

Prospectus Supplement No. 3

Erste Group Bank AG

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

Asset Linked Notes 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 Sec 6(1) of the Austrian Capital Market Act as amended (*Kapitalmarktgesetz*, the "**KMG**") and is supplemental to, and should be read in conjunction with, the prospectus dated 31 January 2014 (the "**Original Prospectus**" and together with supplement No. 1 dated 13 February 2014 and the supplement No. 2 dated 2 April 2014, the "**Prospectus**") relating to the Asset Linked Notes Programme (the "**Programme**") of Erste Group Bank AG (the "**Issuer**" or "**Erste Group Bank**").

The Original Prospectus has been approved on 31 January 2014 by the Austrian Financial Market Authority (*Finanzmarktaufsichtsbehörde*, the "**FMA**").

This Supplement has been filed for approval with the FMA in its capacity as competent authority under the KMG on 26 June 2014. 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 "www.erstegroup.com". Printed copies of this Supplement will be made available free of charge during normal business hours at the registered office of the Issuer, Graben 21, 1010 Vienna, Austria.

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

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 Sec 6 KMG, 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 until, and including, 30 June 2014.

This Supplement has been filed with the FMA in its capacity as competent authority under the KMG for approval. The accuracy of the information contained in this Supplement does not fall within the scope of examination by the FMA under applicable Austrian law and the Prospectus Directive. The FMA has examined this Supplement only in respect of its completeness, coherence and comprehensibility pursuant to Sec 8a para 1 of the KMG.

26 June 2014



No person has been authorised to give any information or to make any representation other than those contained in the Prospectus and 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. Neither the delivery of the Prospectus and/or this Supplement nor any sale made in connection therewith 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 the Prospectus has been most recently 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 the Prospectus has been most recently 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 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, see "Subscription and Sale" in the Prospectus.*

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

Neither the Prospectus, 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 the Issuer that any recipient of the Prospectus, 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 the Prospectus, this Supplement or any financial statements and its purchase of Notes should be based upon any such investigation as it deems necessary.

Significant new factors (as referred to in Art 16 (1) of the Prospectus Directive and Sec 6(1) of the KMG) 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. Financial Information

1.1 On page 6 of the Original Prospectus, in the section entitled "*Documents Incorporated by Reference*", below the paragraph on the Audited Consolidated Financial Statements 2013 (which paragraph was included by means of supplement No. 2), the additional following paragraph shall be included:

"English translation of the Unaudited Interim Condensed Consolidated Financial Statements of the Issuer for the first quarter year ended 31 March 2014 – Interim Report First Quarter 2014 (the "Unaudited Interim Condensed Consolidated Financial Statements 31 March 2014")"

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"

1.2 The first paragraph below the above mentioned table (which paragraph was included by supplement No. 2) shall be replaced by the following paragraph:

"For the avoidance of doubt, such parts of the annual reports of the Issuer for the financial years 2013, 2012 and 2011 respectively as well as of the interim report for the third quarter year in 2013 and the quarterly report for the first quarter year in 2014 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."

1.3 On page 7 of the Original Prospectus in the section entitled "*Documents Available for Inspection*", the item numbered with "(ii)" in the first list (which item was included by supplement No. 2) shall be replaced by the following paragraph:

"the Audited Consolidated Financial Statements 2013, 2012 and 2011 as well as the Unaudited Interim Condensed Consolidated Financial Statements 30 September 2013 and the Unaudited Interim Condensed Consolidated Financial Statements 31 March 2014;"

1.4 On page 8 of the Original Prospectus in the section entitled "*Documents Available for Inspection*", the item numbered with "(iii)" in the last list (which item was included by supplement No. 2) shall be replaced by the following paragraph:

"the Audited Consolidated Financial Statements 2013, 2012 and 2011 as well as the Unaudited Interim Condensed Consolidated Financial Statements 30 September 2013 and the Unaudited Interim Condensed Consolidated Financial Statements 31 March 2014 incorporated by reference into this Prospectus."

1.5 On page 8 of the Original Prospectus, in the paragraph below the heading "*Significant Changes and Material Adverse Changes*", the last half-sentence (which was included by supplement No. 2) shall be replaced by the following:

"there has been no significant change in the financial or trading position of the Erste Group since 31 March 2014 and no material adverse change in the prospects of the Issuer since 31 December 2013."

2. Ratings

2.1 On page 14 of the Original Prospectus, in the first paragraph below the heading "*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*", the last two sentences shall be replaced by the following two sentences:

"Erste Group Bank's long-term credit ratings are: Standard & Poor's, A (outlook negative), whereas on 10 June 2014, Standard & Poor's has placed the 'A' long-term rating on the Issuer on CreditWatch with negative implications; Moody's, Baa1 (outlook negative); and Fitch, A (outlook negative)."

2.2 On page 107 of the Original Prospectus, the following text shall be inserted below the second paragraph ("Negative Outlook"):

"On 10 June 2014, Standard & Poor's has placed the 'A' long-term and the 'A-1' short-term ratings on the Issuer on CreditWatch with negative implications.

'**CreditWatch**' highlights Standard & Poor's opinion regarding the potential direction of a short-term or long-term rating. It focuses on identifiable events and short-term trends that cause ratings to be placed under special surveillance by Standard & Poor's analytical staff. A CreditWatch listing does not mean a rating change is inevitable. The "negative" designation means a rating may be lowered."

2.3 On page 107 of the Original Prospectus, the following table shall replace the table below the text "*Moody's assigned the following ratings*":

"

	Long term deposits	Short term deposits	Outlook
Erste Group Bank AG	Baa1	P-2	negative
Public Sec. Cov. Bonds	Aaa	-	-
Mortgage Cov. Bonds	Aaa	-	-
Subordinated	Ba1	-	negative

"

2.4 On page 107 of the Prospectus, the sentence "**'A'** – *Obligations rated A are judged to be upper-medium grade and are subject to low credit risk*" shall be replaced by the following sentence:

"**'Baa'** — Obligations rated Baa are judged to be medium-grade and subject to moderate credit risk and as such may possess certain speculative characteristics."

3. Change in Segment Reporting

On page 94 of the Original Prospectus, the following sentence shall be added at the end of the first paragraph below the heading "Erste Group's Business Segments":

"As of the beginning of 2014, Erste Group's reporting segments have been changed."

4. Risk Factors

4.1 On page 16 of the Original Prospectus, the following new paragraph shall be inserted after the paragraph starting with "*Changes in Recognition of Own Funds*":

"*Privileged Treatment of Exposures to Central Governments or Central Banks of a Third Country.* The CRR allows institutions to assign a privileged risk weight to exposures to central governments or central banks of a third country which applies supervisory and regulatory requirements at least equivalent to those applied in the EU. The EU-Commission may adopt a

decision as to whether a third country applies supervisory and regulatory arrangements at least equivalent to those applied in the EU. In the absence of such a decision, until 1 January 2015, institutions may continue to apply the treatment to the exposures to the central government or central bank of the third country where the relevant competent authorities had approved the third country as eligible for that treatment before 1 January 2014. However, the Austrian Financial Market Authority (*Finanzmarktaufsichtsbehörde* – "**FMA**") – as the relevant competent authority for Erste Group – did not approve any third countries as eligible for such privileged treatment. Erste Group has therefore concluded to continue to apply such privileged treatment to those third countries deemed eligible by Erste Group until a respective decision by the EU-Commission (but until 1 January 2015 at the latest). The discontinuation of this privileged treatment would have a negative impact on the amount of RWA and on the capital ratios."

4.2 On page 21 of the Original Prospectus, the following text shall be added at the end of the first paragraph below the heading "*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*":

"Further, the impact of court decisions invalidating clauses used in foreign currency loans, or replacing them with clauses more onerous on the lender, may have negative effects. In a recent decision concerning a dispute of a client with a Hungarian competitor of Erste Bank Hungary, the Hungarian Supreme Court established that the use of the exchange rate gap was unfair and that the official medium exchange rate of the Hungarian National Bank must be used for calculation. This judicial development could have also negative effects on other Hungarian banks, including Erste Bank Hungary, causing additional costs or provisions."

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.

Vienna, 26 June 2014

Erste Group Bank AG
as Issuer

[Name]

[Function]

[Name]

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