

## Final Terms dated 14 October 2011

### Erste Group Bank AG

Tap issue of Erste Group CZK Range Accrual Bond due 2015  
("Akciový prémiový dluhopis IV.")

#### under the **€30,000,000,000 Debt Issuance Programme**

The Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that, except as provided in sub-paragraph (ii) below, any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (each, a "Relevant Member State") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer of the Notes may only do so in:

- (i) circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer; or
- (ii) those Public Offer Jurisdictions mentioned in Paragraph 38 of Part A below, provided such person is one of the persons mentioned in Paragraph 38 of Part A below and that such offer is made during the Offer Period specified for such purpose therein.

Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances.

### 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 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 <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>.

The Prospectus and the Final Terms are also available for viewing at [www.csas.cz](http://www.csas.cz).

<b>1</b>	Issuer:	Erste Group Bank AG
<b>2</b>	(i) Series Number:	1063
	(ii) Tranche Number:	1
<b>3</b>	Specified Currency or Currencies:	Czech Koruna (" <b>CZK</b> ")
<b>4</b>	Aggregate Nominal Amount of Notes:	Tap issue ("Daueremission") up to CZK 2,000,000,000
	(i) Series:	
	(ii) Tranche:	
<b>5</b>	Issue Price:	Initially 100.00% of the Aggregate Nominal Amount and fixed thereafter by the Issuer according to prevailing market conditions.

<b>6</b>	(i) Specified Denominations:	CZK 25,000
	(ii) Calculation Amount:	Specified Denomination
<b>7</b>	(i) Issue Date:	24 October 2011
	(ii) Interest Commencement Date:	Not Applicable
<b>8</b>	Maturity Date:	23 October 2015
<b>9</b>	Interest Basis:	Not Applicable
<b>10</b>	Redemption/Payment Basis:	Redemption linked to a Basket of Underlying Shares
<b>11</b>	Change of Interest or Redemption/Payment Basis:	Not Applicable
<b>12</b>	Put/Call Options:	Not Applicable
<b>13</b>	(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
<b>14</b>	Method of distribution:	Non-syndicated

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

<b>15</b>	<b>Fixed Rate Note Provisions</b>	Not Applicable
<b>16</b>	<b>Floating Rate Note Provisions</b>	Not Applicable
<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:	Applicable
	(i) Index/Formula/other variable:	The Final Redemption Amount will be calculated by the Calculation Agent depending on the performance of the Basket of Underlying Shares. Details specified in the Annexes
	(ii) Party responsible for calculating the Final Redemption Amount (if not the Agent):	Erste Group Bank AG
	(iii) Provisions for determining Final Redemption Amount where calculated by reference to Index and/or Formula and/or other variable:	The Final Redemption Amount will be calculated by the Calculation Agent depending on the performance of the Basket of Underlying Shares. Details specified in the Annexes.
	(iv) Determination Date(s):	For detailed information see Annex 1
	(v) Provisions for determining Final Redemption Amount where calculation by reference	For detailed information see Annex 1

to Index and/or Formula  
and/or Underlying Equit(y)(ies)  
and/or Fund(s) and/or Credit  
Event(s) and/or  
Commodit(y)(ies) and/or other  
variable is impossible or  
impracticable or otherwise  
disrupted:

- |        |                                  |                                                                  |
|--------|----------------------------------|------------------------------------------------------------------|
| (vi)   | Payment Date:                    | 23 October 2015 subject to the Following Business Day Convention |
| (vii)  | Minimum Final Redemption Amount: | 100.00% of the Nominal Amount                                    |
| (viii) | Maximum Final Redemption Amount: | 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):

With respect to each Note the Early Redemption Amount payable upon redemption in accordance with Condition 6 or following an Event of Default according to Condition 10 shall be an amount equal to the market value of such Note on the date of early redemption, adjusted to account fully for any losses, expenses and costs to the Issuer (or any of its affiliates) of unwinding any underlying or related hedging and funding arrangements, all as determined by the Issuer in its sole and absolute discretion.

**GENERAL PROVISIONS APPLICABLE TO THE NOTES**

- |           |                                                                                                                                                                                                                                                                             |                                                                                                                                                                    |
|-----------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>25</b> | Form of Notes:                                                                                                                                                                                                                                                              | Notes governed by Austrian law:<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:                                                                                                                                                                                                  | Prague, 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 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                                                                                                                                                     |

<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 reconvening provisions:	Not Applicable
<b>32</b>	Consolidation provisions:	Not Applicable
<b>33</b>	Other final terms:	The Issuer may (but is not obliged to) repurchase Notes if requested by Noteholders to do so, and will repurchase such Notes at an amount equal to the market value of such Note on the date of repurchase, adjusted to account fully for any losses, expenses and costs to the Issuer (or any of its affiliates) of unwinding any underlying or related hedging and funding arrangements, all as determined by the Issuer in its sole and absolute discretion.

## DISTRIBUTION

<b>34</b>	(i) If syndicated, names and addresses of Managers and underwriting commitments:	Not Applicable
	(ii) Date of Subscription Agreement:	Not Applicable
	(iii) Stabilising Manager(s) (if any):	Not Applicable
<b>35</b>	If non-syndicated, name and address of Dealer:	Erste Group Bank AG
<b>36</b>	Total commission and concession:	Not Applicable
<b>37</b>	U.S. Selling Restrictions	TEFRA D
<b>38</b>	Non-exempt Offer:	An offer of the Notes may be made by Česká spořitelna, a.s. other than pursuant to Article 3(2) of the Prospectus Directive in the Czech Republic ("Public Offer Jurisdiction") starting on 19 October 2011. See further detail in paragraph 11 of Part B below.
<b>39</b>	Additional selling restrictions:	Not Applicable
<b>40</b>	Jurisdiction and Governing Law:	Austrian
<b>41</b>	Binding language:	English
<b>42</b>	Domestic or International Notes	Domestic

## PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue 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:              | none           |
| (ii) | Admission to trading: | Not Applicable |

### 2. RATINGS

Ratings: The Notes to be issued have not been rated.

### 3. NOTIFICATION

The Commission de surveillance du secteur financier (CSSF - Luxembourg) has provided the Finanzmarktaufsichtbehörde (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 National Bank (CNB - 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 2,000                                   |

### 6. Fixed Rate Notes only - YIELD

Indication of yield: Not Applicable

**7. Floating Rate Notes only - HISTORIC INTEREST RATES**

Not Applicable

**8. *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**

The Notes are linked to the performance of a basket of shares as set forth in Annex 2. In any case a potential investor will at least receive 100% of the notional amount invested into the Notes and has the chance to receive a Bonus Payment depending on the performance of the underlying shares in the basket.

Shares are volatile products and may produce negative performances which may result in smaller than expected proceeds of the Notes.

Information regarding the underlying shares may be obtained from information providers like Reuters and Bloomberg or from the exchanges where the underlying shares are listed.

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

Not Applicable

**10. OPERATIONAL INFORMATION**

- |                                                                                  |                                                                                                            |
|----------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|
| (i) ISIN Code:                                                                   | AT000B006408                                                                                               |
| (ii) Common Code:                                                                | Not Applicable                                                                                             |
| (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                                                                                                         |

## 11. Terms and Conditions of the Offer

(i) Offer Price:	Issue Price
(ii) Conditions to which the offer is subject:	Not Applicable
(iii) Time period, including any possible amendments, during which the offer will be open and description of the application process:	Not Applicable
(iv) Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:	Not Applicable
(v) Details of the minimum and/or maximum amount of application:	Not Applicable
(vi) Details of the method and time limits for paying up and delivering the Notes:	Not Applicable
(vii) Manner in and date on which results of the offer are to be made public:	Not Applicable
(viii) Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:	Not Applicable
(ix) Categories of potential investors to which the Notes are offered and whether tranche(s) have been reserved for certain countries:	Not Applicable
(x) Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made:	Not Applicable
(xi) Amount of any expenses and taxes specifically charged to the subscriber or purchaser:	Not Applicable
(xii) Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place.	Distributor in the Czech Republic is Česká spořitelna, a.s., Olbrachtova 1929/62, 140 00 Praha 4, Czech Republic

## Annex 1

### 1.) Calculation of the Redemption Price:

The Redemption Price will be calculated by the Calculation Agent depending on the performance of the Basket of Underlying Shares (the "Basket") according to the following formulas:

Redemption Price = 100% + Bonus Payment

$$BonusPayment = Notional \times \left[ 40\% \times \frac{N_i}{N_{Total}} + 20\% \times \frac{N_j}{N_{Total}} \right]$$

For the avoidance of doubt, the Bonus Payment will be determined as follows:

40% will accrue on every Observation Date on which all the Share Underlyings in the Basket (as defined below) close at or above Initial Level on that day ( $Share_i(t) \geq Share_i(0)$ ).

20% will accrue on every Observation Date on which all the Share Underlyings in the Basket close at or above Barrier of Initial Level on that day ( $Share_i(t) \geq Barrier * Share_i(0)$ ) but at least one is below 100% of Initial Level.

In any other case, (i.e. on every Observation Date on which at least one Share Underlying is below the Barrier), 0% per annum will accrue for this Observation Date.

#### Where:

<b>Strike Date</b>	30 November 2011
<b>Initial accrual date</b>	1 <sup>st</sup> December 2011
<b>Final accrual date</b>	9 October 2015
<b>Barrier</b>	66.66% of the Initial Level of the respective Underlying Share
<b>N<sub>i</sub></b>	Number of Observation Dates between Initial accrual date and Final accrual date, both included when all the Underlying Shares close at or above their Initial Level
<b>N<sub>j</sub></b>	Number of Observation Dates between Initial accrual date and Final accrual date, both included when all the Underlying Shares close at or above the Barrier but at least one of them is below its Initial Level
<b>N<sub>Total</sub></b>	Number of Observation Dates between Initial accrual date and Final accrual date, both included
<b>Share<sub>i</sub>(t)</b>	The Official Closing level of the i-th Share at Observation Date(t) (with Share <sub>i</sub> , i=1,...,21 being the 21 Underlying Shares), with t being daily dates
<b>Share<sub>i</sub>(0)</b>	The Official Closing level of the i-th Share on Strike Date (with Share <sub>i</sub> , i=1,...,21 being the 21 Underlying Shares)



<b>Official Closing level</b>	The official closing price of the Underlying Share at the Scheduled Closing Time at the Exchange on each Business day for Hedging Fixings
<b>Initial Level</b>	The Official Closing level as of the Strike Date
<b>Observation Dates</b>	Each calendar day between Initial accrual date and Final accrual date, both included.
<b>Business days</b>	If any calendar day for an Underlying Share is not a Scheduled Trading Day for that share, the relevant fixing date shall be the Official losing level on the immediately preceding Scheduled Trading Day for the Underlying Share, provided that such Scheduled Trading day is not a Disrupted Day.
<b>Valuation Time</b>	In respect of any Underlying Share the Scheduled Closing Time on the relevant Exchange on such date.
<b>Scheduled Closing Time</b>	In respect of an Exchange or Related Exchange and a Scheduled Trading Day, any scheduled weekday closing time of such Exchange or Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours.
<b>Exchange</b>	See table in Annex 2 under header “Exchange”
<b>Related Exchange</b>	In relation to any Underlying Share each exchange or quotation system where trading has a material effect on the overall market for futures or options contracts relating to such Underlying Share.
<b>Exchange Business Day</b>	In respect of each Underlying Share any Scheduled Trading Day on which each Exchange and each Related Exchange are open for trading during their respective regular trading sessions, notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time.
<b>Scheduled Trading Day</b>	In respect of each Underlying Share, any day on which each Exchange and each Related Exchange are scheduled to be open for trading.
<b>Disrupted Day</b>	In respect of each Underlying Share, any Scheduled Trading Day on which a relevant Exchange or any Related Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred. If a Valuation Date is a Disrupted Day with respect to a Underlying Share than the Valuation Date for each Share not affected by the occurrence of a Disrupted Day shall be the scheduled Valuation Date, and the Valuation Date for each Share affected by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day unless each of the five Scheduled Trading Days following the scheduled Valuation Date is a Disrupted Day in which case such fifth day will be the Valuation Date for the relevant Underlying Share and the Calculation Agent will determine its good faith estimate of the value of such Underlying Share.

## **2. Market Disruption**

**Market Disruption Event:** In respect of a Underlying Share, the occurrence or existence of (A) a Trading Disruption, or (B) an Exchange Disruption, in either case if the Calculation Agent determines that such Trading Disruption or Exchange Disruption is material, at any time during the one hour period that ends at the relevant Valuation Time; or (C) an Early Closure.

**Trading Disruption:** A suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise or by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise, (i) relating to the Underlying Share on the Exchange or (ii) in options contracts or futures contracts relating to the Underlying Share on any relevant Related Exchange.

**Exchange Disruption:** Any event (other than an Early Closure) that disrupts or impairs the ability of market participants in general to effect transactions in or obtain market values (i) for the Underlying Share on the Exchange, or (ii) in options contracts or futures contracts relating to the Underlying Share on any relevant Related Exchange.

**Early Closure:** In respect of each Underlying Share the closure on any Exchange Business Day of the Exchange or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or Related Exchange(s) at least one hour prior to the earlier of (A) the actual closing time for the regular trading session on such Exchange(s) or Related Exchange(s) on such Exchange Business Day or (B) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day.

### **3. Adjustment / Substitution of Underlying Shares (“Shares”)**

**3.a** Upon the occurrence of an event having, in the determination of the Calculation Agent, a diluting or concentrative effect on the theoretical value of the relevant Share (a “Potential Adjustment Event”), the Calculation Agent will determine whether such Potential Adjustment Event has a material diluting or concentrative effect on the theoretical value of the relevant Share and, if so, will make the corresponding adjustment(s) to the Closing Price of the Share as of the Start Date, or other variables of the transaction as the Calculation Agent determines appropriate to account for that diluting or concentrative effect (provided that no adjustments will be made to account solely for changes in volatility, expected dividend, stock loan rate or liquidity) and determine the effective date(s) of the adjustment(s). The Calculation Agent may (but need not) determine the appropriate adjustment(s) by reference to the adjustment(s) in respect of such Potential Adjustment Event made by an options exchange to options on the relevant Underlying Share traded on such options exchange.

#### **3. b Merger Event**

If, as determined by the Calculation Agent, a Merger Event occurs with respect to a Share (the “Affected Share”), then on or after the relevant Merger Date, the Calculation Agent shall either (i)(A) make such adjustment to the terms of the transaction as the Calculation Agent determines appropriate to account for the economic effect on the transaction of such Merger Event (provided that no adjustments will be made to account solely for changes in volatility, expected dividends or liquidity relevant to the Shares or to the transaction) which may, but need not, be determined by reference to the adjustment(s) made in respect of such Merger Event by an options exchange to options on the relevant Shares traded on that options exchange and (B) determine the effective date of that adjustment, or (ii) if the Calculation Agent determines that no adjustment that it could make under (i) will produce a commercially reasonable result then the Affected Share, or as the case may be the new share or the other consideration replacing the Affected Share as a consequence of the Merger Event shall be replaced by a Replacement Share and in such circumstances (a) the relevant Replacement Share (as defined in the Particular Provisions below ) and their issuer will be deemed the “Share” and the “Issuer” respectively, (b) the Closing Price as of the Start Date of the Replacement Share shall be determined by the Calculation Agent and (c) the Calculation Agent will adjust any other relevant terms of the transaction.

**Merger Event:** In respect of any relevant Share, any (i) reclassification or change of such Shares that results in a transfer of or an irrevocable commitment to transfer all of such Shares outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share exchange of the issuer of the Share with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such issuer of the Share is the continuing entity and which does not result in a reclassification or change of all of such Shares outstanding), (iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100% of the outstanding Shares of the issuer that results in a transfer of or an irrevocable commitment to transfer all such shares (other than such shares owned or controlled by the offeror), or (iv) consolidation, amalgamation, merger or binding share exchange of the issuer of the Share with or into another entity in which the issuer of the Share is the continuing entity and which does not result in a reclassification or change of all such Shares outstanding but results in the holders of the outstanding Shares (other than Shares owned or controlled by the offeror) immediately prior to such event collectively owning less than 50% of the outstanding Shares immediately following such event (a “Reverse Merger”), in each case if the Merger Date is on or before the final Valuation Date.

### 3. c Tender Offer

If, as determined by the Calculation Agent, a Tender Offer Event occurs with respect to a Share (the “Affected Share”), then on or after the relevant Tender Offer Date, the Calculation Agent shall either (i)(A) make such adjustment to the terms of the transaction as the Calculation Agent determines appropriate to account for the economic effect on the transaction of such Tender Offer Event (provided that no adjustments will be made to account solely for changes in volatility, expected dividends or liquidity relevant to the Shares or to the transaction) which may, but need not, be determined by reference to the adjustment(s) made in respect of such Tender Offer Event by an options exchange to options on the relevant Shares traded on that options exchange and (B) determine the effective date of that adjustment, or (ii) if the Calculation Agent determines that no adjustment that it could make under (i) will produce a commercially reasonable result then the Affected Share shall be replaced by a Replacement Share and in such circumstances (a) the relevant Replacement Share (as defined in the Particular Provisions below ) and their issuer will be deemed the “Share” and the “Issuer” respectively, (b) the Closing Price as of the Start Date of the Replacement Share shall be determined by the Calculation Agent and (c) the Calculation Agent will adjust any other relevant terms of the transaction.

**Tender Offer Event:** In respect of any relevant Share, a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining, by conversion or other means, greater than 10% and less than 100% of the outstanding voting shares of the issuer of the Share, as determined by the Issuer, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Calculation Agent deems relevant.

### 3. d Nationalization, Insolvency, Delisting

If, as determined by the Issuer, a Nationalisation, Insolvency or Delisting occurs with respect to a Share (the “Affected Share”), then on or after the relevant Nationalisation, Insolvency or Delisting effective date, the Issuer shall replace the Affected Share by a Replacement Share and in such circumstances (a) the relevant Replacement Share (as defined in the Particular Provisions below ) and their issuer will be deemed the “Share” and the “Issuer” respectively, (b) the Closing Price as of the Start Date of the Replacement Share shall be determined by the Issuer and (c) the Issuer will adjust any other relevant terms of the transaction.

**Nationalization:** Means that all the Shares or all or substantially all the assets of an issuer of a Share are nationalized expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof

**Insolvency:** Means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting an issuer of a Share, (A) all the Shares of that issuer are required to be transferred to a trustee, liquidator or other similar official or (B) holders of the Shares of that issuer become legally prohibited from transferring them.

**Delisting:** Means that the exchange announces that pursuant to the rules of such Exchange, the Share(s) cease (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason (other than a Merger Event or Tender Offer Event) and are not immediately re-listed, re-traded or re-quoted on an Exchange or quotation system located in the same country (or, where the Shares have been listed on an exchange or quotation system within the European Union, in any member state of the European Union) as the exchange.

### 3. e Liquidity Event

If, as determined by the Calculation Agent a Liquidity Event occurs with respect to a Share (the “Affected Share”), then on or after the relevant Nationalisation, Insolvency or Delisting Date, the Calculation Agent shall replace the Affected Share by a Replacement Share and in such circumstances (a) the relevant Replacement Share (as defined in the Particular Provisions below ) and their issuer will be deemed the “Share” and the “Issuer” respectively, (b) the Closing Price as of the Start Date of the Replacement Share shall be determined by the Calculation Agent and (c) the Calculation Agent will adjust any other relevant terms of the transaction.

**Liquidity Event:** In respect of any Share, any event which, in the opinion of the Calculation Agent, materially reduces the liquidity of such Share on the Exchange or of options contracts and/or futures contracts relating to such Share on the Related Exchange

### 3. f Particular Provisions

**Replacement Share:** In respect of any Affected Share, a share selected by the Issuer to replace that Affected Share:

- (i) which is not a Share already comprised in the Basket
- (ii) which is a share in respect of which no Share Event would occur immediately upon its substitution for the relevant Affected Share,
- (iii) which is listed and traded on an exchange, quotation system or market that the Issuer determines is of comparative size and liquidity relative to the relevant Affected Share as the original Exchange in respect of such Affected Share,
- (iv) which, to the extent that this is possible, is established in the same jurisdiction or geographical area ,
- (v) whose primary business, to the extent that this is possible, is the same or substantially the same as that of the relevant Affected Share, and
- (vi) which is, to the extent that this is possible, a share for which options contracts and/or futures contracts relating to it are dealt on at least one exchange.

**Share Event:** In respect of any Share, the occurrence of a Merger Event, a Tender-Offer Event, a Nationalization, an Insolvency, a Delisting, or a Liquidity Event.

The Issuer will make any adjustments as set forth in this clause 3 in a way that the Issuer determines appropriate to account for the effect(s) and consequence(s) caused by a Potential Adjustment Event or Share Event and will inform the Noteholders regarding the adjustment measures and the effective date of such measures in accordance with Condition 14. Nevertheless all adjustment measures as determined and executed by the Issuer in accordance with clause 3 will be valid and effective irrespective of whether the information thereof has been given to Noteholders in due course.

## Annex 2

The Basket consists of the following Underlying Shares:

	<b>Name</b>	<b>ISIN</b>	<b>Bloomberg</b>	<b>Exchange</b>
1	PORSCHE AUTOMOBIL HLDG-PFD	DE000PAH0038	PAH3 GY Equity	Xetra
2	HINO MOTORS LTD	JP3792600003	7205 JT Equity	Tokio
3	NORSK HYDRO ASA	NO0005052605	NHY NO Equity	Oslo
4	ASTELLAS PHARMA INC	JP3942400007	4503 JT Equity	Tokio
5	MICHELIN (CGDE)-B	FR0000121261	ML FP Equity	EN Paris
6	FUJIFILM HOLDINGS CORP	JP3814000000	4901 JT Equity	Tokio
7	ITOCHU CORP	JP3143600009	8001 JT Equity	Tokio
8	OSAKA GAS CO LTD	JP3180400008	9532 JT Equity	Tokio
9	ALSTOM	FR0010220475	ALO FP Equity	EN Paris
10	SOFTBANK CORP	JP3436100006	9984 JT Equity	Tokio
11	HITACHI LTD	JP3788600009	6501 JT Equity	Tokio
12	REPUBLIC SERVICES INC	US7607591002	RSG UN Equity	New York
13	BAKER HUGHES INC	US0572241075	BHI UN Equity	New York
14	APACHE CORP	US0374111054	APA UN Equity	New York
15	FIRST SOLAR INC	US3364331070	FSLR UW Equity	NASDAQ GS
16	FISERV INC	US3377381088	FISV UW Equity	NASDAQ GS
17	TYSON FOODS INC-CL A	US9024941034	TSN UN Equity	New York
18	ARCHER-DANIELS-MIDLAND CO	US0394831020	ADM UN Equity	New York
19	GOODYEAR TIRE & RUBBER CO	US3825501014	GT UN Equity	New York
20	DIRECTV-CLASS A	US25490A1016	DTV UW Equity	NASDAQ GS
21	LVMH MOET HENNESSY LOUIS VUITTON SA	FR0000121014	MC FP Equity	EN Paris