

Erste Group Bank AG

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

Certificates 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 7 November 2014 (the "**Original Prospectus**") and together with Prospectus Supplement No. 1 dated 1 April 2015, the "**Prospectus**") relating to the Certificates Programme (the "**Programme**") of Erste Group Bank AG (the "**Issuer**" or "**Erste Group Bank**").

The Original Prospectus has been approved on 7 November 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 11 August 2015. 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/de/Capital-Markets/Prospekt/OS-Zertifikate_ab2006".

The Issuer has requested the FMA to provide the competent authorities in other host Member States within the European Economic Area including Croatia, the Czech Republic, Germany, Hungary, and Romania with a certificate of approval attesting that this Supplement has been drawn up in accordance with the Prospectus Directive and the KMG.

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 in 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, 13 August 2015.

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.



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 except in certain transactions permitted by US tax regulations and the Securities Act. 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 and/or inaccuracies (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. AMENDMENTS TO THE SECTION ENTITLED "DOCUMENTS INCORPORATED BY REFERENCE" COMMENCING ON PAGE 7 OF THE ORIGINAL PROSPECTUS

1.1 On page 7 of the Original Prospectus, after the table with regard to the Unaudited Interim Condensed Consolidated Financial Statements 30 September 2014, the following table shall be inserted:

"English translation of the Unaudited Interim Condensed Consolidated Financial Statements of the Issuer for the first half year ended 30 June 2015 – Interim Report First Half Year 2015 (the "Unaudited Interim Condensed Consolidated Financial Statements 30 June 2015")

Condensed Statement of Comprehensive Income	17 - 19
Condensed Balance Sheet	20
Condensed Statement of Changes in Equity	21
Condensed Cash Flow Statement	22
Condensed notes to the Financial Statements of Erste Group for the period from 1 January to 30 June 2015	22 - 60"

1.2 The last paragraph commencing on page 7 of the Original Prospectus 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 2014, 2013 and 2012 respectively as well as of the interim report for the first nine months period in 2014 and the interim report for the first half year 2015 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. AMENDMENTS TO THE SECTION ENTITLED "SOURCES OF INFORMATION" ON PAGE 9 OF THE ORIGINAL PROSPECTUS

2.1 On page 9 of the Original Prospectus, the first sentence of the first paragraph shall be replaced by the following sentence:

"Unless otherwise stated, statistical and other data provided in this Prospectus has been extracted from the Audited Consolidated Financial Statements 2013 and 2014 and the Annual Reports thereon, the Unaudited Interim Condensed Consolidated Financial Statements 30 September 2014 and the Unaudited Interim Condensed Consolidated Financial Statements 30 June 2015."

3. AMENDMENTS TO THE SECTION ENTITLED "DOCUMENTS AVAILABLE FOR INSPECTION" ON PAGE 9 OF THE ORIGINAL PROSPECTUS

3.1 On page 9 of the Original Prospectus, list paragraph "(i)" shall be replaced by the following list paragraph:

"(i) the Audited Consolidated Financial Statements 2014, 2013 and 2012, the Unaudited Interim Condensed Consolidated Financial Statements 30 September 2014 and the Unaudited Interim Condensed Consolidated Financial Statements 30 June 2015 incorporated by reference into this Prospectus."

4. AMENDMENTS TO THE SECTION ENTITLED "SIGNIFICANT CHANGES AND MATERIAL ADVERSE CHANGES" ON PAGE 9 OF THE ORIGINAL PROSPECTUS

4.1 On page 9 of the Original Prospectus, the paragraph is replaced by the following paragraph:

"Except as disclosed under "Current Regulatory Topics" starting on page 201, and "Recent Developments" on page 202 of this Prospectus, there has been no significant change in the financial position of the Erste Group since 30 June 2015 and no material adverse change in the prospects of the Issuer since 31 December 2014."

5. AMENDMENTS TO THE SECTION ENTITLED "1. SUMMARY" COMMENCING ON PAGE 12 OF THE ORIGINAL PROSPECTUS

5.1 In element B.12 the following table shall be added to the end of the subsection entitled "Selected historical key financial information" on page 15 of the Original Prospectus:

"in millions of Euro (rounded)	30 June 2015 unaudited	31 December 2014 audited
Total liabilities and equity	197,532	196,287
Total equity	14,015	13,443
in millions of Euro (rounded)	30 June 2015 unaudited	30 June 2014 unaudited
Net interest income	2,211.9	2,243.6
Pre-tax result from continuing operations	964.1	-541.5
Net result for the period	690.7	-877.1
Net result attributable to owners of the parent	487.2	-929.7

Source: Unaudited Interim Condensed Consolidated Financial Statements as of 30 June 2015 with comparative financial information for the first half year in 2014 and the year ended 31 December 2014, respectively"

5.2 In element B.12, in the subsection entitled "Description of significant changes in the financial or trading position subsequent to the period covered by the historical financial information" on page 15 of the Original Prospectus, the paragraph in the right column shall be replaced by the following paragraph:

"Not applicable. There has been no significant change in the financial position of the Issuer since 30 June 2015."

- 5.3 In element D.2, in the subsection entitled "Risks related to the business of Erste Group", the thirteenth bullet point commencing on page 22 of the Original Prospectus is replaced by the following:

"

- The Issuer is obliged to contribute amounts to the Single Resolution Fund and to the ex ante financed deposit guarantee fund."

6. **AMENDMENTS TO THE SECTION ENTITLED "2. RISK FACTORS" COMMENCING ON PAGE 35 OF THE ORIGINAL PROSPECTUS**

- 6.1 In the risk factor entitled "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" in the first paragraph commencing on page 40 of the Original Prospectus the last sentence is replaced by the following sentence:

"Erste Group Bank is rated by following rating agencies: Standard & Poor's, Moody's and Fitch."

- 6.2 On page 47 of the Original Prospectus, the risk factor entitled "In future, the Issuer will be obliged to contribute amounts to the Single Resolution Fund and ex ante funds to Deposit Guarantee Schemes." is replaced by the following risk factor:

"The Issuer is obliged to contribute amounts to the Single Resolution Fund and to the ex ante financed deposit guarantee fund.

The SRM includes establishing a Single Resolution Fund (SRF) ("**Fund**") to which all the banks in the participating EU-Member States have to contribute.

Furthermore, the (recast) "Directive 2014/49/EU of the European Parliament and of the Council of 16 April 2014 on deposit-guarantee schemes" (*Directive on Deposit Guarantee Schemes – "DGSD"*) stipulates financing requirements for the first time since the introduction of mandatory Deposit Guarantee Schemes ("**DGS**") in 1994 within the EU. The target level of ex ante funds for each national DGS in the Member States is 0.8% of covered deposits to be collected from credit institutions over a 10-year period. According to the Austrian Deposit Guarantee and Investor Protection Act (*Bundesgesetz über die Einlagensicherung und Anlegerentschädigung bei Kreditinstituten – ESAEG*), as adopted by the Austrian parliament which implements the DGSD in Austria, the deposit guarantee fund must be established until 3 July 2024, whereas credit institutions have to pay a half year's contribution in 2015.

In addition to ex ante contributions, if necessary, credit institutions will have to pay additional (*ex post*) contributions to a certain extent, which will be limited in order to avoid pro-cyclicality and worsening financial situation of healthy credit institutions.

As the current Austrian mandatory DGS does not require ex-ante funding, but merely obliges the respective DGS-members (*ex post*) to contribute after deposits of any member will have become unavailable (protection event), the implementation of the DGSD into Austrian law may trigger an additional financial burden for the Issuer.

The obligation to contribute amounts for the establishment of the Fund and the *ex ante* funds to the DGS will result in additional financial burdens for the Issuer and thus may materially adversely affect the financial position of the Issuer and the results of its business, financial condition and results of operations."

7. AMENDMENTS TO THE SECTION ENTITLED "5. ERSTE GROUP BANK AG" COMMENCING ON PAGE 188 OF THE ORIGINAL PROSPECTUS

7.1 The information in the subsection entitled "5.6 Recent Developments" commencing on page 202 of the Original Prospectus, is replaced by the following:

"Erste Group's outlook as presented in the interim report for the first half year 2015 is as follows:

Operating environment anticipated to be conducive to credit expansion

Real GDP growth is expected to be between 2% and 4% in all major CEE markets, except Croatia, driven by solid domestic demand. For Austria, a real GDP growth below 1% is forecast.

Return on tangible equity (ROTE) expected at 8 to 10% in 2015 (tangible equity at the year-end 2014: EUR 8.4 billion)

Operating result is expected to decline in the mid-single digits on the back of lower but sustainable operating results in Hungary (due to FX conversion related effects of lower average volume) and Romania (lower unwinding impact) as well as the persistent low interest rate environment.

For 2015, loan growth in the low single digits and a decline in risk costs to about EUR 0.9-1.1 billion are anticipated. Banking levies are expected to amount to about EUR 360 million, including parallel contributions to national as well as European bank resolution and deposit insurance funds. Related discussions with the Austrian government are still ongoing.

Risks to guidance

Consumer protection initiatives such as a potential CHF borrower support scheme in Croatia as well as geopolitical risks could have negative economic impacts."

8. AMENDMENTS TO THE SECTION ENTITLED "GERMAN TRANSLATIONS" COMMENCING ON PAGE 260 OF THE ORIGINAL PROSPECTUS

The following translation of selected sections of the original summary and the risk factors of the Prospectus has not been approved by the FMA. Further, the FMA did not review its consistency with the original text of the Prospectus.

Die folgende Übersetzung von ausgewählten Abschnitten der originalen Zusammenfassung und der Risikofaktoren des Prospekts wurde nicht von der FMA gebilligt. Auch die Übereinstimmung mit dem originalen Text des Prospekts wurde nicht von der FMA geprüft.

8.1 Im Element B.12 wird die folgende Tabelle an das Ende des Unterabschnitts "Ausgewählte historische Finanzinformationen" auf Seite 264 des Original Prospekts angefügt:

"in Millionen Euro (gerundet)	30.6.2015 ungeprüft	31.12.2014 geprüft
Summe der Verbindlichkeiten und Eigenkapital	197.532	196.287
Gesamtes Eigenkapital	14.015	13.443
in Millionen Euro (gerundet)	30.6.2015 ungeprüft	30.6.2014 ungeprüft
Zinsüberschuss	2.211,9	2.243,6
Ergebnis vor Steuern aus fortzuführenden Geschäftsbereichen	964,1	-541,5
Periodenergebnis	690,7	-877,1
Eigentümern des Mutterunternehmens zuzurechnendes Periodenergebnis	487,2	-929,7

Quelle: Ungeprüfter verkürzter konsolidierter Zwischenbericht zum 30.6.2015 mit vergleichenden Finanzzahlen für das erste Halbjahr 2015 bzw. für das Geschäftsjahr, welches am 31.12.2014 geendet hat"

- 8.2 Im Element B.12 im Unterabschnitt "Beschreibung wesentlicher Veränderungen bei der Finanzlage oder Handelsposition der Emittentin, die nach dem von den historischen Finanzinformationen abgedeckten Zeitraum eingetreten sind" auf Seite 264 des Original Prospekts, wird der Absatz in der rechte Spalten durch folgenden Absatz ersetzt:**

"Nicht anwendbar; es gab keine wesentlichen Veränderungen bei der Finanzlage der Emittentin, die nach dem 30.6.2015 eingetreten sind."

- 8.1 Im Element D.2 im Unterabschnitt "Risiken in Bezug auf das Geschäft der Erste Group" auf Seite 272 des Original Prospekts, wird der sechste Aufzählungspunkt durch den folgenden ersetzt:**

"

- Die Emittentin ist verpflichtet, Beiträge an den Einheitlichen Abwicklungsfonds und an den ex-ante finanzierten Einlagensicherungsfonds abzuführen."

- 8.2 Im Risikofaktor mit dem Titel "Ratingagenturen können ein Rating der Erste Group Bank oder eines Landes, in dem die Erste Group tätig ist, aussetzen, herabstufen oder zurückziehen, was sich negativ auf die Refinanzierungsbedingungen der Erste Group Bank, insbesondere auf den Zugang zu den Fremdkapitalmärkten, auswirken kann" auf Seite 294 des Original Prospekts wird der letzte Satz des ersten Absatzes durch folgenden Satz ersetzt:**

"Die Erste Group Bank wird von folgenden Ratingagenturen mit Ratings bewertet: Standard & Poor's, Moody's und Fitch."

- 8.3 Der Risikofaktor "Zukünftig wird die Emittentin verpflichtet sein, Beiträge an den Einheitlichen Abwicklungsfonds und an ex-ante finanzierte Fonds der**

Einlagensicherungssysteme abzuführen.", der auf Seite 301 des Original Prospekts beginnt, wird durch den folgenden Risikofaktor ersetzt:

"Die Emittentin ist verpflichtet, Beiträge an den Einheitlichen Abwicklungsfonds und an den ex-ante finanzierten Einlagensicherungsfonds abzuführen.

Der Einheitliche Abwicklungsmechanismus (*Single Resolution Mechanism - SRM*) sieht die Errichtung eines einheitlichen Abwicklungsfonds (*Single Resolution Fund - SRF*) vor, an den alle Kreditinstitute in den teilnehmenden EU-Mitgliedstaaten Beiträge abführen müssen.

Außerdem gibt es erstmals seit der Einführung der Einlagensicherungssysteme (*Deposit Guarantee Schemes - DGS*) im Jahr 1994, Finanzierungsanforderungen für die Einlagensicherungssysteme in der geänderten Richtlinie (Richtlinie 2014/49/EU des Europäischen Parlaments und des Rates vom 16. April 2014 über Einlagensicherungssysteme (*Directive on Deposit Guarantee Schemes – "DGSD"*)). Grundsätzlich beträgt die Zielgröße der *ex-ante* finanzierten Fonds der Einlagensicherungssysteme 0,8% der gedeckten Einlagen, die von den Kreditinstituten über einen zehnjährigen Zeitraum eingezogen werden. Gemäß dem Bundesgesetz über die Einlagensicherung und Anlegerentschädigung bei Kreditinstituten (ESAEG), welches vom Parlament beschlossen wurde und die DGSD in Österreich umsetzt, muss der Einlagensicherungsfonds bis 3. Juli 2024 aufgebaut werden, wobei 2015 die Kreditinstitute einen Beitrag in Höhe eines halben Jahresbeitrags zahlen müssen.

Neben diesen *ex-ante* Beiträgen, werden die Kreditinstitute gegebenenfalls zusätzliche (*ex-post*) zu leistende Beiträge in einem bestimmten Ausmaß leisten müssen, welches aber begrenzt sein wird, um die Prozyklizität und die Verschlechterung der finanziellen Situation der gesunden Kreditinstitute zu vermeiden.

Da die momentan verpflichtenden Einlagensicherungssysteme in Österreich *ex-ante* zu leistenden Beiträge erfordern, sondern die Mitglieder der Einlagensicherungssysteme nur zu *ex-post* zu leistenden Beiträgen, nachdem die Einlage eines Mitglieds nicht mehr gedeckt ist (schützendes Ereignis), verpflichtet sind, kann die Umsetzung der DSDG in österreichisches Recht zu zusätzlichen finanziellen Belastungen für die Emittentin führen.

Die Errichtung des einheitlichen Abwicklungsfonds sowie die *ex-ante* zu leistenden Beiträge der Einlagensicherungssysteme führen zu zusätzlichen finanziellen Belastungen für die Emittentin und dies könnte erhebliche negative Auswirkungen auf die finanzielle Position der Emittentin und auf die Vermögens-, die Finanz- und Ertragslage der Emittentin haben."

RESPONSIBILITY STATEMENT OF ERSTE GROUP BANK AG

Erste Group Bank AG, with its registered office at Graben 21, A-1010 Vienna, Austria, is 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, 11 August 2015

Erste Group Bank AG
as Issuer

Helmut Rauth

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Markets

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