date (as defined above)

**ADDITIONAL INFORMATION**

**Rating**

The Notes have not been rated.

**Selling Restrictions**

**TEFRA**

☒ TEFRA C

☐ Additional Selling Restrictions Not applicable

## **Listing**

These Final Terms comprise the details required to list the issue of Notes described in these Final Terms pursuant to the Programme (as from **08.04.2014**).

Signed on behalf of the Issuer

By:

Duly authorised

By:

Duly authorised