

Prospectus Supplement No. 1

Erste Group Bank AG

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

Warrants 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 16 July 2014 (the "**Prospectus**") relating to the Warrants Programme (the "**Programme**") of Erste Group Bank AG (the "**Issuer**" or "**Erste Group Bank**").

The Original Prospectus has been approved on 16 July 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 18 August 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/de/Capital-Markets/Prospekt/OS-Zertifikate_ab2006". 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. The Issuer has requested the FMA to provide the competent authorities in other host Member States within the European Economic Area including Croatia, Germany, the Czech Republic, 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 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 Warrants 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 20 August 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.

18 August 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 Warrants 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 Warrants 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 Warrants have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), and may include Warrants in bearer form that are subject to US tax law requirements. Subject to certain exceptions, Warrants 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 Warrants, see "Subscription and Sale" in the Original 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 Warrants.

Neither the Prospectus, this Supplement nor any financial statements supplied in connection with the Programme or any Warrants 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 Warrants. Each potential purchaser of Warrants should determine for itself the relevance of the information contained in the Prospectus, this Supplement or any financial statements and its purchase of Warrants 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 Warrants, and are thus herewith included in the Prospectus as follows:

1. Half year financial report 2014

On 31 July 2014, Erste Group Bank AG has published its half year financial report 2014 which shall be incorporated by reference in the Prospectus. Thus, the following changes apply:

1.1 On page 7 of the Prospectus, in the section entitled "*Documents Incorporated by Reference*", below the paragraph on the Unaudited Interim Condensed Consolidated Financial Statements 31 March 2014, the additional following paragraph shall be included:

"English translation of the Unaudited Interim Condensed Consolidated Financial Statements of the Issuer for the first half year ended 30 June 2014 – Interim Report First Half Year 2014 (the "Unaudited Interim Condensed Consolidated Financial Statements 30 June 2014")"

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1.2 The first paragraph below the above mentioned table 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 and 2012 respectively as well as of the quarterly report for the first quarter year in 2014 and the interim report for the first half year 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 9 of the Prospectus in the section entitled "*Documents Available for Inspection*", the item numbered with "(i)" in the list shall be replaced by the following paragraph:

"(i) the Audited Consolidated Financial Statements 2013 and 2012, the Unaudited Interim Condensed Consolidated Financial Statements 31 March 2014 and the Unaudited Interim Condensed Consolidated Financial Statements 30 June 2014;"

1.4 On page 9 of the Prospectus, in the paragraph below the heading "*Significant Changes and Material Adverse Changes*", the last half-sentence shall be replaced by the following:

"there has been no significant change in the financial or trading position of the Erste Group since 30 June 2014 and no material adverse change in the prospects of the Issuer since 31 December 2013."

1.5 On page 14 of the Prospectus, in the right column of item "*Selected historical key financial information*" in B.12, the following table shall be included at the end of the paragraph:

"

in millions of Euro (rounded)	30 June 2014 unaudited	31 December 2013 as restated¹⁾
Total liabilities and equity	198,398	200,118
Total equity	14,080	14,785

in millions of Euro (rounded)	30 June 2014 unaudited¹⁾	30 June 2013 unaudited¹⁾
Net interest income	2,243.6	2,339.9
Pre-tax result from continuing operations	-541.5	378.4
Net result for the period	-877.1	403.4
Net result attributable to owners of the parent	-929.7	302.2

Source: Unaudited Interim Condensed Consolidated Financial Statements 30 June 2014 with comparative restated financial information for the year ended 31 December 2013

1) As a result of IFRS 10 application on 1 January 2014, Erste Group Bank started with consolidation of 18 investment funds managed by asset management companies of Erste Group. In 2014, as a result of harmonization with Financial Reporting Standards (FINREP) reporting, Erste Group has changed the structure of the line items in the balance sheet and income statement in order to align with EBA requirements. The consolidation has been applied retrospectively. All affected 2013 comparative figures have been restated. For more detailed information on the restatement and the changes in the structure of the line items in the balance sheet and income statement, please see the Unaudited Interim Condensed Consolidated Financial Statements 30 June 2014."

1.6 On page 14 of the Prospectus, the right column of item "*Description of significant changes in the financial or trading position subsequent to the period covered by the historical financial information*" in B.12 shall be replaced by the following:

"On 3 July 2014 Erste Group announced that it expects for Erste Group (on a consolidated basis) a net loss for 2014 of EUR 1.4 to 1.6 bn. Other than that, there has been no significant change in the financial position of the Issuer since 30 June 2014."

2. Ratings

On page 35 of the 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:

"Erste Group Bank's long-term credit ratings are: Standard & Poor's, A- (outlook negative); Moody's, Baa1 (outlook negative); and Fitch, A (outlook negative)."

3. German Translation

The following translation 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 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.

3.1 Auf Seite 255 des Prospectus wird in der rechten Spalte der Position "*Ausgewählte historische Finanzinformationen*" in B.12 der folgende Absatz am Ende eingefügt:

"

in Millionen Euro (gerundet)	30.6.2014 ungeprüft	31.12.2013 angepasst¹⁾
Summe der Verbindlichkeiten und Eigenkapital	198.398	200.118
Gesamtes Eigenkapital	14.080	14.785
in Millionen Euro (gerundet)	30.6.2014 ungeprüft¹⁾	30.6.2013 ungeprüft¹⁾
Zinsüberschuss	2.243,6	2.339,9
Ergebnis vor Steuern aus fortzuführenden Geschäftsbereichen	-541,5	378,4
Periodenergebnis	-877,1	403,4
Eigentümern des Mutterunternehmens zuzurechnendes Periodenergebnis	-929,7	302,2

Quelle: Ungeprüfter verkürzter konsolidierter Zwischenbericht der Emittentin zum 30.6.2014 mit vergleichenden angepassten Finanzaufstellungen für das Geschäftsjahr, welches am 31.12.2013 geendet hat

1) Infolge der Anwendung von IFRS 10 am 1. Jänner 2014 hat die Erste Group Bank mit der Konsolidierung von 18 Fonds, die von ihren Vermögensverwaltungsgesellschaften verwaltet werden, begonnen. Aufgrund der Harmonisierung mit der sog. Financial Reporting Standards (FINREP) Meldung hat die Erste Group in 2014 die Struktur der Posten in der Bilanz und in der Gewinn- und Verlustrechnung geändert, um diese an die EBA Anforderungen anzupassen. Die Konsolidierung wurde retrospektiv angewendet. Alle Vergleichszahlen 2013 wurden entsprechend angepasst. Mehr detaillierte Informationen über die Anpassung und den Änderungen in

der Struktur der Posten in der Bilanz und in der Gewinn- und Verlustrechnung sind im Ungeprüften verkürzten konsolidierten Zwischenbericht der Emittentin zum 30.6.2014 enthalten.

„

3.2 Auf Seite 255 des Prospectus wird die rechte Spalte der Position *"Beschreibung wesentlicher Veränderungen bei der Finanzlage oder Handelsposition des Emittenten, die nach dem von den historischen Finanzinformationen abgedeckten Zeitraum eingetreten sind"* in B.12 durch folgenden Text ersetzt:

"Die Emittentin hat am 3.7.2014 angekündigt, dass sie für 2014 für die Erste Group (auf konsolidierter Basis) einen Nettoverlust von EUR 1,4 bis 1,6 Milliarden erwartet. Davon abgesehen gab es keine wesentlichen Veränderungen bei der Finanzlage der Emittentin, die seit dem 30.6.2014 eingetreten sind."

3.3 Auf Seite 277 des Prospectus werden die letzten beiden Sätze des ersten Absatzes nach der Überschrift *"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"* wie folgt ersetzt:

"Die Ratings für langfristige Finanzverbindlichkeiten der Erste Group lauten: Standard & Poor's, A- (Ausblick negativ); Moody's, Baa1 (Ausblick negativ); und Fitch, A (Ausblick negativ)."

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, 18 August 2014

Erste Group Bank AG

as Issuer

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