

Final Terms dated 19 October 2010

Erste Group Bank AG

Issue of €34,000,000 3.50% Fixed Rate Notes due 21 October 2018 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 and the Prospectus as so supplemented. The Prospectus and the supplement to the Prospectus are available for viewing at website <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:	987
	(ii) Tranche Number:	1
3	Specified Currency or Currencies:	Euro ("€")
4	Aggregate Nominal Amount of Notes:	
	(i) Series:	€34,000,000
	(ii) Tranche:	€34,000,000
5	Issue Price:	100% of the Aggregate Nominal Amount
6	(i) Specified Denominations:	€50,000
	(ii) Calculation Amount:	Specified Denomination
7	(i) Issue Date:	21 October 2010
	(ii) Interest Commencement Date:	Issue Date
8	Maturity Date:	21 October 2018
9	Interest Basis:	3.50% Fixed Rate
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:	Resolution of the Managing Board of the Issuer passed on 16 November 2009 and resolution of the Supervisory Board of the Issuer passed on 16 December 2009
14	Method of distribution:	Non-syndicated
PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE		
15	Fixed Rate Note Provisions	Applicable
	(i) Rate of Interest:	3.50% per annum payable annually in arrear
	(ii) Interest Payment Date(s):	21 October in each year subject to adjustment in accordance with the Modified Following Business Day Convention
	(iii) Fixed Coupon Amount:	Not Applicable
	(iv) Broken Amount(s):	Not Applicable
	(v) Day Count Fraction:	Actual/Actual - ISDA, unadjusted
	(vi) Interest Determination Dates:	Not Applicable
	(vii) 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	Not 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): As set out in Condition 6 of the Terms and Conditions of the Notes

GENERAL PROVISIONS APPLICABLE TO THE NOTES

25	Form of Notes:	Notes governed by English law: Bearer Notes: Temporary Global Note exchangeable for Permanent Global Note exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note
26	New Global Note	Yes
27	Financial Centre(s) or other special provisions relating to Payment Dates:	TARGET
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:	Not Applicable

DISTRIBUTION

34	(i) If syndicated, names of Managers:	Not Applicable
	(ii) Stabilising Manager(s) (if any):	Not Applicable
35	If non-syndicated, name of Dealer:	Natixis
36	U.S. Selling Restrictions:	TEFRA D
37	Additional selling restrictions:	Not Applicable
38	Jurisdiction and Governing Law:	English
39	Binding language:	English
40	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 Vienna 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: Vienna, Geregelter Freiverkehr
- (ii) Admission to trading: Application has been made by the Issuer for the Notes to be admitted to trading on the Vienna Stock Exchange with effect from 21 October 2010.
- (iii) Estimate of total expenses related to admission to trading: €2,900

2. RATINGS

- Ratings: In general, the notes issued under the Programme have the following ratings:
- S & P: A
Moody's: Aa3
Fitch: A

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 certificates of approval attesting that the Prospectus and the supplement to the Prospectus have been drawn up in accordance with the Prospectus Directive.

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

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: €3,000

6. YIELD

Indication of yield: 3.50% per annum

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

7. OPERATIONAL INFORMATION

- (i) ISIN Code: XS0547438589
- (ii) Common Code: 054743858
- (iii) Clearing system(s)
- a) for International Notes: Euroclear Bank S.A./N.V./Clearstream Banking, Société Anonyme
- b) for Domestic Notes: Not Applicable
- (iv) Delivery: Delivery against payment
- (v) Names and addresses of initial Paying Agent(s): BNP Paribas Securities Services, Luxembourg Branch
- (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. Yes
- Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem, either upon issue, or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.