

Final Terms dated 11 October 2010

Erste Group Bank AG

Issue of CHF 100,000,000 2.25 per cent. *Pfandbriefe* (Mortgage Bonds) due 14 October 2030
(the "Notes")

under the **€30,000,000,000 Debt Issuance Programme**

PART A - CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "Conditions") set forth in the Prospectus dated 8 June 2010 and the supplement to the Prospectus dated 9 June 2010 which together constitute a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the "Prospectus Directive"). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Prospectus as so supplemented. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms, the Prospectus as so supplemented and the prospectus dated 11 October 2010 prepared by the Issuer in connection with the listing of the Notes on the SIX Swiss Exchange Ltd (the "Listing Prospectus"). The Prospectus and the supplement to the Prospectus are available for viewing at <http://erstegroup.com> and during normal business hours at Erste Bank Group AG, Graben 21, A-1010 Vienna. The Listing Prospectus is available for viewing at, and copies may be obtained from, Barclays Bank PLC, London acting through Barclays Capital, Zurich Branch of Barclays Bank PLC, London, Beethovenstrasse 19, P.O. Box, CH-8027 Zurich, Switzerland.

1	Issuer:	Erste Group Bank AG
2	(i) Series Number:	984
	(ii) Tranche Number:	1
3	Specified Currency or Currencies:	Swiss Francs ("CHF")
4	Aggregate Nominal Amount of Notes:	
	(i) Series:	CHF 100,000,000
	(ii) Tranche:	CHF 100,000,000
5	Issue Price:	100.552 per cent. of the Aggregate Nominal Amount
6	(i) Specified Denominations:	CHF 5,000
	(ii) Calculation Amount:	Specified Denomination
7	(i) Issue Date:	14 October 2010
	(ii) Interest Commencement Date:	Issue Date
8	Maturity Date:	14 October 2030
9	Interest Basis:	2.25 per cent. Fixed Rate (further particulars specified below)
10	Redemption/Payment Basis:	Redemption at par
11	Change of Interest or Redemption/Payment Basis:	Not Applicable
12	Put/Call Options:	Not Applicable
13	(i) Status of the Notes:	Pfandbrief

(ii)	Date Board approval for issuance of Notes obtained:	According to Overall Planning Approval of Management Board dated 16 November 2009 and Supervisory Board dated 16 December 2009
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14	Method of distribution:	Non-syndicated
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PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15	Fixed Rate Note Provisions	Applicable
	(i) Rate[(s)] of Interest:	2.25 per cent. per annum payable annually in arrear.
	(ii) Interest Payment Date(s):	14 October in each year subject to adjustment in accordance with the Business Day Convention specified below
	(iii) Business Day Convention:	Following Business Day Convention
	(iv) Business Centre:	Zurich
	(v) Fixed Coupon Amount[(s)]:	CHF 112.50 per Calculation Amount
	(vi) Broken Amount(s):	Not Applicable
	(vii) Day Count Fraction:	30/360
	(viii) Interest Determination Dates:	Not Applicable
	(ix) Other terms relating to the method of calculating interest for Fixed Rate Notes:	Not Applicable
16	Floating Rate Note Provisions	Not Applicable
17	Zero Coupon Note Provisions	Not Applicable
18	Index-linked Interest Note/other variable-linked interest Note Provisions	Not Applicable
19	Dual Currency Note Provisions	Applicable

PROVISIONS RELATING TO REDEMPTION

20	Call Option	Not Applicable
21	Put Option	Not Applicable
22	Final Redemption Amount of each Note	
	In cases where the Final Redemption Amount is Index-Linked or other variable-linked:	Not Applicable
23	Redemption of Reverse Convertible Notes (Cash-or-Share Notes, Cash-or-Fund Notes, Cash-or-Commodity Notes, Cash-or-Currency Notes, Cash-or-Future Notes)	Not Applicable

24 Early Redemption Amount

Early Redemption Amount(s) of each Note payable on redemption for taxation reasons or on event of default or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions):

According to Clause 6 of the Terms and Conditions of the Notes

GENERAL PROVISIONS APPLICABLE TO THE NOTES

25 Form of Notes:

Notes governed by Austrian law:

Bearer Notes:

- (A) The Notes will be in bearer form and will be represented by permanent global note (the "**Permanent Global Note**").
- (B) The Permanent Global Note shall be deposited with SIX SIS AG, the Swiss Securities Corporation in Olten, Switzerland ("**SIS**") or any other intermediary in Switzerland recognized for such purposes by SIX Swiss Exchange Ltd or any such other intermediary (the "**Intermediary**"). Once the Permanent Global Note is deposited with the Intermediary and entered into the accounts of one or more participants of the Intermediary, the Notes will constitute intermediated securities (*Bucheffekten*) ("**Intermediated Securities**") in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*). The Permanent Global Note will document the right to receive principal and interest thereon and all other rights and obligations in connection therewith.
- (C) Each holder of Notes shall have a quotal co-ownership interest (*Miteigentumsanteil*) in the Permanent Global Note to the extent of his claim against the Issuer, provided that for so long as the Permanent Global Note remains deposited with the Intermediary the co-ownership interest shall be suspended and the Notes may only be transferred or otherwise disposed of in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*); i.e., by the entry of the transferred Notes in a securities account of the transferee.

The records of the Intermediary will determine the number of Notes held through each participant in that Intermediary. In respect of the Notes held in form of Intermediated

Securities, the holders of the Notes will be the investors, i.e. (i) the persons, other than intermediaries, holding the Notes in a securities account with an Intermediary and (ii) the Intermediaries holding the Notes for their own account.

- (D) The Permanent Global Note will be exchanged for Definitive Notes in whole but not in part only at the option of the Principal Swiss Paying Agent. Owners of quotal co-ownership (*Miteigentumsanteil*) interests in the Permanent Global Note do not have the right to request the printing and delivery of note certificates in definitive form (the "**Definitive Notes**").

The Issuer irrevocably agrees with and undertakes to the Principal Swiss Paying Agent to arrange for the printing and delivery to it of the Definitive Notes with Coupons attached in the name of the Issuer, should the Principal Swiss Paying Agent deem such printing to be necessary or useful, after consultation with the Issuer, or if the presentation of Definitive Notes and Coupons is required by Swiss or other applicable laws and regulations in connection with the enforcement of rights of holders of Notes, or if the Principal Swiss Paying Agent at any time determines to have Definitive Notes and Coupons issued. Should the Definitive Notes and Coupons be printed, the Principal Swiss Paying Agent will then exchange the Permanent Global Note against delivery of the Definitive Notes and Coupons and thereupon cancel and return the Permanent Global Note to the Issuer.

26	New Global Note	No
27	Financial Centre(s) or other special provisions relating to Payment Dates:	Not Applicable
28	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	No

29	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:	Not Applicable
30	Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made:	Not Applicable
31	Redenomination, renominatisation and reconventioning provisions:	Not Applicable
32	Consolidation provisions:	Not Applicable
33	Other final terms:	<p>The following provisions shall be inserted immediately following Condition 7(i) as Conditions 7(k):</p> <p><i>(k) Discharge of the Issuer</i></p> <p>The receipt by Principal Swiss Paying Agent (or any successor) of the due and punctual payment in Swiss Francs in Switzerland, of all amounts due in respect of the Notes shall, to the extent of such payments, be deemed to have satisfied the obligation of the Issuer to make the relevant payments to the holders of Notes and Coupons.</p> <p>Payments of principal and interest in respect of any Notes shall be made in freely disposable Swiss Francs without collection costs and whatever the circumstances may be, irrespective of the nationality, domicile or residence of the holder of any Notes and without requiring any certification, affidavit or the fulfilment of any other formality".</p> <p>Condition 7(e) shall be supplemented as follows:</p> <p>"In respect of any Notes denominated in Swiss Francs, the Issuer will at all times maintain a Paying Agent having a specified office in Switzerland and will at no time maintain a Paying Agent having a specified office outside Switzerland in relation to such Notes".</p> <p>In addition, all references in the Terms and Conditions to the "Fiscal Agent" and to the "Paying Agents" shall, so far as the context permits, be construed as references to the "Principal Swiss Paying Agent".</p> <p>Condition 14 shall be supplemented as follows:</p> <p>"So long as the Notes are listed on the SIX Swiss Exchange Ltd, all notices concerning the Notes will</p>

be validly given if given through the Principal Swiss Paying Agent by means of electronic publication on the internet website of the SIX Swiss Exchange Ltd (www.six-swiss-exchange.com/news/official_notices/search_en.html)."

DISTRIBUTION

34	(i) If syndicated, names and addresses of Managers and underwriting commitments:	Not Applicable
	(ii) Date of Subscription Agreement:	Not Applicable
	(iii) Stabilising Manager(s) (if any):	Not Applicable
35	If non-syndicated, name of Dealer:	Barclays Bank PLC, London acting through Barclays Capital, Zurich Branch of Barclays Bank PLC, London
36	Total commission and concession:	1.25 per cent. of the Aggregate Nominal Amount
37	U.S. Selling Restrictions	Reg S Compliance Category, TEFRA D
38	Additional selling restrictions:	Not Applicable
39	Non-exempt Offer:	Not Applicable
40	Jurisdiction and Governing Law:	Austrian
41	Binding language:	English
42	Domestic or International Notes	International

PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue and admission to trading on the SIX Swiss Exchange Ltd of the Notes described herein pursuant to the €30,000,000,000 Debt Issuance Programme of Erste Group Bank AG.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms.

Erste Group Bank AG as the Issuer.

By:

Authorised Officer

By:

Authorised Officer

PART B - OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

- (i) Listing: Switzerland
- (ii) Admission to trading: Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the SIX Swiss Exchange Ltd with effect from 11 October 2010.

2. RATINGS

- Ratings: The Notes to be issued have been rated. Moody's will assign definitive long-term ratings of **Aaa** to the outstanding *Pfandbriefe* (Mortgage Bonds) issued by Erste Group Bank AG.

3. NOTIFICATION

Not Applicable

4. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER]

"Save as discussed in "Subscription and Sale", so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer."

5. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

- (i) Reasons for the offer: The net proceeds from the issue of the Notes will be used by the Issuer for its general funding purposes.
- (ii) Estimated net proceeds: CHF 99,177,000
- (iii) Estimated total expenses: CHF 125,000

6. OPERATIONAL INFORMATION

- (i) ISIN Code: CH0117940640
- (ii) Common Code: 054555415
- (iii) Clearing system(s)
 - a) for International Notes: SIX SIS AG, Olten, Switzerland
 - b) for Domestic Notes: Not Applicable
- (iv) Delivery: Delivery against payment
- (v) Names and addresses of initial Paying Agent(s): BNP Paribas Securities Services, Paris, succursale de Zurich, shall act as issuing and principal paying agent in Switzerland (the "**Principal Swiss Paying Agent**") in respect of the Notes. All references in the Terms and Conditions of the Notes to the Agent shall be deemed to be references to the Principal Swiss Paying Agent.

(vi) Names and addresses of additional Paying Agent(s) (if any): Not Applicable

(vii) Intended to be held in a manner which would allow Eurosystem eligibility. No

7. Terms and Conditions of the Offer

Offer Price: See Part A/Clause 5

Conditions to which the offer is subject: Not Applicable

Description of the application process: Not Applicable

Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants: Not Applicable

Details of the minimum and/or maximum amount of application: Not Applicable

Details of the method and time limits for paying up and delivering the Notes: Not Applicable

Manner in and date on which results of the offer are to be made public: Not Applicable

Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised: Not Applicable

Categories of potential investors to which the Notes are offered and whether tranche(s) have been reserved for certain countries: Not Applicable

Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made: Not Applicable

Amount of any expenses and taxes specifically charged to the subscriber or purchaser: Not Applicable

Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place. Barclays Bank PLC, London acting through Barclays Capital, Zurich Branch of Barclays Bank PLC, London
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CH-8027 Zurich
Switzerland