

## Final Terms dated 20 July 2011

### Erste Group Bank AG

Tap Issue of Capped CMS-linked Notes due 2021

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 2011 as supplemented from time to time which constitutes a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) as amended (which includes the amendments made by the Directive 2010/73/EU (the "2010 PD Amending Directive") to the extent implemented in the Relevant Member State) (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. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus. The Prospectus is available for viewing at <http://www.erstegroup.com> and during normal business hours at Börsegasse 14, 1010 Vienna and copies may be obtained from Erste Group Bank AG, Börsegasse 14, 1010 Vienna and on <http://www.erstegroup.com>.

1	Issuer:	Erste Group Bank AG
2	(i) Series Number:	1049
	(ii) Tranche Number:	1
3	Specified Currency or Currencies:	Euro ("EUR")
4	Aggregate Nominal Amount of Notes:	Tap issue ("Daueremission") up to EUR 100,000,000
	(i) Series:	
	(ii) Tranche:	
5	Issue Price:	Initially 100.00% of the Aggregate Nominal Amount and fixed thereafter by the Issuer according to prevailing market conditions.
6	(i) Specified Denominations:	EUR 100,000
	(ii) Calculation Amount:	Specified Denomination
7	(i) Issue Date:	26 July 2011
	(ii) Interest Commencement Date:	Issue Date
8	Maturity Date:	26 July 2021
9	Interest Basis:	10y-EUR-ISDA-EURIBOR Swap Rate – 11:00 plus 0.34% Floating 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:	Senior
	(ii)	Date Board approval for issuance of Notes obtained:	according to Overall Planning Approval of Management Board dated 25 November 2010 and Supervisory Board dated 15 December 2010

14		Method of distribution:	Non-syndicated
----	--	-------------------------	----------------

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

15		<b>Fixed Rate Note Provisions</b>	Not Applicable
16		<b>Floating Rate Note Provisions</b>	Applicable
	(i)	Interest Period(s):	Each period from (and including) an Interest Payment Date to (but excluding) the next Interest Payment Date, the first Interest Period shall be the period from (and including) the Interest Commencement Date to (but excluding) the first Interest Payment Date.
	(ii)	Specified Interest Payment Dates:	26 July in each year from and including the First Interest Payment Date to and including the Maturity Date, adjusted in accordance with the Business Day Convention below.
	(iii)	First Interest Payment Date	26 July 2012 adjusted in accordance with the Business Day Convention below
	(iv)	Business Day Convention:	Modified Following Business Day Convention
	(v)	Business Centre(s):	TARGET
	(vi)	Manner in which the Rate(s) of Interest is/are to be determined:	ISDA Determination
	(vii)	Party responsible for calculating the Rate(s) of interest and/or Interest Amount(s) (if not the Agent):	Erste Group Bank AG
	(viii)	Screen Rate Determination:	Not Applicable
		- Reference Rate:	
		- Interest Determination Date(s):	
		- Relevant Screen Page:	
	(ix)	ISDA Determination:	Applicable
		- Floating Rate Option:	EUR-ISDA-EURIBOR Swap Rate – 11:00
		- Designated Maturity:	10 years
		- Reset Date:	First day of each Interest Accrual Period
	(x)	Margin(s):	+0.34% per annum
	(xi)	Minimum Rate of Interest:	Not Applicable
	(xii)	Maximum Rate of Interest:	6.50% p.a.
	(xiii)	Day Count Fraction:	30/360 (adjusted)
	(xiv)	Fall back provisions, rounding provisions, denominator and any	Not Applicable

other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:

- |           |  |                |
|-----------|--|----------------|
| <b>17</b> | <b>Zero Coupon Note Provisions</b>   | Not Applicable |
| <b>18</b> | <b>Index-linked Interest Note/other variable-linked interest Note Provisions</b> | Not Applicable |
| <b>19</b> | <b>Dual Currency Note Provisions</b>   | Not Applicable |

**PROVISIONS RELATING TO REDEMPTION**

- |           |   |                |
|-----------|---|----------------|
| <b>20</b> | <b>Call Option</b>                          | Not Applicable |
| <b>21</b> | <b>Put Option</b>                           | Not Applicable |
| <b>22</b> | <b>Final Redemption Amount of each Note</b> |                |

In cases where the Final Redemption Amount is Index-Linked or other variable-linked: Not Applicable

- |           |   |                |
|-----------|---|----------------|
| <b>23</b> | <b>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)</b> | Not Applicable |
|-----------|---|----------------|

- |           |                                |   |
|-----------|--------------------------------|---|
| <b>24</b> | <b>Early Redemption Amount</b> | According to Clause 6 of the Terms and Conditions |
|-----------|--------------------------------|---|

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):

**GENERAL PROVISIONS APPLICABLE TO THE NOTES**

- |           |   |  |
|-----------|---|--|
| <b>25</b> | Form of Notes:  | Notes governed by Austrian law:<br><br>Bearer Notes:<br>Temporary Global Note exchangeable for a Permanent Global Note which is not exchangeable for Definitive Notes. |
| <b>26</b> | New Global Note   | No   |
| <b>27</b> | Financial Centre(s) or other special provisions relating to Payment Dates:  | TARGET   |
| <b>28</b> | Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): | No   |
| <b>29</b> | Details relating to Partly Paid   | Not Applicable   |

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:

- |           |  |                |
|-----------|--|----------------|
| <b>30</b> | Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made: | Not Applicable |
| <b>31</b> | Redenomination, renominatisation and reconventioning provisions:   | Not Applicable |
| <b>32</b> | Consolidation provisions:  | Not Applicable |
| <b>33</b> | Other final terms:   | Not Applicable |

#### **DISTRIBUTION**

- |           |                                       |  |
|-----------|---------------------------------------|--|
| <b>34</b> | (i) If syndicated, names of Managers  | Not Applicable                                     |
|           | (ii) Stabilising Manager(s) (if any): | Not Applicable                                     |
| <b>35</b> | If non-syndicated, name of Dealer:    | Erste Group Bank AG<br>Distributor: Commerzbank AG |
| <b>36</b> | U.S. Selling Restrictions             | TEFRA D  |
| <b>37</b> | Additional selling restrictions:      | Not Applicable                                     |
| <b>38</b> | Jurisdiction and Governing Law:       | Austrian   |
| <b>39</b> | Binding language:                     | English  |
| <b>40</b> | Domestic or International Notes       | Domestic   |

#### **PURPOSE OF FINAL TERMS**

These Final Terms comprise the final terms required for issue and admission to trading on the Luxembourg Stock Exchange 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: Luxembourg Stock Exchange, Regulated Market
- (ii) Admission to trading: Application has been made by the Issuer for the Notes to be admitted to trading on the Luxembourg Stock Exchange.
- (iii) Estimate of total expenses related to admission to trading: EUR 1,850

### 2. RATINGS

- Ratings: In general Notes have the following ratings:  
S & P: Long term: A  
Moody's: Senior Unsecured: A1  
Fitch: Long Term: A

*(The above disclosure should reflect the rating allocated to Notes of the type being issued under the programme generally, or where the issue has been specifically rated, that rating)*

Each of Standard & Poor's, Moody's and Fitch are established in the European Union and have applied for registration under Regulation EU No. 1060/2009 (the **CRA Regulations**), although notification of the corresponding registration decision has not yet been provided by the relevant competent authority.

### 3. NOTIFICATION

The Commission de surveillance du secteur financier (CSSF - Luxembourg) has provided the Finanzmarktaufsichtsbehörde (FMA – Austria), Bundesanstalt für Finanzdienstleistungsaufsicht (Bafin - Germany), Commissione Nazionale per le Società e la Borsa (CONSOB – Italy), Malta Financial Services Authority (MFSA – Malta), Commission de surveillance du secteur financier (CSSF - Luxembourg), Hungarian Financial Supervisory Authority (PSZÁF - Hungary), Czech Securities Commission (SEC - Czech Republic), National Bank of Slovakia (NBS - Slovak Republic), Securities Market Agency (Slovenia) and Romanian National Securities Commission (Romania) with a certificate of approval attesting that the Prospectus has been drawn up in accordance with the Prospectus Directive.

### 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:      | See "Use of Proceeds" wording in Prospectus |
| (ii) Estimated net proceeds:    | Not Applicable                              |
| (iii) Estimated total expenses: | EUR 5,000                                   |

**6. Fixed Rate Notes only - YIELD**

Indication of yield: Not Applicable

**7. *Index-linked or Equity-linked or Fund-linked or Credit-linked or Commodity-linked or Future-linked or other variable-linked Notes only* - PERFORMANCE OF INDEX/FORMULA/UNDERLYING EQUITY/FUND/CREDIT EVENT/COMMODITY/FUTURE/OTHER VARIABLE, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING**

Not Applicable

**8. *Dual Currency Notes only* - PERFORMANCE OF RATE[S] OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT**

Not Applicable

**9. OPERATIONAL INFORMATION**

- |  |  |
|--|--|
| (i) ISIN Code:   | AT000B006093   |
| (ii) Common Code:  | 065083973  |
| (iii) Clearing system(s)   |  |
| a) for International Notes:  | Euroclear Bank S.A./N.V./Clearstream Banking, Société Anonyme  |
| b) for Domestic Notes:   | OeKB and Euroclear Bank S.A./N.V. / Clearstream Banking, Société Anonyme through an account held with OeKB |
| (iv) Delivery:   | Delivery against payment   |
| (v) Names and addresses of initial Paying Agent(s):                              | Erste Group Bank AG, Graben 21, 1010 Vienna  |
| (vi) Names and addresses of additional Paying Agent(s) (if any):                 | Not Applicable   |
| (vii) Names and addresses of Delivery Agent (s) (if not BNP Paribas):            | Not Applicable   |
| (viii) Intended to be held in a manner which would allow Eurosystem eligibility: | No   |