

Erste Group Bank AG

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

EUR 3,000,000,000

Additional Tier 1 Notes Programme

This supplement (the "**Supplement**") constitutes a prospectus supplement pursuant to Article 16 (1) of the Directive 2003/71/EC as amended (the "**Prospectus Directive**") and § 6 (1) of the Austrian Capital Market Act as amended by Federal Law Gazette I No. 48/2018 (*Kapitalmarktgesetz*, the "**KMG**") in conjunction with § 30 (2) of the Austrian Capital Market Act 2019, Federal Law Gazette I No. 62/2019 (*Kapitalmarktgesetz 2019*) and Article 46 of the Regulation (EU) 2017/1129 and is supplemental to, and should be read in conjunction with, the prospectus dated 15 April 2019 (the "**Original Prospectus**" or the "**Prospectus**") relating to the EUR 3,000,000,000 Additional Tier 1 Notes Programme (the "**Programme**") of Erste Group Bank AG (the "**Issuer**" or "**Erste Group Bank**").

The Original Prospectus has been approved on 15 April 2019 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 15 January 2020. This Supplement has been filed with the Wiener Börse, which has admitted the Programme to the "*Amtlicher Handel*" (Official Market). This Supplement has been published in electronic form on the website of the Issuer under "www.erstegroup.com/de/ueber-uns/erste-group-emissionen/prospekte/anleihen".

The Issuer has requested the FMA to provide the competent authority in the Grand Duchy of Luxembourg 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 mentioned 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 Article 16 of the Prospectus Directive and § 6 KMG, investors who have already agreed to purchase or subscribe for Notes before this Supplement is published have a right, exercisable within two working days after the publication of this Supplement, to withdraw their acceptances until, and including 17 January 2020, provided that the new factor, mistake or inaccuracy arose before the final closing of the offer to the public and the delivery of the Notes.

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 § 8a (1) KMG.

15 January 2020

No person has been authorised to give any information or to make any representation other than those contained in 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 or Erste Group Bank AG in its capacity as arranger of the Programme (the "**Arranger**") or Erste Bank der oesterreichischen Sparkassen AG and Erste Group Bank AG in their capacities as dealers under the Programme (the "**Dealers**"). Neither the delivery of the Prospectus and/or this Supplement nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer or 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 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, the Arranger and the Dealers 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 U.S. tax law requirements. The Notes may not be offered, sold or delivered within the United States or to U.S. persons except in certain transactions permitted by U.S. tax regulations and the Securities Act. For a description of certain restrictions on offers and sales of Notes, see "11. 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, the Arranger or the Dealers to subscribe for, or purchase, any Notes.

The Dealers have not independently verified the information contained in this Supplement. None of the Dealers makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Supplement. Neither 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 any of the Issuer, the Arranger or the Dealers that any recipient of 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 this Supplement or any financial statements and its purchase of Notes should be based upon any such investigation as it deems necessary. None of the Dealers undertakes to review the financial condition or affairs of the Issuer or Erste Group during the life of the arrangements contemplated by this Supplement nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Dealers.

Significant new factors and/or inaccuracies (as referred to in Article 16 (1) of the Prospectus Directive and § 6 (1) 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 8 OF THE ORIGINAL PROSPECTUS

On page 9 of the Original Prospectus, after the table with regard to the English language translation of the Audited Consolidated Financial Statements of the Issuer for the financial year ended 31 December 2017, the following table shall be inserted:

"English language translation of the Unaudited Interim Condensed Consolidated Financial Statements of the Issuer for the third quarter year ended 30 September 2019 – Interim Report Third Quarter 2019 (the "Unaudited Interim Condensed Consolidated Financial Statements as of 30 September 2019")

Condensed Statement of Income	16 – 18
Condensed Balance Sheet	19
Condensed Statement of Changes in Equity	20
Condensed Statement of Cash Flows	21
Condensed notes to the Interim Consolidated Financial Statements of Erste Group for the period from 1 January to 30 September 2019	22 – 73"

The first paragraph after the table with regard to the English language translation of the Audited Consolidated Financial Statements of the Issuer for the financial year ended 31 December 2017 – Annual Report 2017 on page 9 of the Original Prospectus shall be replaced by the following paragraph:

"For the avoidance of doubt, such parts of the Audited Consolidated Financial Statements 2017 and 2018 respectively as well as of the Unaudited Interim Condensed Consolidated Financial Statements as of 30 September 2019 which are not explicitly listed in the tables 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 "DOCUMENTS AVAILABLE FOR INSPECTION" ON PAGE 10 OF THE ORIGINAL PROSPECTUS

On page 10 of the Original Prospectus, after the list paragraph numbered "(vii)" the following list paragraph numbered "(viii)" shall be inserted:

- "(viii) the Unaudited Interim Condensed Consolidated Financial Statements as of 30 September 2019 incorporated by reference into this Prospectus
- ("https://www.erstegroup.com/content/dam/at/eh/www_erstegroup_com/en/Investor%20Relations/2019/Reports/IR_Interim_Report_EG_Q319.pdf")"

3. AMENDMENTS TO THE SECTION ENTITLED "SOURCES OF INFORMATION" ON PAGE 11 OF THE ORIGINAL PROSPECTUS

On page 11 of the Original Prospectus, the first sentence of the 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 2018 and the annual report thereon as well as from the Unaudited Interim Condensed Consolidated Financial Statements as of 30 September 2019."

4. AMENDMENTS TO THE SECTION ENTITLED "2. GENERAL INFORMATION" COMMENCING ON PAGE 44 OF THE ORIGINAL PROSPECTUS

On page 44 of the Original Prospectus, the information in the paragraph entitled "Significant and material adverse changes." shall be replaced by the following:

"There has been no significant change in the financial position of Erste Group since 30 September 2019 and no material adverse change in the prospects of the Issuer since 31 December 2018."

5. AMENDMENTS TO THE SECTION ENTITLED "6. ERSTE GROUP BANK AG" COMMENCING ON PAGE 106 OF THE ORIGINAL PROSPECTUS

On page 112 of the Original Prospectus, below the heading "Regulatory Capital (phased-in)" the first table and the paragraph below this table shall be replaced by the following information:

"in EUR million	2017	2018	30 September 2019
Total Own Funds	20,309	20,891	21,508
Common Equity Tier 1 capital (CET 1)	14,712	15,517	15,917
Tier 1 capital	15,368	16,516	17,414
in %			
Total capital ratio	18.5%	18.2%	17.8%
CET 1 capital ratio	13.4%	13.5%	13.2%
Tier 1 capital ratio	14.0%	14.4%	14.4%

Sources: Audited Consolidated Financial Statements 2018 and Unaudited Interim Condensed Consolidated Financial Statements as of 30 September 2019"

On page 113 of the Original Prospectus, below the heading "Regulatory Capital (fully loaded)" the table and the first paragraph below this table shall be replaced by the following information:

"in EUR million	2017	2018	30 September 2019
Common Equity Tier 1 capital (CET 1)	14,448	15,517	15,917
in %			
CET 1 capital ratio	12.9%	13.5%	13.1%

Sources: Audited Consolidated Financial Statements 2018 and Unaudited Interim Condensed Consolidated Financial Statements as of 30 September 2019"

On page 113 of the Original Prospectus, below the heading "Prudential ratios pursuant to CRR on a consolidated level" the table shall be replaced by the following table:

in %	2017	2018	30 September 2019
Fully loaded leverage ratio	6.6%	6.6%	6.5%
Liquidity coverage ratio*	145.2%	150.3%	145.6% ¹⁾

On page 113 of the Original Prospectus, the sentence "The Issuer's Management Board has proposed a dividend of EUR 1.40 per share." above the heading "Alternative Performance Measures" shall be replaced by the following sentence:

"The Issuer distributed a dividend of EUR 1.40 per share in 2019."

On page 113 of the Original Prospectus, above the heading "Alternative Performance Measures" the following information shall be inserted:

Information on Basel 3 capital (phased-in), Risk-weighted assets (phased-in) and Basel 3 capital ratios (phased-in)

Basel 3 capital (phased-in)

- CET 1 capital (including minorities): + EUR 400 million (as of 30 September 2019):
 - Increase in minority interest offset by change in Other Comprehensive Income (OCI)
 - Non-inclusion of third quarter 2019 interim profit
- AT 1 issuance in March 2019: + EUR 497 million

Risk-weighted assets (phased-in)

- Credit risk-weighted assets: + EUR 7.5 billion (as of 30 September 2019), mainly on:
 - Business effects (exposure growth): + EUR 7.4 billion
 - Regulatory one-off effects (including IFRS 16): + EUR 0.7 billion
 - Asset quality changes: - EUR 1.1 billion
- Operational risk-weighted assets declined as of 30 September 2019 on parameter updates

Basel 3 capital ratios (phased-in)

- Basel 3 Fully-Loaded CET 1 ratio at 13.1% at 30 September 2019 (31 December 2018: 13.5%)
- Basel 3 Fully-Loaded total capital ratio at 17.7% (31 December 2018: 18.1%)
- Pro-forma Basel 3 Fully-Loaded CET 1 (including third quarter interim profit) at 13.5%

Source: Internal information and calculations by the Issuer on the basis of the Unaudited Interim Condensed Consolidated Financial Statements as of 30 September 2019"

On page 113 of the Original Prospectus, in the table with regard to the "Alternative Performance Measures" in the line with regard to the "Fully loaded leverage ratio" in the column "Calculation" at the end the following information shall be added:

"Example for the third quarter 2019:

$$\frac{17,414.1 \text{ (= Tier 1 capital)}}{266,385.7 \text{ (= leverage ratio exposures)}} = 6.5"$$

On page 114 of the Original Prospectus, in the table with regard to the "Alternative Performance Measures" in the line with regard to the "Liquidity coverage ratio" in the column "Calculation" at the end the following information shall be added:

"Example for the third quarter 2019:

$$\frac{50,475.8 \text{ (= High Quality Liquid Assets)}}{34,659.0 \text{ (= Net Outflows)}} = 145.6%"$$

On page 114 of the Original Prospectus, the first paragraph below the table shall be replaced by the following paragraph:

"Source: Information and calculation of the Issuer on the basis of the audited financial statements of Erste Group Bank AG for the financial years ended 31 December 2017 and 31 December 2018 and on the basis of the Unaudited Interim Condensed Consolidated Financial Statements as of 30 September 2019."

The information in the subsection entitled "6.6 RECENT DEVELOPMENTS" commencing on page 118 of the Original Prospectus shall be replaced by the following:

"Erste Group's outlook as presented in the interim report for the nine months period 2019 is as follows:

Operating environment anticipated to be conducive to credit expansion

Real GDP growth is forecast to come in at around 3-4% in Erste Group's CEE core markets and about 2% in Austria in 2019, again driven primarily by robust domestic demand. In CEE, economic activity should be supported by real wage growth and low unemployment. Fiscal discipline is expected to be maintained across CEE.

Business outlook

Erste Group aims to achieve a return on tangible equity (ROTE) of more than 11% in 2019 (based on average tangible equity in 2019). The underlying assumptions are: revenues rising faster than costs (based on mid-single digit net loan growth), risk costs higher, but still at a historically benign level (up to 10 basis points), with a tax rate of below 20%.

Risks to guidance

Impact from other than expected interest rate development; political or regulatory measures against banks as well as geopolitical and global economic risks.

Regulatory capital position/requirements (SREP)

Capital requirements (SREP) for 2019/20; Erste Group target of 13.5% unchanged

- Combined impact of countercyclical buffers amounts to 45 basis points in 2019, 61 basis points in 2020
- Management buffer targeted in 100-150 basis points range

		<i>Erste Group Consolidated</i>				<i>Erste Group Unconsolidated</i>			
		<i>Phased-in</i>		<i>Fully loaded</i>		<i>Phased-in</i>		<i>Fully loaded</i>	
		<i>2018</i>	<i>2019</i>	<i>2019 expect ed</i>	<i>2020 expect ed</i>	<i>2018</i>	<i>2019 expect ed</i>	<i>2019 expect ed</i>	<i>2020 expect ed</i>
Pillar 1	CET 1 requirement	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%
	Combined buffer requirement	3.19%	4.95%	4.95%	5.11%	3.07%	4.76%	4.76%	4.86%
	Capital conservation buffer	1.88%	2.50%	2.50%	2.50%	1.88%	2.50%	2.50%	2.50%
	Countercyclical capital buffer ²⁾	0.31%	0.45%	0.45%	0.61%	0.20%	0.26%	0.26%	0.36%
	O-SII/Systemic risk buffer	1.00%	2.00%	2.00%	2.00%	1.00%	2.00%	2.00%	2.00%
Pillar 2	CET 1 requirement	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%
	Pillar 2 CET 1 guidance	1.05%	1.00%	1.00%	1.00%	0.00%	0.00%	0.00%	0.00%
Regulatory minimum ratios excluding P2G									
	CET 1 requirement	9.44%	11.20%	11.20%	11.36%	9.32%	11.01%	11.01%	11.11%
1.50% AT 1	Tier 1 requirement	10.94%	12.70%	12.70%	12.86%	10.82%	12.51%	12.51%	12.61%
2.00% Tier 2	Own Funds requirement	12.94%	14.70%	14.70%	14.86%	12.82%	14.51%	14.51%	14.61%
Regulatory minimum ratios including P2G									
	CET 1 requirement	10.49%	12.20%	12.20%	12.36%	9.32%	11.01%	11.01%	11.11%
1.50% AT 1	Tier 1 requir	10.94%	12.70%	12.70%	13.86%	10.82%	12.51%	12.51%	12.61%

ement									
2.00%	Own Tier 2 Funds requir ement	12.94%	14.70%	14.70%	15.86%	12.82%	14.51%	14.51%	14.61%
Reported CET 1 ratio as of September 2019¹⁾		13.16%			21.43% ³⁾				

- Buffer to Maximum Distributable Amount restriction as of 30 September 2019: 170 basis points
- CET 1 Maximum Distributable Amount buffer amounts to 196 basis points assuming (i) a filled 1.5% AT 1 bucket based on phased-in risk-weighted assets of EUR 121.0 billion and (ii) 0.45% countercyclical buffer applicable as of 30 September 2019
- Available distributable items (ADI) as of 30 September 2019: EUR 2.8 billion (pre-dividend and AT 1 coupon; based on CRR II, which allows additional own funds components to be included, Available distributable items are at EUR 5.2 billion)
- From 2020 onwards, P2G applicable for all capital ratios (CET 1, Tier 1, total capital)

¹⁾ Consolidated capital ratios pursuant to IFRS. Unconsolidated capital ratios pursuant to Austrian Commercial Code (UGB) and on phased-in basis. ADIs pursuant to UGB

²⁾ Planned values based on third quarter 2019 exposure (third quarter 19 countercyclical buffer of 0.45% for Erste Group consolidated)

³⁾ Unconsolidated figures are based on second quarter 2019"

6. AMENDMENTS TO THE SECTION ENTITLED "GLOSSARY AND LIST OF ABBREVIATIONS" COMMENCING ON PAGE 140 OF THE ORIGINAL PROSPECTUS

On page 144 of the Original Prospectus, after the row with regard to "Tranche" the following row shall be inserted:

"Unaudited Interim Condensed Consolidated Financial Statements as of 30 September 2019	the English language translation of the unaudited interim condensed consolidated financial statements of Erste Group for the third quarter year ended 30 September 2019"
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RESPONSIBILITY STATEMENT OF ERSTE GROUP BANK AG

Erste Group Bank AG, with its registered office at Am Belvedere 1, A-1100 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, 15 January 2020

Erste Group Bank AG
as Issuer