

Prospectus



Erste Bank der oesterreichischen Sparkassen AG

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

EUR 20,000,000,000

Debt Issuance Programme

On 3rd July 1998, Erste Bank der oesterreichischen Sparkassen AG (the "Issuer" or "Erste Bank") entered into a EUR 20,000,000,000 Debt Issuance Programme (the "Programme"). The Programme was subsequently amended and updated on 2nd July 1999, 29th June 2000, 29th June 2001, 17th May 2002, 19th May 2003 and 17th May 2004. With effect from the date hereof, the Programme has been updated and this Prospectus supersedes and replaces the Offering Circular dated 17th May 2004. Any Notes to be issued after the date hereof under the Programme are issued subject to the provisions set out herein, save that Notes which are to be consolidated and form a single series with Notes issued prior to the date hereof will be issued subject to the Conditions of the Notes applicable on the date of issue for the first tranche of Notes of such series. Subject as aforesaid, this Prospectus does not affect any Notes issued prior to the date hereof.

Under the Programme, the Issuer, subject to compliance with all relevant laws, regulations and directives, may from time to time issue debt securities specified in the relevant Final Terms (as defined herein) as either domestic notes issued in the German language under Austrian law ("Domestic Notes") or international notes issued in the English language under either English or Austrian law ("International Notes", and together with Domestic Notes, the "Notes"). Subject to compliance with all relevant laws, regulations and directives, the Notes may have a minimum maturity of one month and no maximum maturity. The aggregate principal amount of Notes outstanding will not at any time exceed EUR 20,000,000,000 (or the equivalent in other currencies).

This Prospectus has been approved by the Austrian Finanzmarktaufsichtsbehörde in its capacity as competent authority under the Austrian Capital Markets Act (the "FMA"). Application has been made for the Programme to be admitted to the "Amtlicher Handel" (Official Market) and the "Geregelter Freiverkehr" (Second Regulated Market) (together, the "Markets") of the Wiener Börse AG (the "Vienna Stock Exchange"). References in this Prospectus to Notes being "listed" (and all related references) shall mean that such Notes have been admitted to trading on the Markets, each of which is a regulated, organised and recognised market for the purposes of the Investment Services Directive 93/22/EC.

Unlisted Notes may be issued pursuant to this Programme. The relevant Final Terms in respect of the issue of any Notes will specify whether or not such Notes will be admitted to trading on the Markets (or any other market and/or stock exchange).

Each Series (as defined herein) of Notes in bearer form will be represented on issue by a temporary global note in bearer form (a "temporary Global Note") or a permanent global note in bearer form (a "permanent Global Note" and each of the temporary Global Note and permanent Global Note, a "Global Note"). Notes in registered form will be represented by a global registered certificate (the "Global Certificate") or by registered certificates (each a "Certificate"), one Certificate being issued in respect of each Noteholder's entire holding of Registered Notes of one Series. Global Notes, Global Certificates and Certificates representing International Notes may be deposited on the issue date with a common depositary on behalf of Euroclear Bank S.A./N.V., as operator of the Euroclear System ("Euroclear") and Clearstream Banking, société anonyme ("Clearstream, Luxembourg") and Global Notes and Global Certificates representing Domestic Notes may be deposited on the issue date with Oesterreichische Kontrollbank Aktiengesellschaft ("OeKB") or with a depositary on behalf of OeKB or with or on behalf of the Issuer. The provisions governing the exchange of interests in Global Notes or Global Certificates for other Global Notes and definitive Notes and Certificates, respectively, are described in "Summary of Provisions Relating to the Notes while in Global Form".

Tranches of Notes (as defined in "Overview of the Programme") may be rated or unrated. Where a Tranche of Notes is rated, such rating will be specified in the relevant Final Terms. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Prospective investors should have regard to the factors described under the section headed "Risk Factors" in this Prospectus. This Prospectus does not describe all of the risks of an investment in the Notes.

Arranger and Dealer for Domestic Notes

Erste Bank

Arranger for International Notes

JPMorgan

Dealers for International Notes

BNP PARIBAS
Deutsche Bank
Erste Bank
Mizuho International plc

Commerzbank Corporates & Markets
DZ BANK AG
JPMorgan
Morgan Stanley

UBS Investment Bank

9th November 2005

This Prospectus comprises a base prospectus for the purposes of Article 5.4 of Directive 2003/71/EC (the "Prospectus Directive") and relevant implementing legislation in Austria, in particular in respect of section 1 paragraph 1 No 10 and 11 of the Austrian Capital Markets Act and for the purpose of giving information with regard to (the Issuer), the Issuer and its subsidiaries and affiliates taken as a whole (the "Group") and the Notes which, according to the particular nature of the Issuer and the Notes, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer.

The Issuer accepts responsibility for the information contained in this Prospectus. To the best of the knowledge of the Issuer (having taken all reasonable care to ensure that such is the case) the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Prospectus is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see "Documents Incorporated by Reference" below).

No person has been authorised to give any information or to make any representation other than those contained in this Prospectus 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 any of the Dealers (as defined in "Subscription and Sale") or either of J.P. Morgan Securities Ltd. (the "International Arranger") or Erste Bank der oesterreichischen Sparkassen AG (in its capacity as the arranger of issues of Domestic Notes only, the "Domestic Arranger" and together with the International Arranger, the "Arrangers"). Neither the delivery of this Prospectus 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 the Group since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer or the Group since the date hereof or the date upon which this Prospectus has been most recently amended or 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 Prospectus and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer, the Dealers and the Arrangers 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. For a description of certain restrictions on offers and sales of Notes and on distribution of this Prospectus, see "Subscription and Sale".

This Prospectus does not constitute an offer of, or an invitation by or on behalf of any of the Issuer, the Dealers or the Arrangers to subscribe for, or purchase, any Notes.

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

In connection with the issue of any Tranche of Notes the Dealer or Dealers (if any) named as the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms may over-allot Notes (provided that, in the case of any Tranche of Notes to be admitted to trading on the Markets the aggregate principal amount of Notes allotted does not exceed 105 per cent. of the aggregate principal amount of the relevant Tranche) or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that

the Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes.

The maximum aggregate principal amount of Notes outstanding at any one time under the Programme will not exceed EUR 20,000,000,000 (and for this purpose, any Notes denominated in another currency shall be translated into euro at the date of the agreement to issue such Notes calculated in accordance with the provisions of the Programme Agreement, as defined under "Subscription and Sale"). The maximum aggregate principal amount of Notes which may be outstanding at any one time under the Programme may be increased from time to time, subject to compliance with the relevant provisions of the Programme Agreement.

In this Prospectus, unless otherwise specified or the context otherwise requires, references to "€", "euro" or "EUR" are to the currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty establishing the European Community (as amended from time to time), references to "CZK" are to Czech Koruna, "SKK" to Slovak Koruna, "HUF" to Hungarian Forint, "HRK" to Croatian Kuna and references to "US dollars" and "US\$" are to the currency of the United States of America.

Table of Contents

	<i>Page</i>
Documents Incorporated by Reference	5
Supplemental Prospectus	5
Sources of Information	5
Summary of the Programme	6
German Translation of Summary of the Programme	12
Risk Factors.....	19
Overview of the Programme.....	27
Overview of <i>Pfandbriefe, Kommunalschuldverschreibungen (Öffentliche Pfandbriefe)</i> and Covered Bonds	32
Terms and Conditions of the Notes.....	34
German Translation of the Terms and Conditions of the Notes	58
Use of Proceeds.....	87
Summary of Provisions Relating to the Notes while in Global Form	88
Erste Bank der oesterreichischen Sparkassen AG	93
Administrative, Managing and Supervisory Bodies	116
Historical Financial Information	121
The Austrian Banking System	127
Taxation.....	132
Subscription and Sale	134
General Information.....	136
Form of Final Terms	138
German Translation of Form of Final Terms	149
Signature according to the Austrian Capital Markets Act.....	161

Documents Incorporated by Reference

This Prospectus should be read and construed in conjunction with (i) each Final Terms relating to any Notes, (ii) the audited consolidated financial statements of the Issuer for the financial years ended 31st December 2003 and 2004 together in each case with the audit report thereon, and the unaudited consolidated financial statements for the financial half-year ended 30th June 2005 and the unaudited consolidated financial statements for the nine months period ended 30th September 2005 (iii) the sections entitled "Terms and Conditions of the Notes" and "Summary of Provisions relating to the Notes while in Global Form" of the Offering Circulars dated 17th May 2002, 19th May 2003 and 17th May 2004 relating to the Programme and published by the Issuer, which have been previously published or are published simultaneously with this Prospectus and which have been filed with the FMA. Such documents shall be deemed to be incorporated in, and form part of this Prospectus, save that any statement contained in a document which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

Supplemental Prospectus

The Issuer has given an undertaking to the Dealers, and is obliged by the provisions of the Prospectus Directive and the relevant implementing legislation in Austria, that if at any time during the duration of the Programme there is a significant new factor, material mistake or inaccuracy relating to information contained in this Prospectus which is capable of affecting the assessment of any Notes and the inclusion of which would reasonably be required by investors, and would reasonably be expected by them to be found in this Prospectus, for the purpose of making an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer, and the rights attaching to the Notes, the Issuer shall prepare an amendment or supplement to this Prospectus or publish a replacement Prospectus for use in connection with any subsequent offering of the Notes and shall supply to each Dealer and to the FMA and the Vienna Stock Exchange such number of copies of such amendment, supplement or replacement hereto as such Dealer may request and the Capital Markets Act and/or the Stock Exchange Act require.

Sources of Information

Statistical and other data provided in this Prospectus has been extracted from the audited consolidated financial statements of the Issuer for the financial year ended 31st December 2004 and the Annual Report thereon, the unaudited consolidated financial statements for the nine months period ended 30th September 2005 and the half year report thereon, KSV – Kreditschutzverband 1870, FMDS market surveys (2004 and HY 2005) and OeKB – Oesterreichische Kontrollbank AG. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by such sources, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Summary of the Programme

This summary must be read as an introduction to this Prospectus. Any decision to invest in any Notes should be based on a consideration of this Prospectus as a whole, including the documents incorporated by reference, by any investor. Following the implementation of the relevant provisions of the Prospectus Directive in each Member State of the European Economic Area (an "EEA State"), the responsible persons may have civil liability in respect of this summary, if it is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus. Where a claim relating to information contained in this Prospectus is brought before a court in an EEA State, the plaintiff may, under the national legislation of the EEA State where the claim is brought, be required to bear the costs of translating the Prospectus before the legal proceedings are initiated.

The Notes

Denominations of Notes

Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer.

Maturities

Subject to compliance with all relevant laws, regulations and directives, the Notes will have a minimum maturity of one month, Subordinated Capital Notes of five years, Short-term Subordinated Capital Notes of two years and Supplementary Capital Notes and Subordinated Supplementary Capital Notes of eight years.

Form of Notes

The Notes may be Domestic Notes or International Notes, as specified in the relevant Final Terms. Erste Bank will act as Arranger, Dealer and as Agent in respect of issues of Domestic Notes, which will be issued in the German language, governed by Austrian law and will be deposited with OeKB or the Issuer.

Issue Price

Notes may be issued at their principal amount or at a discount or premium thereto.

Interest

Fixed interest will be payable in arrear on the date or dates in each year specified in Part A of the relevant Final Terms, Floating Rate Notes will bear interest set separately for each Series as specified in Part A of the relevant Final Terms and Zero Coupon Notes may be issued at their principal amount or at a discount to it and will not bear interest.

Index-linked and Equity-linked Notes

Payments in respect of Index-linked and Equity-linked Notes will be calculated by reference to such stock or commodity (or basket thereof) or other index, currency exchange rate and/or formula (in the case of Index-linked) or single equity security or basket of equity securities (in the case of Equity-linked) as indicated in Part A of the relevant Final Terms.

Credit-linked Notes

Credit-linked Notes may be issued relating to one or more reference entities (as specified in the relevant Final Terms). Holders of Credit-linked Notes are exposed to the credit risk of the Issuer and such reference entities.

Subordinated Notes

Subordinated Notes may be issued in the form of Supplementary Capital, Subordinated Capital, Subordinated Supplementary Capital or Short-term Subordinated Capital in accordance with the requirements from time to time of the Austrian Banking Act 1993 as amended (*Bankwesengesetz*) (the "Banking Act").

Pfandbriefe

Pfandbriefe are Notes which are secured by a separated pool of cover assets mainly comprising first ranking mortgages over certain real estate. In case of the bankruptcy of the Issuer, the holders of

Pfandbriefe will have an immediate preferential right to be satisfied from the pool of cover assets, unless the pool of cover assets is transferred to another credit institution.

Kommunalschuldverschreibungen (Öffentliche Pfandbriefe)

Kommunalschuldverschreibungen (Öffentliche Pfandbriefe) are secured by a separated pool of cover assets mainly comprising loan claims against certain governmental entities of the Member States of the European Economic Area and Switzerland or claims benefiting from a guarantee granted by one of these entities. In case of the bankruptcy of the Issuer, the holders of *Kommunalschuldverschreibungen (Öffentliche Pfandbriefe)* will have an immediate preferential right to be satisfied from the pool of cover assets unless the pool of cover assets is transferred to another credit institution.

Covered Bonds

Covered Bonds are secured by a separated pool of cover assets which are designated to cover the Notes pursuant to the Austrian Law on Covered Bank Bonds (*Gesetz über fundierte Bankschuldverschreibungen*) and which mainly comprise claims of the Issuer against the Republic of Austria, claims of the Issuer against Austrian and foreign business enterprises (including banks) if they are guaranteed or warranted by the Republic of Austria, gilt-edged securities and cash. In case of the bankruptcy of the Issuer, the holders of Covered Bonds will have a preferential right to be satisfied from the pool of cover assets unless the pool of cover assets is transferred to another credit institution.

Reverse Convertible Notes

Reverse Convertible Notes may be issued under the Programme as Domestic Notes only, and will therefore be governed by Austrian law and issued in the German language. Accordingly, the English language version of the Terms and Conditions of the Notes do not provide for the issuance of such Notes.

Other Notes

Terms applicable to High Interest Notes, Low Interest Notes, Step-up Notes, Step-down Notes, Inverse/Reverse Floating Rate Notes, Fixed to Floating Rate Notes, Structured Floating Rate Notes, Instalment Notes, Reverse Dual Currency Notes, Optional Dual Currency Notes, Partly-paid Notes and any other type of Note that the Issuer and any Dealer may agree to issue under the Programme will be set out in the relevant Final Terms and/or Supplemental Prospectus.

Redemption

The relevant Final Terms will indicate either that the Notes cannot be redeemed prior to their stated maturity (except for taxation reasons, or, in case of senior Notes only, upon the occurrence of an event of default, or, in the case of *Pfandbriefe*, *Kommunalschuldverschreibungen (Öffentliche Pfandbriefe)* and Covered Bonds only, upon the occurrence of an event of default other than the institution of bankruptcy proceedings over the assets of the Issuer) or that such Notes will be redeemable at the option of the Issuer and/or the holders of the Notes upon giving notice within the notice period (if any) indicated in the relevant Final Terms to the holders of the Notes or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such terms as indicated in the applicable Final Terms.

Negative Pledge, Events of Default and Cross Default

The Notes will contain negative pledge, events of default and (save for *Pfandbriefe*, *Kommunalschuldverschreibungen (Öffentliche Pfandbriefe)* and Covered Bonds), cross-default provisions as set out in the terms and conditions of the Notes.

Listing

Application has been made to the Vienna Stock Exchange for the Programme to be admitted to the Markets. Notes issued under the Programme may be admitted to trading on the Markets or on any other regulated or unregulated markets or stock exchanges.

Governing law

International Notes shall be governed by English law or by Austrian law. Domestic Notes shall be governed by Austrian law. *Pfandbriefe*, *Kommunalschuldverschreibungen (Öffentliche Pfandbriefe)* and Covered Bonds shall be always governed by Austrian law.

Use of Proceeds

The net proceeds from the issue of Notes will be used by Erste Bank for its general funding purposes.

Risk Factors relating to the Notes

Prospective investors should note that the risks described below are not the only risks relating to the Notes. The Issuer has described only those risks relating to the Notes that it considers to be material and of which it is currently aware. There may be additional risks that the Issuer currently considers not to be material or of which it is not currently aware, and any of these risks could have an effect on the market price of the Notes held by Noteholders, or could cause amounts of interest and principal received on such Notes to be less than anticipated:

Liquidity Risk

There can be no assurance that a liquid secondary market for the Notes will develop or, if it does develop, that it will continue. In an illiquid market, an investor may not be able to sell his Notes at fair market prices.

Market Price Risk

Noteholders may be exposed to market price risk in any sale of Notes prior to their final maturity.

Risk of Early Redemption

In the event that any Notes are redeemed prior to their maturity pursuant to the Terms and Conditions thereof, a holder of such Notes may be exposed to risks, including the risk that his investment will have a lower than expected yield.

Currency Risk

A holder of a Note denominated in a foreign currency or a Dual Currency Note may be exposed to adverse changes in currency exchange rates which may affect the yield of such Notes.

Floating Rate Notes

A holder of a Floating Rate Note may be exposed to the risk of fluctuating interest rate levels and uncertain interest income. Floating rate Notes may include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features. The market value of such structured floating rate Notes tends to be more volatile than the market value of conventional floating rate Notes.

Index-linked Notes

A holder of an Index-linked Interest Note may be exposed to the risk of fluctuating interest rate levels and uncertain interest income, and may in certain circumstances receive no interest at all. A holder of Index-linked Redemption Notes may also be exposed to uncertainty with respect to the redemption amount of such Notes, and may in some circumstances receive no principal at all. The yield of an Index-linked Note may be negative and an investor may lose the value of its entire investment or part of it.

Structured Notes

An investment in Notes by which the premium and/or the interest on, or principal of which is determined by reference to one or more values of currencies, commodities, interest rates or other indices or formulae, either directly or inversely, may entail significant risks not associated with similar investments in a conventional debt security, including the risks that the resulting interest rate will be less than that payable on a conventional debt security at the same time and/or that an investor could lose all or a substantial portion of the principal of his Notes.

Equity-linked Notes

An investment in Equity-linked Interest or Equity-linked Redemption Notes may bear similar risks to those associated with a direct investment in the equity underlying such Notes, and investors should take advice accordingly. In case of Equity-linked Redemption Notes, the investor may lose the value of its entire investment or part of it.

Credit-linked Notes

A holder of Credit-linked Notes is exposed to the credit risk of the Issuer and that of one or more reference entities (as specified in the applicable Final Terms). There is no guarantee that the holders of such Notes will receive the full principal amount of such Notes and interest thereon and ultimately the obligations of the Issuer to pay principal under such Notes may even be reduced to zero.

Subordinated Notes

In the event of the liquidation or institution of bankruptcy proceedings over the assets of the Issuer, the Issuer's obligations in respect of Subordinated Notes will be subordinated to the claims of all unsubordinated creditors of the Issuer, so that in any such event no amounts will be payable under such Notes until the claims of all unsubordinated creditors of the Issuer will have been satisfied in full.

Risks related to the market generally

Investors in the Notes may face certain risks common to the market, including the risk that they may not be able to sell their Notes at prices that will provide a yield comparable to similar investments that have a developed secondary market. In addition, if principal and interest on any Notes is paid in a Specified Currency, investors may be subject to exchange rate risk or the risk that exchange controls may be imposed.

Erste Bank

Organisational Structure

DIE ERSTE österreichische Spar-Casse Bank Aktiengesellschaft was founded in 1819 in Austria and changed its name on 4th October 1997, following its merger with GiroCredit Bank Aktiengesellschaft der Sparkassen. Erste Bank der oesterreichischen Sparkassen AG ("Erste Bank" or the "Issuer") is registered as a stock corporation (*Aktiengesellschaft*) in the Austrian Companies Register (*Firmenbuch*) at Vienna Commercial Court (*Handelsgericht Wien*).

The Administrative, Managing and Supervisory bodies of the Issuer currently consist of six Members of the Managing Board, eighteen Members of the Supervisory Board, including six representatives of the staff council, and six representatives of the Supervisory Authority including the Government Commissioner for Covered Bonds, and Trustees for *Pfandbriefe* and *Kommunalschuldverschreibungen* (*Öffentliche Pfandbriefe*).

Share Capital

As of 30th September 2005, the Issuer's issued share capital was EUR 486,367,200 (comprised of 243,183,600 ordinary shares).

The Issuer's shares are listed and officially traded on the Vienna Stock Exchange (*Amtlicher Handel*) and on the Prague Stock Exchange.

The major shareholders of Erste Bank are DIE ERSTE österreichische Spar-Casse Privatstiftung (32.2 per cent.) and Austria Versicherungsverein auf Gegenseitigkeit (6.0 per cent). The balance held by the public as of 30th September 2005 was 61.8 per cent. (of which all Savings Banks held 7.1 per cent. and Erste Bank's employees held 1.8 per cent. as of 30th September 2005).

Financial Information

The financial information below is extracted from the audited consolidated annual financial statements of the Issuer for the year ended 31st December 2004:

Total assets	EUR 139.7 billion
Net interest income	EUR 2.7 billion
Pre-tax profit for the year	EUR 1.1 billion
Profit for the year after taxes	EUR 0.8 billion
Net profit after minority interests	EUR 0.5 billion

Business Overview

In order to take account of the difference in growth rates between Erste Bank's key geographic markets, its business is divided geographically between Austria, Central Europe and its International Business. The Austria region is further subdivided into four business segments: Savings Banks, Retail and Mortgage (formerly Retail and Real Estate), Large Corporate Customers and Trading and Investment Banking.

Austria

Savings Banks

The Savings Banks segment encompasses a current total of 46 Austrian savings banks that are consolidated as a result of their membership in the *Haftungsverbund*, whether Erste Bank holds a minority share or no equity.

Retail and Mortgage

The Retail and Mortgage segment comprises all activities of the Group in the three business units: Retail, Mortgage Business and Small and Medium-Sized Corporate Customers, which includes savings banks of which Erste Bank is the majority owner. Due to the high proportion of individuals in the Issuer's customer base, the investment fund business, private banking and portfolio management are also included in this segment.

Large Corporate Customers

The Large Corporate customers segment serves companies in Austria and abroad with sales of EUR 70 million and above, with an additional focus on project finance for tourism development projects, tourist facilities, and commercial real estate.

Trading and Investment Banking

The Trading and Investment Banking segment of the Group includes its asset/liability management activities.

Central Europe

Initially, Erste Bank's extended home market consisted of Austria's neighbouring countries in Central Europe, which have a total population of more than 40 million people. Erste Bank intends to expand its home market to the adjacent regions in Europe (including the second wave of countries aspiring to EU accession in Eastern and South-eastern Europe and any further potential EU candidates). Erste Bank's long-term strategic objective is to attain a market share of at least 20 per cent. in each country of its extended home market, through both targeted acquisitions and organic growth.

Direct Holdings of Erste Bank in Central Europe

Source: Annual Report 2004 – amended by audited figures as of 31st December 2004 and including Novosadska banka

Country	Erste Bank subsidiary	Ownership
Czech Republic	Česká spořitelna	98.0%
Slovak Republic	Slovenská spořitel'ňa ⁽¹⁾	80.0%
Hungary	Erste Bank Hungary	99.9%
Croatia	Erste & Steiermärkische banka ⁽²⁾	59.8%
Serbia-Montenegro	Novosadska banka ⁽³⁾	0%

Notes:

(1) Increase in stake to 100 per cent. in January 2005

(2) After realignment of ownership structure of Erste Bank Croatia in January 2005, Erste Bank holds 51.0 per cent. (the stake of the Group amounted to 68.6 per cent. as of 31st December 2004 and amounts to 62.0 per cent. since January 2005).

(3) Acquisition closed at 9th August 2005, ownership 83.3 per cent.

International Business

The International Business unit comprises the small and medium-sized corporates business of the Issuer's branches in London, New York and Hong Kong and also encompasses the foreign business of Erste Bank Vienna, including those inter-bank transactions not handled by the Issuer's Treasury unit.

Corporate Centre

The Corporate Centre segment supports the pursuit of Erste Bank's strategic goals by providing marketing, organisation, and information technology services including e-business.

Risk Factors relating to the Issuer

The Issuer may be subject in particular to the following risks, which should be carefully considered together with the other information contained in this Prospectus, prior to any investment decision. Prospective investors should note that the risks described below are not the only risks the Issuer faces. The Issuer has described only those risks relating to its business, operations, financial condition or prospects that it considers to be material and of which it is currently aware. There may be additional

risks that the Issuer currently considers not to be material or of which it is not currently aware, and any of these risks could have an effect on its financial position and results of operations.

- market risks could impair the value of the Issuer’s assets and adversely impact its financial position and results of operations;
- the Issuer has significant counterparty and credit risk exposure. The development of the Issuer’s operating performance, loan loss levels or writedowns and impairments could adversely affect its results;
- the Issuer’s subsidiaries in Central and Eastern Europe are subject to increased political and economical risk associated with these countries;
- it may be difficult to make further acquisitions and/or to identify new suitable acquisition targets. Future acquisitions may contain hidden liabilities and may prove to be difficult to integrate into the Group;
- interest rate volatility may adversely affect the Issuer’s results of operations;
- the Issuer is subject to liquidity risk;
- fluctuations in currencies in which the Group generates revenues and incurs expenses could adversely affect its earnings and cash flow;
- changes in existing, or new, government laws or regulations in the countries in which the Group operates may have a material impact on its results of operations;
- competition is high in the countries where the Group operates and may grow significantly in the future; and
- the Issuer is exposed to a number of operational risks, in particular the failure or malfunctioning of its IT systems.

German Translation of Summary of the Programme

Zusammenfassung des Programms

Diese Zusammenfassung muss als Einführung zu diesem Prospekt gelesen werden. Jegliche Entscheidung in Schuldverschreibungen zu investieren, sollte von jedem Investor auf einer Erwägung des gesamten Prospektes basieren, einschließlich der Dokumente, die durch Verweis einbezogen wurden. Gemäß der Umsetzung der relevanten Bestimmungen der Prospekttrichtlinie in jedem Mitgliedsland des europäischen Wirtschaftsraumes (ein „EWR-Staat“), kann eine privatrechtliche Haftung der verantwortlichen Personen im Hinblick auf diese Zusammenfassung gegeben sein, wenn sie irreführend, unrichtig oder widersprüchlich ist, wenn sie zusammen mit den anderen Teilen des Prospektes gelesen wird. Sollten Ansprüche aufgrund der in diesem Prospekt enthaltenen Informationen vor einem Gericht in einem EWR-Staat geltend gemacht werden, könnte der Kläger, aufgrund einzelstaatlicher Rechtsvorschriften des EWR-Staates in dem der Anspruch vorgebracht wird, vor Beginn des Verfahrens verpflichtet sein, die Kosten für die Übersetzung des Prospektes zu tragen.

Die Schuldverschreibungen

Stückelung der Schuldverschreibungen

Die Schuldverschreibungen werden in solchen Stückelungen begeben, wie zwischen der Emittentin und dem entsprechenden Dealer vereinbart.

Laufzeit

Mit der Maßgabe, dass alle anwendbaren Gesetze, Richtlinien und Verordnungen beachtet werden, werden die Schuldverschreibungen eine Mindestlaufzeit von einem Monat, Schuldverschreibungen über nachrangiges Kapital eine Mindestlaufzeit von 5 Jahren, Schuldverschreibungen über kurzfristiges nachrangiges Kapital eine Mindestlaufzeit von 2 Jahren und Schuldverschreibungen über Ergänzungskapital und Schuldverschreibungen über nachrangiges Ergänzungskapital eine Mindestlaufzeit von 8 Jahren haben.

Form der Schuldverschreibungen

Die Schuldverschreibungen werden als Inländische Schuldverschreibungen oder Internationale Schuldverschreibungen begeben, je nachdem wie sie in den Endgültigen Bedingungen benannt sind. Erste Bank wird hinsichtlich der Begebung von Inländischen Schuldverschreibungen als Arranger, Dealer und als Agent handeln, wobei die Inländischen Schuldverschreibungen in deutscher Sprache begeben werden, österreichischem Recht unterliegen und bei der OeKB oder der Emittentin hinterlegt werden.

Emissionspreis

Die Schuldverschreibungen werden zum Nennbetrag oder mit einem Abschlag oder Aufschlag auf den Nennbetrag emittiert.

Zinsen

Feste Zinsen sind im Nachhinein an jenem Tag oder jenen Tagen eines jeden Jahres, der oder die in Teil A der endgültigen Bedingungen benannt sind, fällig, variabel verzinsliche Schuldverschreibungen tragen jene Zinsen, die für jede Serie separat in Teil A der jeweiligen endgültigen Bedingungen benannt sind, und Nullkupon-Schuldverschreibungen werden zu ihrem Kapitalbetrag emittiert oder zu einem Abschlag darauf und tragen keine Zinsen.

Schuldverschreibungen mit Indexabhängiger Verzinsung und Equity-linked Schuldverschreibungen

Zahlungen hinsichtlich von Schuldverschreibungen mit Indexabhängiger Verzinsung und Equity-linked Schuldverschreibungen werden mit Bezug auf eine Aktie oder Ware (oder einen darauf bezogenen Korb) oder einen anderen Index, Währungswechsellkurs und/oder Formel (im Falle von Schuldverschreibungen mit Indexabhängiger Verzinsung) oder einzelnen Aktientiteln oder eines Korbs von Aktientiteln (im Fall von Equity-linked) berechnet, wie jeweils in Teil A der endgültigen Bedingungen ausgeführt.

Credit-linked Schuldverschreibungen

Credit-linked Schuldverschreibungen werden mit Bezug auf eine oder mehrere Bezugsgrößen emittiert (wie in den zugehörigen endgültigen Bedingungen festgelegt). Die Inhaber von Credit-linked Schuldverschreibungen sind dem Kreditrisiko der Emittentin und der Bezugsgrößen ausgesetzt.

Nachrangige Schuldverschreibungen

Nachrangige Schuldverschreibungen werden in der Form von Ergänzungskapital, nachrangigem Kapital, nachrangigem Ergänzungskapital oder kurzfristigem nachrangigem Kapital gemäß den Anforderungen des österreichischen Bankwesengesetzes von 1993 in der geltenden Fassung begeben.

Pfandbriefe

Pfandbriefe sind Schuldverschreibungen, welche durch eine abgesonderte Deckungsmasse besichert sind, welche hauptsächlich aus erstrangigen Hypotheken über bestimmte Liegenschaften besteht. Im Falle eines Konkurses der Emittentin haben die Inhaber der Pfandbriefe ein unmittelbares Vorzugsrecht, aus der Deckungsmasse befriedigt zu werden, ausgenommen die Deckungsmasse wird an ein anderes Kreditinstitut übertragen.

Kommunalschuldverschreibungen (Öffentliche Pfandbriefe)

Kommunalschuldverschreibungen (Öffentliche Pfandbriefe) werden durch eine abgesonderte Deckungsmasse besichert, welche hauptsächlich aus Darlehensforderungen gegen bestimmte Gebietskörperschaften von Mitgliedstaaten der europäischen Wirtschaftsgemeinschaft und der Schweizerischen Eidgenossenschaft oder aus Ansprüchen besteht, die von einer Garantie, die von einer dieser Gebietskörperschaften abgegeben wurde, begünstigt sind. Im Fall eines Konkurses der Emittentin haben die Inhaber von Kommunalschuldverschreibungen (Öffentliche Pfandbriefe) ein unmittelbares Vorzugsrecht, aus der Deckungsmasse befriedigt zu werden, ausgenommen die Deckungsmasse wird an ein anderes Kreditinstitut übertragen.

Fundierte Bankschuldverschreibungen

Fundierte Bankschuldverschreibungen werden durch eine abgesonderte Deckungsmasse besichert, welche dafür vorgesehen ist, die Schuldverschreibungen gemäß dem Gesetz über fundierte Bankschuldverschreibungen zu decken und welche hauptsächlich Forderungen der Emittentin gegen die Republik Österreich, Forderungen der Emittentin gegen österreichische und ausländische Unternehmen (inklusive Banken) soweit diese durch die Republik Österreich garantiert werden, mündelsichere Wertpapiere und Geldbestand enthält. Im Falle eines Konkurses der Emittentin haben die Inhaber von fundierten Bankschuldverschreibungen ein Vorzugsrecht, aus der Deckungsmasse befriedigt zu werden, ausgenommen die Deckungsmasse wird an ein anderes Kreditinstitut übertragen.

Wandelanleihen

Wandelanleihen werden gemäß dem Programm nur als inländische Schuldverschreibungen emittiert und unterliegen daher österreichischem Recht und werden in deutscher Sprache begeben. Die englischsprachige Version der Emissionsbedingungen der Schuldverschreibungen sieht daher keine Ausgabe solcher Schuldverschreibungen vor.

Andere Schuldverschreibungen

Bestimmungen betreffend High Interest Notes, Low Interest Notes, Step-up Notes, Step-down Notes, Inverse/Reverse Floating Rate Notes, Fixed to Floating Rate Notes, Structured Floating Rate Notes, Instalment Notes, Reverse Dual Currency Notes, Optional Dual Currency Notes, Partly-paid Notes und jede andere Art von Schuldverschreibungen welche die Emittentin und ein Dealer gemäß dem Programm zu emittieren vereinbaren, werden in den jeweiligen endgültigen Bedingungen und/oder Nachträgen zum Prospekt enthalten sein.

Rückzahlung

In den maßgeblichen endgültigen Bedingungen ist entweder festgelegt, dass die Schuldverschreibungen vor Ablauf ihrer festgelegten Laufzeit nicht rückzahlbar sind (ausgenommen aus steuerlichen Gründen oder, im Falle von Nicht-Nachrangigen Schuldverschreibungen, nur bei Eintritt eines Kündigungsereignisses, oder im Falle von Pfandbriefen, Kommunalschuldverschreibungen (Öffentliche Pfandbriefe) und fundierten Bankschuldverschreibungen, nur bei Eintritt eines anderen Kündigungsereignisses als die Einleitung eines Konkursverfahrens über das Vermögen der Emittentin) oder daß die Schuldverschreibungen nach Wahl der Emittentin und/oder der Inhaber der Schuldverschreibungen unter Einhaltung einer in den endgültigen Bedingungen festgelegten Frist (falls

gegeben) gegenüber den Inhabern oder der Emittentin rückzahlbar sind, und zwar zu einem Zeitpunkt oder Zeitpunkten vor der angegebenen Fälligkeit und zu einem Preis oder Preisen und zu solchen Bedingungen, wie in den maßgeblichen endgültigen Bedingungen festgelegt.

Negativverpflichtung, Kündigungsereignisse und Cross Default

Die Schuldverschreibungen enthalten eine Negativverpflichtung, Kündigungsgründe und (ausgenommen Pfandbriefe, Kommunalschuldverschreibungen (öffentliche Pfandbriefe) und fundierte Bankschuldverschreibungen) Cross-Default Bestimmungen wie in den Emissionsbedingungen der Schuldverschreibungen beschrieben.

Listing

Die Zulassung des Programmes zum Amtlichen Handel und zum Geregelten Freiverkehr der Wiener Börse wurde beantragt. Schuldverschreibungen, die gemäß dem Programm emittiert werden, können zum Handel an diesen Märkten oder jedem anderen regulierten oder unregulierten Markt oder Börsen zugelassen werden.

Geltendes Recht

Internationale Schuldverschreibungen unterliegen englischem Recht oder österreichischem Recht. Inländische Schuldverschreibungen unterliegen österreichischem Recht. Pfandbriefe, Kommunalschuldverschreibungen (Öffentliche Pfandbriefe) und fundierte Bankschuldverschreibungen unterliegen immer österreichischem Recht.

Verwendung des Emissionserlöses

Die Nettoerlöse der Emission der Schuldverschreibungen werden von der Erste Bank für allgemeine Unternehmenszwecke verwendet.

Risikofaktoren betreffend die Schuldverschreibungen

Interessierte Investoren sollten beachten, dass die nachstehend beschriebenen Risiken nicht die einzigen Risiken der Schuldverschreibungen sind. Die Emittentin hat nur jene Risiken der Schuldverschreibungen beschrieben, welche sie als materiell ansieht und welche ihr derzeit bewusst sind. Es kann zusätzliche Risiken geben, welche die Emittentin derzeit als nicht wesentlich ansieht oder welche ihr derzeit nicht bewusst sind, und jede dieser Risiken könnte eine Auswirkung auf den Marktpreis der Schuldverschreibungen, welche von deren Inhabern gehalten werden, haben, oder könnten zur Folge haben, daß Zins- und Kapitalbeträge, welche aufgrund solcher Schuldverschreibungen empfangen werden, weniger als erwartet betragen.

Liquiditätsrisiko

Es besteht keine Gewißheit, dass ein liquider Sekundärmarkt für die Schuldverschreibungen entstehen wird, oder sofern er entsteht, dass er fortbestehen wird. In einem illiquiden Markt könnte es sein, dass ein Anleger seine Schuldverschreibungen nicht zu angemessenen Marktpreisen veräußern kann.

Marktpreisrisiko

Die Inhaber von Schuldverschreibungen sind dem Marktpreisrisiko bei jedem Verkauf von Schuldverschreibungen vor deren Endfälligkeit ausgesetzt.

Risiko der vorzeitigen Zurückzahlung

Im Falle, dass die Schuldverschreibungen vor Endfälligkeit gemäß den Emissionsbedingungen zurückgezahlt werden, ist der Inhaber Risiken ausgesetzt, insbesondere dem Risiko, dass seine Kapitalanlage eine geringere Rendite als erwartet aufweisen wird.

Währungsrisiko

Der Inhaber einer Schuldverschreibung, die auf eine fremde Währung lautet, oder einer Doppelwährungs-Schuldverschreibung, ist nachteiligen Änderungen von Wechselkursen ausgesetzt, welche die Rendite dieser Schuldverschreibung beeinflussen können.

Variabel verzinsliche Schuldverschreibungen

Der Inhaber von variabel verzinslichen Schuldverschreibungen ist dem Risiko eines schwankenden Zinsniveaus und ungewisser Zinserträge ausgesetzt. Variabel verzinsliche Schuldverschreibungen können mit Multiplikatoren oder anderen Hebefaktoren sowie mit Zinsober- und Zinsuntergrenzen oder einer Kombination dieser Merkmale oder mit ähnlichen Merkmalen ausgestattet sein. Der Kurs solcher

strukturiertes variabel verzinsliches Schuldverschreibungen neigt zu größerer Volatilität als der von herkömmlichen variabel verzinslichen Schuldverschreibungen.

Index-abhängige Schuldverschreibungen

Der Inhaber einer Schuldverschreibung mit Indexabhängiger Verzinsung ist dem Risiko eines schwankenden Zinsniveaus und Ungewißheit in Bezug auf den Zinsertrag ausgesetzt und wird in bestimmten Umständen überhaupt keine Verzinsung erhalten. Der Inhaber einer Schuldverschreibung mit Indexabhängiger Rückzahlung ist einer Ungewißheit in Bezug auf den Rückzahlungsbetrag ausgesetzt und kann unter Umständen sein Kapital gänzlich verlieren. Die Rendite einer Index-abhängigen Schuldverschreibung kann negativ sein und ein Anleger kann den Wert seiner Anlage ganz oder teilweise verlieren.

Strukturierte Schuldverschreibungen

Eine Kapitalanlage in Schuldverschreibungen, bei denen der Aufschlag und/oder der Zins oder der Kapitalbetrag unter Bezugnahme auf eine oder mehrere Währungen, Rohstoffe, Zinssätze oder andere Indices oder Formeln, entweder unmittelbar oder umgekehrt bestimmt wird, kann signifikante Risiken mit sich bringen, die nicht mit ähnlichen Kapitalanlagen in einen herkömmlichen Schuldtitel verbunden sind, einschließlich des Risikos, dass der resultierende Zinssatz geringer sein wird, als der zur gleichen Zeit auf einen herkömmlichen Schuldtitel zahlbare Zinssatz und/oder, daß ein Anleger sein eingesetztes Kapital ganz oder zu einem erheblichen Teil verliert.

Equity-linked Schuldverschreibungen

Ein Investment in Schuldverschreibungen mit Equity-linked Verzinsung oder Equity-linked Rückzahlung kann ähnliche Risiken aufweisen, wie jene, die mit einer direkten Anlage in den der Schuldverschreibung unterliegenden Equitytitel verbunden sind und Investoren sollten dementsprechende Beratung einholen. Im Falle von Schuldverschreibungen mit Equity-linked Rückzahlung kann der Fall eintreten, dass ein Investor den Wert seines gesamten oder eines Teiles seines Investments verliert.

Credit-linked Schuldverschreibungen

Der Inhaber einer Credit-linked Schuldverschreibung ist dem Kreditrisiko der Emittentin und einer oder mehrerer Bezugsgrößen (wie in den anwendbaren endgültigen Bedingungen benannt) ausgesetzt. Es gibt keine Garantie, dass die Inhaber solcher Schuldverschreibungen den gesamten Kapitalbetrag solcher Schuldverschreibungen und darauf bezogene Zinsen erhalten und schließlich kann es sein, dass die Verpflichtung der Emittentin, das Kapital dieser Schuldverschreibungen zurückzuzahlen, auf Null reduziert wird.

Nachrangige Schuldverschreibungen

Im Falle einer Liquidation oder der Einleitung eines Konkursverfahrens über das Vermögen der Emittentin werden die Verpflichtungen der Emittentin in Bezug auf nachrangige Schuldverschreibungen gegenüber den Ansprüchen aller nicht nachrangigen Gläubiger der Emittentin nachrangig sein, sodass in einem solchen Falle keine Beträge gemäß dieser Schuldverschreibungen zahlbar sind, bis sämtliche Ansprüche aller nicht-nachrangigen Gläubiger der Emittentin zur Gänze befriedigt wurden.

Risiken betreffend den Markt generell

Investoren der Schuldverschreibungen können bestimmten bekannten Risiken des Marktes begegnen, einschließlich dem Risiko, dass sie unter Umständen nicht in der Lage sein werden, ihre Schuldverschreibungen zu Preisen zu verkaufen, die zu einer Rendite führen, die mit ähnlichen Anlagen, für die ein entwickelter Sekundärmarkt besteht, vergleichbar ist. Außerdem kann es sein, dass Anleger dem Wechselkursrisiko oder dem Risiko von Zahlungsbeschränkungen unterliegen, wenn Kapital und Zinsen auf Schuldverschreibungen in einer bestimmten Währung bezahlt werden.

Erste Bank

Organisationsstruktur

DIE ERSTE österreichische Spar-Casse Bank Aktiengesellschaft wurde 1819 in Österreich gegründet und änderte ihren Namen am 4. Oktober 1997 nach der Verschmelzung mit der GiroCreditBank Aktiengesellschaft der Sparkassen. Die Erste Bank der oesterreichischen Sparkassen AG ("Erste Bank" oder "die Emittentin") ist eine Aktiengesellschaft, die im österreichischen Firmenbuch des Handelsgerichtes Wien eingetragen ist.

Die Verwaltungs- und Aufsichtsorgane der Emittentin bestehen derzeit aus 6 Vorstandsmitgliedern, 18 Aufsichtsratsmitgliedern, davon 6 vom Betriebsrat entsandten Mitgliedern, 6 Vertretern der Aufsichtsbehörde samt dem Regierungskommissär für Fundierte Bankschuldverschreibungen, und den Treuhändern für Pfandbriefe und Kommunalschuldverschreibungen (Öffentliche Pfandbriefe).

Aktienkapital

Per 31.7.2005 betrug das einbezahlte Aktienkapital der Emittentin Euro 486.367.200 (bestehend aus 243.183.600 Stammaktien).

Die Aktien der Emittentin notieren und werden im amtlichen Handel der Wiener Börse AG und der Prager Börse gehandelt.

Die Hauptaktionäre der Erste Bank sind DIE ERSTE österreichische Spark-Casse Privatstiftung (32,2%) und Austria Versicherungsverein auf Gegenseitigkeit (6%). Der Rest beträgt zum 30.6.2005 61,8% und wird im Streubesitz gehalten (davon halten alle Sparkassen 7,1% und Angestellte der Erste Bank 1,8% per 30.6.2005).

Finanzinformationen

Die nachstehende Finanzinformation stellt einen Auszug aus dem geprüften konsolidierten Jahresabschluss der Emittentin für das Geschäftsjahr, welches am 31.12.2004 geendet hat, dar:

Summe der Aktiva	Euro 139,7 Milliarden
Zinsüberschuss	Euro 2,7 Milliarden
Jahresüberschuss vor Steuern	Euro 1,1 Milliarden
Jahresüberschuss	Euro 0,8 Milliarden
Konzernjahresüberschuss	Euro 0,5 Milliarden

Geschäftsübersicht

Um der unterschiedlichen Dynamik der Schlüsselmärkte der Erste Bank Rechnung zu tragen, ist das Geschäft geographisch zwischen Österreich, Zentraleuropa und internationalem Geschäft aufgeteilt. Die Region Österreich untergliedert sich in 4 Geschäftssegmente: Sparkassen, Retail und Wohnbau (früher Retail und Immobilien), Großkunden sowie Trading und Investmentbanking.

Österreich

Sparkassen

Das Segment Sparkassen umfasst derzeit insgesamt 46 österreichische Sparkassen, die aufgrund ihrer Zugehörigkeit zum Haftungsverbund konsolidiert werden, unabhängig ob Erste Bank keine oder nur eine Minderheitsbeteiligung hält.

Retail und Wohnbau

Das Retail und Wohnbausegment umfasst alle Aktivitäten der Gruppe in den drei Geschäftsfeldern: Retail, Wohnbaugeschäft und Klein- und Mittelbetriebe, welche auch Sparkassen umfasst bei welchen die Erste Bank mehrheitlich beteiligt ist. Aufgrund des hohen Anteils von natürlichen Personen am Kundenstock der Emittentin sind Investmentfondsgeschäft, Private Banking und Vermögensverwaltung auch in diesem Segment enthalten.

Großkunden

Das Großkundensegment bedient Unternehmen in Österreich und im Ausland mit Verkäufen von EUR 70 Millionen und darüber, mit einem zusätzlichen Fokus auf Projektfinanzierung für Tourismusentwicklungsprojekte, Einrichtungen für Touristen und gewerblichem Immobiliengeschäft.

Trading und Investmentbanking

Das Trading und Investmentbanking Segment der Gruppe umfasst auch die Risikomanagementaktivitäten.

Zentraleuropa

Ursprünglich bestand der erweiterte Heimatmarkt der Erste Bank aus Österreichs Nachbarländern in Zentraleuropa, welche eine Gesamtbevölkerung von mehr als 40 Millionen Menschen haben. Erste Bank plant, den Heimatmarkt auf die angrenzenden Regionen Europas (einschließlich der Länder der zweiten Beitrittswelle, welche den EU Beitritt in Ost- und Südosteuropa anstreben und andere potentielle EU Kandidaten) auszuweiten. Erste Banks langfristige Strategie ist, einen Marktanteil von

zumindest 20% in jedem Land seines erweiterten Heimmarktes zu haben, sowohl durch zielgerichtete Akquisitionen als auch durch organisches Wachstum.

Direkte Beteiligungen von Erste Bank in Zentraleuropa (per 31.12.2004)

Quelle: Geschäftsbericht 2004 – in der Fassung der geprüften Zahlen zum 31. Dezember 2004 und einschliesslich Novosadska banka

Staat	Erste Bank Beteiligung	Höhe der Beteiligung
Tschechien	Ceska sporitelna	98%
Slowakei	Slovenska sporitel'na ⁽¹⁾	80%
Ungarn	Erste Bank Hungary	99,9%
Kroatien	Erste & Steiermärkische banka ⁽²⁾	59,8%
Serbien-Montenegro	Novosadska banka ⁽³⁾	0%

Fußnoten:

(1) Erhöhung der Beteiligung auf 100% im Januar 2005

(2) Nach einer Neuordnung der Gesellschafterstruktur der Erste Bank Kroatien im Januar 2005 hält die Erste Bank 51% (der Anteil der Gruppe betrug 68,6% mit 31. Dezember 2004 und beträgt 62,0% seit Januar 2005)

(3) Akquisition mit 9. August 2005 abgeschlossen; Beteiligung 83,3%

Internationales Geschäft

Die Geschäftseinheit Internationales Geschäft umfasst das Klein- und Mittelbetriebsgeschäft der Zweigstellen der Emittentin in London, New York und Hong Kong und umfasst auch das Auslandsgeschäft der Erste Bank Wien, einschließlich jener Interbanktransaktionen, welche nicht von der Treasuryabteilung der Emittentin gehandhabt werden.

Corporate Center

Das Segment Corporate Center unterstützt die strategischen Ziele der Erste Bank durch Marketing, Organisation und Informationstechnologie, Dienstleistungen, inklusive E-Business.

Risikofaktoren in Bezug auf die Emittentin

Die Emittentin ist insbesondere den nachfolgenden Risiken ausgesetzt, welche vor einer Anlageentscheidung gemeinsam mit den anderen Informationen die in diesem Prospekt enthalten sind, sorgfältig in Betracht gezogen werden sollten. Angehende Investoren sollten beachten, dass die nachstehend beschriebenen Risiken nicht die einzigen Risiken sind, denen sich die Emittentin gegenüber sieht. Die Emittentin hat nur jene Risiken ihr Geschäft, ihre Geschäftstätigkeit, Finanzlage oder Aussichten betreffend beschrieben, welche sie als wesentlich ansieht und von welchen sie derzeit Kenntnis hat. Es kann zusätzliche Risiken geben, welche die Emittentin derzeit als nicht wesentlich ansieht oder von welchen sie derzeit keine Kenntnis hat, und jedes dieser Risiken könnte Auswirkungen auf ihre Finanzlage und das Ergebnis der Geschäftstätigkeit haben.

- Marktrisiken können den Wert des Vermögens der Emittentin beeinträchtigen und ihre Finanzlage und Ergebnisse der Geschäftstätigkeit nachteilig beeinflussen;
- Die Emittentin ist signifikanten Kontrahenten- und Kreditrisiken ausgesetzt. Die Entwicklung der Geschäftstätigkeit, der Darlehensausfälle oder Abwertungen oder Abschreibungen der Emittentin können ihre Ergebnisse nachteilig beeinflussen;
- Die Tochtergesellschaften der Emittentin in Zentral- und Osteuropa sind erhöhten politischen und wirtschaftlichen Risiken ausgesetzt, die mit diesen Ländern verbunden sind;
- Es kann schwierig sein, weitere Akquisitionen zu machen und/oder neue passende Akquisitionsziele zu identifizieren. Künftige Akquisitionen können versteckte Verbindlichkeiten enthalten und sich als schwer in die Gruppe zu integrieren erweisen;
- Zinssatzschwankungen können die Ergebnisse der Geschäftstätigkeit der Emittentin nachteilig beeinflussen;
- Die Emittentin ist Liquiditätsrisiko ausgesetzt;
- Schwankungen in Währungen, in denen die Gruppe ihre Erträge erwirtschaftet und Aufwände tätigt, können Erlöse und den cash-flow nachteilig beeinflussen;
- Änderungen existierender oder die Erlassung neuer Gesetze oder Vorschriften in jenen Ländern, in welchen die Gruppe Geschäft ausübt, können einen wesentlichen Einfluß auf ihre Geschäftsergebnisse haben;

- Wettbewerb ist in den Ländern in denen die Gruppe ihr Geschäft ausübt, hoch, und kann in Zukunft signifikant wachsen; und
- Die Emittentin ist einer Reihe von operationalen Risiken ausgesetzt, insbesondere einem Ausfall oder einer Fehlfunktion ihrer IT-Systeme.

Risk Factors

Prospective investors should consider carefully the risks set forth below and the other information contained in this Prospectus prior to making any investment decision with respect to the Notes. Each of the risks highlighted below could have a material adverse effect on the Issuer's business, operations, financial condition or prospects which, in turn, could have a material adverse effect on the amount of principal and interest which investors will receive in respect of the Notes. In addition, each of the risks highlighted below could adversely affect the trading price of the Notes or the rights of investors under the Notes and, as a result, investors could lose some or all of their investment.

Prospective investors should note that the risks described below are not the only risks the Issuer faces. The Issuer has described only those risks relating to its business, operations, financial condition or prospects that it considers to be material and of which it is currently aware. There may be additional risks that the Issuer currently considers not to be material or of which it is not currently aware, and any of these risks could have the effects set forth above.

Factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme

Market Risk

Fluctuations in the debt and equity markets may affect the market value and liquidity of Erste Bank's assets. The value of the Issuer's real estate holdings is also exposed to changes in real estate market prices. The occurrence of such events may also have an adverse impact on the revenues generated from the investment banking operations of the Issuer and could result in an adverse impact on its financial condition and results of operations, and thus its ability to service its payment obligations under the Notes.

Credit Risk

The Issuer is exposed to a variety of counterparty and credit risks. Third parties that owe the Issuer money, securities or other assets may not pay or perform under their obligations due to bankruptcy, lack of liquidity, downturns in the economy or real estate values, operational failure or other reasons.

The development of the Issuer's operating performance, loan loss levels or write-downs and impairments could adversely affect its results and may result in capital requirements that could constrain its operations, reducing its ability to service payments under the Notes and potentially adversely affecting the trading price of the Notes.

Change of Interest Rates

Changes in prevailing interest rates (including changes in the difference between the levels of prevailing short- and long-term rates) may adversely affect the Issuer's results of operations and costs of funding.

Currency Risk

A large part of the Issuer's operations, assets and customers are located in Central and Eastern European countries that are not part of the Euro-zone (as defined herein), and financial transactions in currencies other than the euro give rise to foreign currency risks, leading to a material adverse effect on the Issuer's business, operations, financial condition or prospects which, in turn, could have a material adverse effect on the amount of principal and interest which investors will receive in respect of the Notes.

Liquidity Risk

The Issuer is exposed to liquidity risks which could materialise in the event that its obligations are not matched to its assets. Failure to manage such risks may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme.

Operations in Central and Eastern Europe

The Issuer has subsidiaries in some countries in Central and Eastern Europe and a large part of its income is derived from operations in these countries. As a result, the Group's operations are exposed to risks common to all regions undergoing rapid political, economic and social change, including currency fluctuations, exchange control restrictions, an evolving regulatory environment, inflation, economic recession, local market disruption and labour unrest. The occurrence of one or more of these events may also affect the ability of the Issuer's clients or counterparties located in the affected

country or region to obtain foreign exchange or credit and, therefore, to satisfy their obligations towards the Issuer. These risks could have an adverse effect on the Group's operations.

Future Acquisitions

As part of its strategy in Central and Eastern Europe, the Issuer may decide to make additional acquisitions to complement the growth of the Group. Apart from antitrust or similar laws, which may make it difficult to make such acquisitions, any acquired business may contain unknown actual or potential liabilities and the ability of the Issuer to successfully grow through selected acquisitions will depend on, among other things, the Issuer's ability to identify suitable acquisition or investment opportunities and successfully to close those transactions. However, the Issuer may not be able to continue to grow at the same pace as in the past. Furthermore, the integration of acquisitions may be difficult and the Issuer may not be able to achieve anticipated synergies or other expected benefits. Such failure could adversely affect the Issuer's results of operations.

Regulatory Changes and Growing Competition

Changes in existing, or new, government laws or regulations in the countries in which the Group operates may materially impact the Group, including regulations relating to financial services, securities products and other transactions the Issuer is conducting.

Furthermore, apart from changes to the economic environment, the introduction of new regulations, such as the introduction of a new framework for capital adequacy rules commonly known as Basel II or changes in accounting matters and/or their application, may adversely affect the Issuer's business as its implementation and compliance may result in costs that currently cannot be definitively determined.

International banks such as the Issuer are subject to intense competition, which is expected to grow further in the future. Apart from local competitors, other international banks may enter the banking market in Central and Eastern Europe, thus increasing the pressure on the Issuer's profit margins.

Changes in laws, regulations or regulatory policies or increased competition in the markets within which it operates may have an adverse effect on the Group's financial conditions and results of operations.

Operational Risk

Banks and their activities are increasingly dependent on highly sophisticated information technology ("IT") systems. IT systems are vulnerable to a number of problems, such as computer virus infection, malicious hacking, physical damage to vital IT centres and software or hardware malfunctions. Additionally, further operational risks may stem from inadequate or failed internal processes, people and systems or from external events. Failure to manage such risks may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme.

Factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme

Option Price Risk

The option price is the premium which is paid by an investor to acquire an option. The option premium is primarily affected by the difference between the price of the underlying asset and the strike price, the time remaining for the option to be exercised, and the volatility of the underlying asset. Affecting the option price to a lesser degree are factors such as interest rates, market conditions, and the dividend rate of the underlying asset. Changes in the price and volatility of the underlying asset strongly influence the option price. The value of an option tends to decrease as its expiration date approaches and the option becomes worthless after that date.

Inflation Risk

Inflation risk describes the possibility that the value of assets such as the Notes or income therefrom will decrease as inflation shrinks the purchasing power of a currency. Inflation causes the rate of return to decrease in value. If the inflation rate exceeds the interest paid on any Notes the yield on such Notes will become negative.

Liquidity Risk

Application has been made to admit the Programme to the Markets, each of which appears on the list of regulated markets issued by the European Commission. In addition, the Programme provides that Notes may be listed on an alternative market or stock exchange or may not be listed at all.

Regardless of whether the Notes are listed or not, there can be no assurance that a liquid secondary market for the Notes will develop or, if it does develop, that it will continue. The fact that the Notes may be listed does not necessarily lead to greater liquidity as compared to unlisted Notes. If the Notes are not listed on any stock exchange, pricing information for such Notes may, however, be more difficult to obtain, which may adversely affect the liquidity of the Notes. In an illiquid market, an investor might not be able to sell its Notes at any time at fair market prices. The possibility to sell the Notes might additionally be restricted by country-specific reasons.

Market Price Risk

The development of market prices of the Notes depends on various factors, such as changes of market interest rate levels, the policies of central banks, overall economic developments, inflation rates or the lack of or excess demand for the relevant type of Note. The holder of Notes is therefore exposed to the risk of an unfavourable development of market prices of its Notes which materialises if the holder sells the Notes prior to the final maturity of such Notes. If the holder decides to hold the Notes until final maturity the Notes will be redeemed at the amount set out in the relevant Final Terms.

Risk of Early Redemption

The applicable Final Terms will indicate whether an Issuer may have the right to call the Notes prior to maturity (an optional call right) or whether the Notes will be subject to early redemption upon the occurrence of an event specified in the applicable Final Terms (an early redemption event). The Issuer will always have the right to redeem the Notes if the Issuer is required to make additional (gross-up) payments for reasons of taxation. If the Issuer redeems the Notes prior to maturity or the Notes are subject to early redemption due to an early redemption event, a holder of such Notes is exposed to the risk that, due to early redemption, its investment will have a lower than expected yield. The Issuer might exercise its optional call right if the yield on comparable Notes in the capital markets falls, which means that the investor may only be able to reinvest the redemption proceeds in Notes with a lower yield.

Reinvestment Risk

Noteholders may be subject to the risk that interest or dividends earned from an investment in the Notes may not in the event of an early redemption of any Notes be able to be reinvested in such a way that they earn the same rate of return as the redeemed Notes.

Currency Risk/Dual Currency Notes

A holder of Notes denominated in a foreign currency and a holder of Dual Currency Notes is exposed to the risk of changes in currency exchange rates which may affect the yield of such Notes. Changes in currency exchange rates result from various factors such as macro-economic factors, speculative transactions and interventions by central banks and governments. A change in the value of any foreign currency against the euro, for example, will result in a corresponding change in the euro value of Notes denominated in a currency other than euro and a corresponding change in the euro value of interest and principal payments made in a currency other than in euro in accordance with the terms of such Notes. If the underlying exchange rate falls and the value of the euro correspondingly rises, the price of the Notes and the value of interest and principal payments made thereunder expressed in euro falls.

Fixed Rate Notes

A holder of Fixed Rate Notes is exposed to the risk that the price of such Notes falls as a result of changes in the market interest rate. While the nominal interest rate of Fixed Rate Notes as specified in the applicable Final Terms is fixed during the life of such Notes, the current interest rate on the capital market for issues of the same maturity (the "market interest rate") typically changes on a daily basis. As the market interest rate changes, the price of Fixed Rate Notes also changes, but in the opposite direction. If the market interest rate increases, the price of Fixed Rate Notes typically falls, until the yield of such Notes is approximately equal to the market interest rate. If the market interest rate falls, the price of Fixed Rate Notes typically increases, until the yield of such Notes is approximately equal to the market interest rate. If the holder of Fixed Rate Notes holds such Notes until maturity, changes in the market interest rate are without relevance to such holder as the Notes will be redeemed at a specified redemption amount, usually the principal amount of such Notes. The same risk applies to Step-Up Notes and Step-Down Notes if the market interest rates in respect of comparable Notes are higher than the rates applicable to such Notes.

Floating Rate Notes

Floating Rate Notes tend to be volatile investments. A holder of Floating Rate Notes is exposed to the risk of fluctuating interest rate levels and uncertain interest income. Fluctuating interest rate levels make it impossible to determine the profitability of Floating Rate Notes in advance. If Floating Rate Notes are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, the market value may be more volatile than those for Floating Rate Notes that do not include these features. If the amount of interest payable is determined in conjunction with a multiplier greater than one or by reference to some other leverage factor, the effect of changes in the interest rates on interest payable will be increased. The effect of a cap is that the amount of interest will never rise above and beyond the predetermined cap, so that the holder will not be able to benefit from any actual favourable development beyond the cap. The yield could therefore be considerably lower than that of similar Floating Rate Notes without a cap.

Inverse/Reverse Floating Rate Notes

Inverse Floating Rate Notes (also called Reverse Floating Rate Notes) have an interest rate which is determined as the difference between a fixed interest rate and a floating rate reference rate such as the Euro Inter-bank Offered Rate ("EURIBOR") or the London Inter-bank Offered Rate ("LIBOR") which means that interest income on such Notes falls if the reference interest rate increases. Typically, the market value of Inverse Floating Rate Notes is more volatile than the market value of other more conventional floating rate notes based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest payable on the Notes, but may also reflect an increase in prevailing interest rates, which may further adversely affect the market value of such Notes.

Fixed to Floating Rate Notes

Fixed to Floating Rate Notes bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The Issuer's ability to convert the interest rate will affect the secondary market and the market value of the Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate, the spread on the Fixed to Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes relating to the same reference rate. In addition, the new floating rate at any time may be lower than the interest rates payable on other Notes. If the Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than the then prevailing interest rates payable on its Notes.

Zero Coupon Notes

Zero Coupon Notes do not pay current interest but are issued at a discount from their nominal value. Instead of periodical interest payments, the difference between the redemption price and the issue price constitutes interest income until maturity and reflects the market interest rate. A holder of Zero Coupon Notes is exposed to the risk that the price of such Notes falls as a result of changes in the market interest rate. Prices of Zero Coupon Notes are more volatile than prices of Fixed Rate Notes and are likely to respond to a greater degree to market interest rate changes than interest bearing notes with a similar maturity.

Index-linked Notes

Index-linked Notes may either be issued as Index-linked Interest Notes where payments of interest will be made by reference to a single index or other factors (including changes in the price of securities and commodities or movements in exchange rates) and/or such formula as may be specified by the Issuer and the relevant Dealer(s) (as indicated in the applicable Final Terms) or as Index-linked Redemption Notes where payment of principal will be calculated by reference to a single index or other factors (including changes in the price of securities and commodities or movements in exchange rates) and/or such formula as may be specified by the Issuer and the relevant Dealer(s) (as indicated in the applicable Final Terms) or may be issued as a combination of Index-linked Interest Notes and Index-linked Redemption Notes.

If payment of interest is linked to a particular index, a holder of Index-linked Interest Notes is exposed to the risk of fluctuating interest rate levels and uncertain interest income or may even receive no interest at all which may have the effect that the yield of an Index-linked Interest Note is negative. If payment of principal is linked to a particular index, a holder of Index-linked Redemption Notes is

exposed to the risk that the repayment amount is uncertain. Depending on the calculation of the repayment amount, the yield of an Index-linked Redemption Note may be negative and an investor may lose the value of its entire investment or parts of it. The more volatile the relevant index, the greater is the uncertainty in respect of interest income and repayment amount. Uncertainty with respect to interest and repayment amount make it impossible to determine the yield of Index-linked Notes in advance.

General Risks in respect of Structured Notes

In general, an investment in Notes by which the premium and/or the interest on and/or principal of which is determined by reference to one or more values of currencies, commodities, interest rates or other indices or formulae, either directly or inversely, may entail significant risks not associated with similar investments in a conventional debt security. Such risks include the risks that the holder of such Notes will receive no interest at all, or that the resulting interest rate will be less than that payable on a conventional debt security at the same time and/or that the holder of such Notes could lose all or a substantial portion of the principal of its Notes. In addition, investors should be aware that the market price of such Notes may be very volatile (depending on the volatility of the relevant currency, commodity, interest rate, index or formula).

Neither the current nor the historical value of the relevant currencies, commodities, interest rates or other indices or formulae should be taken as an indication of future performance of such currencies, commodities, interest rates or other indices or formulae during the term of any Note.

Risks in Connection with Caps

If the interest rate and/or redemption amount of an issue of Notes are not fixed but will be determined according to the structure of Notes as set out in the relevant Final Terms of the Notes, such an issue may also incorporate a cap. The effect of a cap is that the amount of interest and/or the redemption amount will never rise above the predetermined cap, so that the holder will not be able to benefit from any actual favourable development beyond the cap. The yield could therefore be considerably lower than that of similarly structured Notes without a cap.

Risk of Potential Conflicts of Interest

Each of the Issuer, the Dealer(s) or any of their respective affiliates not only issue Notes but also have other business areas which independently do business with companies that might be part of the assets underlying Notes (e.g., an index, single shares or baskets). It cannot be ruled out that decisions made by those independent business areas may have a positive or a negative impact on the underlying value.

Equity-linked Notes

Equity-linked Notes may either be issued as Equity-linked Interest Notes where payment of interest will be calculated by reference to a single equity security or a basket of equity securities (as indicated in the applicable Final Terms) or as Equity-linked Redemption Notes where payment of principal will be calculated by reference to a single equity security or a basket of equity securities (as indicated in the applicable Final Terms). Equity-linked Redemption Notes may also provide that the redemption will be by physical delivery of reference items. Accordingly, an investment in Equity-linked Redemption Notes may bear similar risks as a direct equity investment and investors should take advice accordingly. In case of Equity-linked Redemption Notes, the investor may lose the value of his entire investment or part of it.

Credit-linked Notes

A holder of a Credit-linked Note is exposed to the credit risk of the Issuer and that of one or more Reference Entities (as specified in the applicable Final Terms). There is no guarantee that a holder of such Notes will receive the full principal amount of such Notes and interest thereon and ultimately the obligations of the Issuer to pay principal under such Notes may be reduced to zero. Accordingly, an investment in Credit-linked Notes involves a high degree of risk which can only be adequately assessed where an investor has sufficient knowledge and experience to evaluate the merits and risks of investing in such Notes and has access to, and knowledge of, appropriate analytical tools to evaluate such merits and risks.

The Issuer's obligations in respect of Credit-linked Notes are irrespective of the Issuer's credit exposure to a Reference Entity and the Issuer need not suffer any loss or provide evidence of any loss as a result of the occurrence of a Credit Event (as specified in the applicable Final Terms). The Issuer may

deal in any obligation of a Reference Entity (as specified in the applicable Final Terms) and may, where permitted, accept deposits from, make loans or otherwise extend credit to, and generally engage in any kind of commercial or investment banking or other business with, a Reference Entity or any other person or entity having obligations relating to such Reference Entity, and may act with respect to such business in the same manner as each of them would if the Credit-linked Notes did not exist, regardless of whether any such action might have an adverse effect on a Reference Entity or the position of the holder of Credit-linked Notes.

The Issuer may be in possession of information in relation to a Reference Entity that is or may be material in the context of the Credit-linked Notes and that may or may not be publicly available, and the terms and conditions of such Notes do not impose any obligation on the part of the Issuer to disclose to the holders any such relationship or information.

Subordinated Notes

The Issuer may issue Subordinated Notes. The obligations of the Issuer in case of Subordinated Notes constitute unsecured and subordinated obligations. In the event of the liquidation or bankruptcy of the Issuer, such obligations will be subordinated to the claims of all unsubordinated creditors of the Issuer so that in any such event no amounts will be payable under such obligations until the claims of all unsubordinated creditors of the Issuer will have been satisfied in full. Interest on Subordinated Notes constituting Supplementary Capital or Subordinated Supplementary Capital is only payable if payment thereof would be covered by the annual surplus of the issuer prior to any changes in the reserves of the Issuer. If such payment is not permitted in any one year, such interest will, unless specified otherwise, be deferred to the following year until the Issuer has sufficient surplus to pay such deferred interest payments. Prior to the liquidation of the Issuer, Subordinated Notes constituting Supplementary Capital or Subordinated Supplementary Capital may only be redeemed subject to the *pro rata* deductions from the principal outstanding of such Subordinated Notes of the net losses of the Issuer which have accrued since the issue date of such Subordinated Notes.

Claims of the Issuer are not permitted to be offset against payment obligations of the Issuer under the Subordinated Notes and no contractual collateral may be provided by the Issuer or a third person in respect of any liabilities constituted by Subordinated Notes. No subsequent agreement may limit the subordination or amend the maturity of Subordinated Notes.

Reverse Convertible Notes

Reverse Convertible Notes will provide the Issuer with the right to convert Notes into shares or other equity-like instruments of the Issuer or any other company limited by shares, listed or unlisted. At maturity the Issuer may choose to exercise this option or redeem the Notes through cash settlement. A holder of a Reverse Convertible Note is not only exposed to the fluctuations of the market price of the Notes and the risk of default by the underlying company as described in "Risk Factors", but will also bear all the associated risks of a direct equity investment. Reverse Convertible Notes will be issued as Domestic Notes only.

Notes may not be a suitable investment for all investors

Each potential investor in any Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in the relevant Notes and the information contained or incorporated by reference in this Prospectus or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Notes and the impact such investment will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Notes, including where principal or interest is payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the relevant Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments and such instruments may be purchased by investors as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of such Notes and the impact this investment will have on the potential investor's overall investment portfolio.

Impact of Regulatory Changes

The Issuer is subject to financial services laws, regulations, administrative actions and policies in Austria and each other jurisdiction in which the Issuer operates. Changes in supervision and regulation, in particular in Austria, could materially affect the Issuer's business, the products and services offered or the value of its assets. Although the Issuer works closely with its regulators and continually monitors the situation, future changes in regulation and fiscal or other policies can be unpredictable and are beyond the control of the Issuer.

Risks related to the market generally

Set out below is a brief description of certain market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

The secondary market generally

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Notes.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "Investor's Currency") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency equivalent value of the principal payable on the Notes and (3) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Interest rate risks

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of Fixed Rate Notes.

Credit ratings may not reflect all risks

One or more independent credit rating agencies may assign credit ratings to an issue of Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of

any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

Overview of the Programme

The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Prospectus and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms. Words and expressions defined or used in "Terms and Conditions of the Notes" below shall have the same meanings in this overview. The Issuer may agree with any Dealer that Notes may be issued in a form other than that contemplated in "Terms and Conditions of the Notes" herein, in which event (in the case of listed or publicly offered Notes only) a supplement to the Prospectus, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Notes.

Issuer	Erste Bank der oesterreichischen Sparkassen AG
Description	Debt Issuance Programme
Size	Up to EUR 20,000,000,000 (or the equivalent in other currencies at the date of issue) aggregate principal amount of Notes outstanding at any one time.
Domestic Arranger and Dealer	Erste Bank der oesterreichischen Sparkassen AG
International Arranger	J.P. Morgan Securities Ltd.
International Dealers	BNP PARIBAS, Commerzbank Aktiengesellschaft, Deutsche Bank AG, London Branch, DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main, Erste Bank der oesterreichischen Sparkassen AG, J.P. Morgan Securities Ltd., Mizuho International plc, Morgan Stanley & Co. International Limited and UBS Limited. The Issuer may from time to time terminate the appointment of any dealer under the Programme or appoint additional dealers either in respect of one or more Tranches or in respect of the whole Programme. References in this Prospectus to "Permanent Dealers" are to the persons listed above as Dealers and to such additional persons that are appointed as dealers in respect of the whole Programme (and whose appointment has not been terminated) and to "Dealers" are to all Permanent Dealers and all persons appointed as a dealer in respect of one or more Tranches.
Fiscal Agent	JPMorgan Chase Bank N.A.
International Paying and Transfer Agents	JPMorgan Chase Bank N.A. and J.P. Morgan Bank Luxembourg S.A.
Domestic Agent	Erste Bank der oesterreichischen Sparkassen AG
Method of Issue	Notes will be specified in the relevant Final Terms as either International Notes or Domestic Notes (together, the "Notes"). International Notes will be issued on a syndicated or a non-syndicated basis. Domestic Notes will be issued on a non-syndicated basis only. The Notes will be issued in series (each a "Series") having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each a "Tranche") on the same or different issue dates. The specific terms of each Tranche (which will be supplemented, where necessary, with supplemental terms and conditions and, save in respect of the issue date, issue price, first payment of interest and principal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be set out in a final terms supplement to this Prospectus (the "Final Terms").

Redenomination, renominatisation and/or reconventioning	Notes denominated in a currency that may be redenominated into euro may, following the giving of notice by the Issuer to the Noteholders, the Fiscal Agent, Euroclear and/or Clearstream, Luxembourg (in the case of International Notes) or to the Noteholders, the Fiscal Agent and/or OeKB (in the case of Domestic Notes), be subject to redenomination, renominatisation, reconventioning and/or consolidation with other Notes then denominated in euro as may be specified in the Final Terms.
Consolidation	Notes of one Series may be consolidated with Notes of another Series and provisions in respect of such consolidation will be contained in Part A of the relevant Final Terms.
Issue Price	Notes may be issued at their principal amount or at a discount or premium to their principal amount. Partly-paid Notes may be issued, the issue price of which will be payable in two or more instalments.
Form of Notes	The Notes may be issued in bearer form only (“Bearer Notes”), in the case of Notes governed by English law only, in bearer form exchangeable for Registered Notes (“Exchangeable Bearer Notes”) or in registered form only (“Registered Notes”). Each Tranche of Bearer Notes and Exchangeable Bearer Notes will be represented on issue by a temporary Global Note without interest coupons if (i) definitive Notes are to be made available to Noteholders following the expiry of 40 days after their issue date or (ii) such Notes have an initial maturity of more than one year and are being issued in compliance with the D Rules (as defined in “Overview of the Programme – Selling Restrictions”), otherwise such Tranche will be represented by a permanent Global Note without interest coupons. Registered Notes will be represented by Certificates, one Certificate being issued in respect of each Noteholder’s entire holding of Registered Notes of one Series. Certificates representing Registered Notes that are registered in the name of one holder or a nominee for one or more clearing systems are referred to as “Global Certificates”.
Clearing Systems	For International Notes, Euroclear, Clearstream, Luxembourg and, in relation to any Tranche, such other clearing system as may be agreed between the Issuer, the Fiscal Agent and the relevant Dealer. Domestic Notes will in all cases be cleared through OeKB.
Initial Delivery of Notes	On or before the issue date for each Tranche, the Global Note representing Bearer Notes or Exchangeable Bearer Notes or the Global Certificate representing Registered Notes may be deposited with a common depository for Euroclear and Clearstream, Luxembourg (in the case of International Notes) or a depository for OeKB or OeKB or with or on behalf of the Issuer (in the case of Domestic Notes). Global Notes or Global Certificates representing International Notes may also be deposited with any other clearing system or may be delivered outside any clearing system provided that the method of such delivery has been agreed in advance by the Issuer, the Fiscal Agent and the relevant Dealer. Registered Notes that are to be credited to one or more clearing systems on issue will be registered in the name of nominees or a common nominee for such clearing systems.
Currencies	Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in any currency if the Issuer and the relevant Dealers so agree.
Index-linked Notes	Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of index-linked Notes will be calculated by reference to such stock or commodity or other index,

	<p>currency exchange rate and/or formula as the Issuer and the relevant Dealer or other purchaser may agree (as indicated in Part A of the relevant Final Terms).</p>
Maturities	<p>Subject to compliance with all relevant laws, regulations and directives, the Notes will have a minimum maturity of one month.</p>
Denomination	<p>Definitive Notes will be in such denominations as may be specified in Part A of the relevant Final Terms save that the Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer and as specified in the applicable Final Terms.</p>
Fixed Interest Rate Notes	<p>Fixed interest will be payable in arrear on the date or dates in each year specified in Part A of the relevant Final Terms.</p>
Floating Rate Notes	<p>Floating Rate Notes will bear interest set separately for each Series:</p> <p>(i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the ISDA Definitions (as defined in the Terms and Conditions of the Notes); or</p> <p>(ii) by reference to LIBOR or EURIBOR (or such other benchmark as may be specified in Part A of the relevant Final Terms) as adjusted for any applicable margin.</p> <p>Interest periods will be specified in Part A of the relevant Final Terms.</p>
Zero Coupon Notes	<p>Zero Coupon Notes may be issued at their principal amount or at a discount to it and will not bear interest.</p>
Variable Coupon Amount Notes	<p>The Final Terms issued in respect of each issue of variable coupon amount Notes will specify the basis for calculating the amounts of interest payable, which may be by reference to a stock index or formula or as otherwise provided in Part A of the relevant Final Terms.</p>
Interest Periods and Interest Rates	<p>The length of the interest periods for the Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Notes may have a maximum interest rate, a minimum interest rate or both. The use of interest accrual periods permit the Notes to bear interest at different rates in the same interest period. All such information will be set out in Part A of the relevant Final Terms.</p>
Variable Redemption Amount Notes	<p>The Final Terms issued in respect of each issue of variable redemption amount Notes will specify the basis for calculating the redemption amounts payable, which may be by reference to a stock index or formula or as otherwise provided in Part A of the relevant Final Terms.</p>
Redemption	<p>Notes may be redeemable at par or at such other Redemption Amount (detailed in a formula or otherwise) as will be specified in Part A of the relevant Final Terms.</p>
Reverse Convertible Notes	<p>Reverse Convertible Notes may be issued as Domestic Notes only, as may be detailed in the relevant Final Terms.</p>
Redemption by Instalments	<p>The Final Terms issued in respect of each issue of Notes that are redeemable in two or more instalments will set out the dates on which, and the amounts in which, such Notes may be redeemed.</p>
Other Notes	<p>Terms applicable to high interest Notes, low interest Notes, step-up Notes, step-down Notes, dual currency Notes, reverse dual currency Notes, optional dual currency Notes, partly-paid Notes, and any</p>

	other type of Note that the Issuer and any Dealer or Dealers may agree to issue under the Programme will be set out in the relevant Final Terms and/or Supplemental Prospectus.
Optional Redemption	The Final Terms issued in respect of each issue of Notes will state whether such Notes may be redeemed (either in whole or in part) prior to their stated maturity at the option of the Issuer and/or the holders, and if so the terms applicable to such redemption.
Status of the Senior Notes	The Senior Notes will constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer, all as described in "Terms and Conditions of the Notes – Status of the Senior Notes".
Status of the Subordinated Notes	The Subordinated Notes will constitute direct, unconditional, subordinated and unsecured obligations of the Issuer, all as described in "Terms and Conditions of the Notes – Status of the Subordinated Notes".
Status of <i>Pfandbriefe</i> , <i>Kommunalschuldverschreibungen</i> (<i>Öffentliche Pfandbriefe</i>) and Covered Bonds	<i>Pfandbriefe</i> , <i>Kommunalschuldverschreibungen</i> (<i>Öffentliche Pfandbriefe</i>) and Covered Bonds may be issued as either International Notes or Domestic Notes and will constitute direct, unconditional and unsubordinated obligations of the Issuer secured by a special pool of cover assets, all as described in "Terms and Conditions of the Notes – Status of the <i>Pfandbriefe</i> , <i>Kommunalschuldverschreibungen</i> (<i>Öffentliche Pfandbriefe</i>) and Covered Bonds".
Cross Default	See "Terms and Conditions of the Notes – Events of Default".
Negative Pledge	See "Terms and Conditions of the Notes – Negative Pledge".
Early Redemption	Except as provided in "Optional Redemption" above, Notes will be redeemable at the option of the Issuer prior to maturity only for tax reasons and, at the option of the Noteholders, only in certain defined circumstances. See "Terms and Conditions of the Notes – Redemption, Purchase and Options".
Withholding Tax	All payments of principal and interest in respect of the Notes will be made free and clear of withholding taxes of the Republic of Austria ("Austria"), subject to customary exceptions as described in "Terms and Conditions of the Notes – Taxation".
Governing Law	To be specified in Part A of the relevant Final Terms, as either: English law, save that the subordination provisions contained in Condition 3(b) of the Notes are governed by Austrian law; or Austrian law, in respect of issues nominated as being governed by Austrian law, including issues of <i>Pfandbriefe</i> , <i>Kommunalschuldverschreibungen</i> (<i>Öffentliche Pfandbriefe</i>) and Covered Bonds. International Notes may be governed by English law or by Austrian law. All Domestic Notes will be governed by Austrian law.
Binding Language	To be specified in Part A of the relevant Final Terms, as either: English language, and, if specified in the relevant Final Terms, with the German language version constituting a convenience translation only; or

German language, and, if specified in the relevant Final Terms, with the English language version constituting a convenience translation only.

International Notes will be issued in the English language, and Domestic Notes will be issued in the German language.

Listing

Application has been made to admit the Programme to the Markets or as otherwise specified in Part A of the relevant Final Terms and references to listing shall be construed accordingly. As specified in Part A of the relevant Final Terms, a Series may, but need not be, listed on the Markets or any other market or stock exchange.

At the date of this Prospectus, Notes of the Issuer are admitted to trading on the Regulated Market of the Luxembourg Stock Exchange and on the Markets.

Ratings

Tranches of Notes (as defined in "Overview of the Programme") may be rated or unrated. Where a Tranche of Notes is rated, such rating will be specified in the relevant Final Terms. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Selling Restrictions

United States, the European Economic Area, United Kingdom, Japan and such other restrictions as may be required in connection with a particular issue. See "Subscription and Sale".

The Notes to be offered and sold will be subject to the restrictions of Category 2 for the purposes of Regulation S under the Securities Act.

Notes having a maturity of more than one year will be subject to the United States Tax Equity and Fiscal Responsibility Act of 1982 ("TEFRA") and will be issued in compliance with US Treas. Reg. §1.163-5(c)(2)(i)(D) (the "D Rules") unless (i) Part A of the relevant Final Terms states that Notes are issued in compliance with US Treas. Reg. §1.163-5(c)(2)(i)(C) (the "C Rules") or (ii) the Notes are issued other than in compliance with the D Rules or the C Rules but in circumstances in which the Notes will not constitute "registration-required obligations" under TEFRA, which circumstances will be referred to in Part A of the relevant Final Terms as a transaction to which TEFRA is not applicable.

Overview of the *Pfandbriefe*, *Kommunalschuldverschreibungen* (*Öffentliche Pfandbriefe*) and Covered Bonds

Pfandbriefe, *Kommunalschuldverschreibungen* (*Öffentliche Pfandbriefe*) and Covered Bonds are Austrian law debt instruments, the quality and standards of which are regulated by the Mortgage Bank Act (*Hypothekbankgesetz*), the Introductory Order to the Mortgage Bank Act (*Verordnung über die Einführung des Hypothekbankgesetzes*), and the Austrian Law on Covered Bank Bonds (*Gesetz über fundierte Bankschuldverschreibungen*). Depending on whether the Notes are *Pfandbriefe*, *Kommunalschuldverschreibungen* (*Öffentliche Pfandbriefe*) or Covered Bonds, the investors' claims under such Notes are secured at all times by separate pools of certain eligible assets (*Deckungsstock*). Such assets are listed in special registers kept by the Issuer. Assets included in these asset pools may only be seized and sold to satisfy claims arising from the relevant Notes.

The assets of the cover pool for *Pfandbriefe* consist of mortgage loans (or parts thereof) with a loan to value ratio not exceeding 60 per cent. This applies to mortgages over Austrian real estate; real estate located in member states of the European Economic Area and Switzerland may also be used as cover assets, provided that the legal and economic position of the creditors of the *Pfandbriefe* is comparable to that of creditors with respect to Austrian mortgages. To some extent, mortgages which do not satisfy such conformity tests may also be included in the asset pool to a limit of not more than 10 per cent. of all conforming mortgages.

The asset pool for *Kommunalschuldverschreibungen* (*Öffentliche Pfandbriefe*) consists of loan claims against, or debt securities issued or guaranteed by, Austrian governmental entities or other Member States of the European Economic Area or Switzerland or their regional governments and governmental entities for which the competent authorities pursuant to Art 43 sec 1 lit b No 5 of the Directive 2000/12/EC have fixed a risk weighting of not more than 20 per cent., or by claims benefiting from a guarantee granted by one of these governmental entities.

Covered Bonds are secured by a separate asset pool which comprises claims against the Republic of Austria and claims that are guaranteed by the Republic of Austria, gilt-edged securities and cash. Following a recent amendment of the Law on Covered Bank Bonds, claims and securities for which mortgages are registered in public registers, and claims or securities which are also eligible as cover fund assets for *Kommunalschuldverschreibungen* (*Öffentliche Pfandbriefe*) are eligible as cover assets for Covered Bonds.

Certain assets held in trust on behalf of the Issuer may also be included in the relevant cover pools, as well as derivative contracts if they are used to hedge interest rates, foreign exchange or issuer insolvency risks connected with the *Pfandbriefe*, *Kommunalschuldverschreibungen* (*Öffentliche Pfandbriefe*) or Covered Bonds.

The total nominal amount of *Pfandbriefe* is at any time required to be covered by mortgages of at least the same amount and same interest revenue, supplemented by a safety margin requirement of an additional two per cent. of the nominal value of the outstanding *Pfandbriefe*. The same applies *mutatis mutandis* for *Kommunalschuldverschreibungen* (*Öffentliche Pfandbriefe*) and Covered Bonds, save that for the latter the safety margin does not apply.

In the event that due to the repayment of mortgages or for any other reason the existing mortgages do not fully cover the issued *Pfandbriefe*, the Issuer may replace the shortfall in cover assets by (i) bonds or other notes that would be eligible as cover assets for *Kommunalschuldverschreibungen* (*Öffentliche Pfandbriefe*) provided such bonds or notes are traded on a regulated market in Austria or an OECD member country, (ii) credit balances held with certain central banks or credit institutions, in particular those permitted to conduct business in Member States or member countries of the OECD, or (iii) cash. In the case of Covered Bonds, only credit balances held with certain central banks or credit institutions or cash are eligible as substitute cover assets. Substitute cover assets may never exceed 15 per cent. of the total amount of outstanding *Pfandbriefe*, *Kommunalschuldverschreibungen* (*Öffentliche Pfandbriefe*) or Covered Bonds. Notes issued by public bodies (item (i) above) may only be used as substitute assets for *Pfandbriefe* up to an amount of 5 per cent. of the nominal value deducted from their stock exchange or market price, but never exceeding their nominal value. The same applies to *Kommunalschuldverschreibungen* (*Öffentliche Pfandbriefe*).

The applicable statutes provide that, as a general rule, *Pfandbriefe* may only be issued if their maturity terms do not materially exceed the maturity of the mortgages. As a further requirement, the fraction of the nominal value of any newly issued *Pfandbriefe* with a maturity of more than 15 years must not, at the end of each financial quarter and within a calculation time period of three years, exceed

60 per cent. of the nominal value of all newly issued *Pfandbriefe*. For the purposes of such calculation, the nominal value of assets with a maturity of more than 15 years which have been newly acquired during the three year calculation period, may be deducted from the nominal value of the *Pfandbriefe* with a maturity of more than 15 years. Furthermore, special rules exist for *Pfandbriefe* with regard to which the Issuer has either waived its right of early repayment for a time period of up to a third of the term of the *Pfandbriefe*, or the repayment of which must be commenced not later than after the lapse of a third of the term of the *Pfandbriefe*. The same applies to *Kommunalschuldverschreibungen (Öffentliche Pfandbriefe)*.

A Trustee (*Treuhänder*) has been appointed for a term of five years for each cover pool by the Federal Minister of Finance, which holds in trust the title deeds relating to the asset pool and the cash contained therein. The Trustee's primary task is to ensure that the required cover assets for the *Pfandbriefe, Kommunalschuldverschreibungen (Öffentliche Pfandbriefe)* or Covered Bonds, and the claims of derivative counter-parties of the Issuer, are at all times sufficient. No asset may be deleted from the relevant register without the written consent of the Trustee.

The asset pools form separate cover funds for the claims of the holders of the *Pfandbriefe, Kommunalschuldverschreibungen (Öffentliche Pfandbriefe)* and Covered Bonds, respectively, and the creditors under the respective derivative contracts (if any). In the event of bankruptcy of the Issuer, applicable Austrian law expressly contemplates a continuation rather than a liquidation of the asset pools: in a bankruptcy the *Pfandbriefe, Kommunalschuldverschreibungen (Öffentliche Pfandbriefe)* and the Covered Bonds will not be automatically terminated by operation of law but the cash flows will in general remain unaffected. Each asset pool would be administered by a special court-appointed receiver (which may also be another credit institution) without infringement of the rights of the holders of the *Pfandbriefe, Kommunalschuldverschreibungen (Öffentliche Pfandbriefe)* and Covered Bonds. In the event that funds are required to discharge obligations that become due, the special receiver may collect claims that have become due, sell cover assets or raise bridge financing. After its appointment, the special receiver is obliged to sell the asset pool together with the obligations from the *Pfandbriefe, Kommunalschuldverschreibungen (Öffentliche Pfandbriefe)* and Covered Bonds, respectively, to an appropriate credit institution. Only where a sale is not possible must the asset pool be liquidated in accordance with the relevant statutes. In such case, the *Pfandbriefe, Kommunalschuldverschreibungen (Öffentliche Pfandbriefe)* and Covered Bonds, respectively, will fall immediately due and the liquidation proceeds of such assets will be used (preferentially) to satisfy the claims of the holders of such securities (and counterparties under derivative contracts, if any).

Pfandbriefe, Kommunalschuldverschreibungen (Öffentliche Pfandbriefe) and Covered Bonds are full recourse obligations of the Issuer. Since the *Pfandbriefe, Kommunalschuldverschreibungen (Öffentliche Pfandbriefe)* and Covered Bonds constitute general liabilities of the credit institution, holders also have recourse to the assets of the Issuer outside the asset pools. However, as regards those assets, holders of the *Pfandbriefe, Kommunalschuldverschreibungen (Öffentliche Pfandbriefe)* and Covered Bonds will rank equally with other unsecured and unsubordinated creditors of the Issuer, their claims being limited to the (foreseeable) shortfall, if any, they may suffer in the liquidation of the respective cover pool.

The supervisory authority has the right to request the competent court to appoint a common curator to represent the holders of *Pfandbriefe, Kommunalschuldverschreibungen (Öffentliche Pfandbriefe)* and Covered Bonds. Such curator may also be appointed in the event of a bankruptcy of the Issuer, and on the application of any third party whose rights would be deferred due to the lack of a common representative. In such an event, the common rights of the holders arising out of the *Pfandbriefe, Kommunalschuldverschreibungen (Öffentliche Pfandbriefe)* and Covered Bonds may only be exercised by the curator. The holders may join the proceedings conducted by the common curator at their own cost.

Pfandbriefe, Kommunalschuldverschreibungen (Öffentliche Pfandbriefe) and Covered Bonds may be issued as either International Notes or Domestic Notes.

Terms and Conditions of the Notes

The following is the text of the terms and conditions that, subject to completion and amendment and as supplemented or varied in accordance with the provisions of Part A of the relevant Final Terms, shall be applicable to the Notes in definitive form (if any) issued in exchange for the Global Note(s) representing each Series. Either (i) the full text of these terms and conditions together with the relevant provisions of Part A of the Final Terms or (ii) these terms and conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such Bearer Notes or on the Certificates relating to such Registered Notes. All capitalised terms that are not defined in these Conditions will have the meanings given to them in Part A of the relevant Final Terms. Those definitions will be endorsed on the definitive Notes or Certificates, as the case may be. References in the Conditions to "Notes" are to the Notes of one Series only, not to all Notes that may be issued under the Programme.

This Note is either a Domestic Note or an International Note as specified hereon. The International Notes are issued pursuant to an Agency Agreement (as amended or supplemented as at the Issue Date, the "Agency Agreement") dated 9th November 2005 between the Issuer, JPMorgan Chase Bank N.A. as fiscal agent and the other agents named therein and, with regard to International Notes governed by English law, with the benefit of a Deed of Covenant (as amended or supplemented as at the Issue Date, the "Deed of Covenant") dated 9th November 2005 executed by the Issuer in relation to the Notes. In relation to Domestic Notes, the Issuer will act as fiscal agent, paying agent, registrar, transfer agent and calculation agent as necessary. The fiscal agent, the paying agents, the registrar, the transfer agents and the calculation agent(s) for the time being (if any) are referred to below respectively as the "Fiscal Agent", the "Paying Agents" (which expression shall include the Fiscal Agent), the "Registrar", the "Transfer Agents" and the "Calculation Agent(s)". The Noteholders (as defined below), the holders of the interest coupons (the "Coupons") relating to interest bearing Notes in bearer form and, where applicable in the case of such Notes, talons for further Coupons (the "Talons") (the "Couponholders") and the holders of the receipts for the payment of instalments of principal (the "Receipts") relating to Notes in bearer form of which the principal is payable in instalments (the "Receipholders") are deemed to have notice of all of the provisions of the Agency Agreement applicable to them.

As used in these Conditions, "Tranche" means Notes which are identical in all respects and "relevant Final Terms" means the final terms document relating to a Tranche.

Copies of the Agency Agreement and the Deed of Covenant are available for inspection at the specified offices of each of the Paying Agents, the Registrar and the Transfer Agents.

If English law is specified hereon, no rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the Notes, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

1. Form, Denomination and Title

The Notes are issued in bearer form ("Bearer Notes", which expression includes Notes that are specified to be Exchangeable Bearer Notes), in registered form ("Registered Notes") or in bearer form exchangeable for Registered Notes ("Exchangeable Bearer Notes") in each case in the Specified Denomination(s) shown hereon.

All Registered Notes shall have the same Specified Denomination. Where Exchangeable Bearer Notes are issued, the Registered Notes for which they are exchangeable shall have the same Specified Denomination as the lowest denomination of Exchangeable Bearer Notes.

This Note is a *Pfandbrief*, a *Kommunalschuldverschreibung (Öffentlicher Pfandbrief)*, a Covered Bond, a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Index-linked Interest Note, an Index-linked Redemption Note, an Instalment Note, a Dual Currency Note or a Partly Paid Note, a combination of any of the foregoing or any other kind of Note, depending upon the Status and Interest and Redemption/Payment Basis shown hereon.

Bearer Notes in definitive form are serially numbered and are issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Zero Coupon Notes in which case references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Conditions are not applicable. Instalment Notes are issued with one or more Receipts attached.

Registered Notes are represented by registered certificates ("Certificates") and, save as provided in Condition 2(c), each Certificate shall represent the entire holding of Registered Notes by the same holder.

Title to the Bearer Notes and the Receipts, Coupons and Talons shall pass by delivery. Title to the Registered Notes governed by English law shall, subject to mandatory rules of law and save as provided below, pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the "Register"). Title to Registered Notes governed by Austrian law shall pass upon assignment or, where such Registered Notes contain an order clause (*Order Klausel*), upon endorsement (*Indossament*) and delivery. Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any, Note, Receipt, Coupon or Talon shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, trust or interest in it, any writing on it (or on the Certificate representing it) or its theft or loss (or that of the related Certificate) and no person shall be liable for so treating the holder.

Notes governed by Austrian law are represented by a Global Note or a Global Certificate without coupons. Definitive Notes, Certificates, Coupons, Talons or Receipts will not be issued for Austrian law governed Notes. Each Global Note or Global Certificate shall be signed by two authorised signatories of the Issuer.

In these Conditions, "Noteholder" means the bearer of any Bearer Note and the Receipts relating to it or the person in whose name a Registered Note is registered (as the case may be), "holder" (in relation to a Note, Receipt, Coupon or Talon) means the bearer of any Bearer Note, Receipt, Coupon or Talon or the person in whose name a Registered Note is registered (as the case may be) and capitalised terms have the meanings given to them herein, the absence of any such meaning indicating that such term is not applicable to the Notes.

As long as Bearer Notes governed by Austrian law are represented by a Global Note, "Noteholder" means any holder of a co-ownership or other interest or right in the Global Note, in accordance with the Securities Deposit Act and, if applicable, the general terms of business of OeKB as Austrian Central Securities Depository, or the person in whose name a Registered Note and/or Global Certificate is registered.

2. Exchange of Exchangeable Bearer Notes and Transfers of Registered Notes

(a) Exchange of Exchangeable Bearer Notes

Subject as provided in Condition 2(f), Exchangeable Bearer Notes may be exchanged for the same aggregate principal amount of Registered Notes at the request in writing of the relevant Noteholder and upon surrender of each Exchangeable Bearer Note to be exchanged, together with all unexpired Receipts, Coupons and Talons relating to it, at the specified office of any Transfer Agent; provided, however, that where an Exchangeable Bearer Note is surrendered for exchange after the Record Date (as defined in Condition 7(b)) for any payment of interest, the Coupon in respect of that payment of interest need not be surrendered with it. Registered Notes may not be exchanged for Bearer Notes. Bearer Notes of one Specified Denomination may not be exchanged for Bearer Notes of another Specified Denomination. Bearer Notes that are not Exchangeable Bearer Notes may not be exchanged for Registered Notes.

(b) Transfer of Registered Notes

One or more Registered Notes may be transferred upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate representing such Registered Notes to be transferred, together with the form of transfer endorsed on such Certificate, (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed, or, in case of Registered Notes governed by Austrian law which contain an order clause (*Order-Klausel*), properly endorsed (*Indossiert*), and any other evidence as the Registrar or Transfer Agent may reasonably require.

In the case of a transfer of part only of a holding of Registered Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Notes and entries on the Register will be made subject to the detailed regulations concerning transfers of Notes scheduled to the Agency Agreement (if applicable). The regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Noteholders. A

copy of the current regulations will be made available by the Registrar to any Noteholder upon request.

(c) Exercise of Options or Partial Redemption in Respect of Registered Notes

In the case of an exercise of an Issuer's or Noteholders' option in respect of, or a partial redemption of, a holding of Registered Notes represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Registered Notes of the same holding having different terms, separate Certificates shall be issued in respect of those Notes of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any Transfer Agent. In the case of a transfer of Registered Notes to a person who is already a holder of Registered Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.

(d) Delivery of New Certificates

Each new Certificate to be issued pursuant to Conditions 2(a), (b) or (c) shall be available for delivery within three business days of receipt of the request for exchange, form of transfer or Exercise Notice (as defined in Condition 6(e)) or surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such request for exchange, form of transfer, Exercise Notice or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant request for exchange, form of transfer, Exercise Notice or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant Agent (as defined in the Agency Agreement) the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(d), "business day" means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).

(e) Exchange Free of Charge

Exchange and transfer of Notes and Certificates on registration, transfer, partial redemption or exercise of an option shall be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon payment of any tax, duty or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may require).

(f) Closed Period

No Noteholder may require the transfer of a Registered Note to be registered or an Exchangeable Bearer Note to be exchanged for one or more Registered Note(s) (i) during the period of 15 days ending on the due date for redemption of, or payment of any Instalment Amount in respect of, that Note, (ii) during the period of 15 days before any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 6(d), (iii) after any such Note has been called for redemption or (iv) during the period of seven days ending on (and including) any Record Date. An Exchangeable Bearer Note called for redemption may, however, be exchanged for one or more Registered Note(s) in respect of which the Certificate is simultaneously surrendered not later than the relevant Record Date.

3. Status

(a) Status of Senior Notes

The Senior Notes (being those Notes which specify their status as Senior) and the Receipts and Coupons relating to them constitute direct, unconditional, unsubordinated and (subject to Condition 4) unsecured obligations of the Issuer and rank *pari passu* and rateably without any preference among themselves and (subject to any applicable statutory exceptions and without prejudice as aforesaid) the payment obligations of the Issuer under the Senior Notes, Receipts and Coupons relating to them rank equally with all other unsecured and unsubordinated indebtedness and monetary obligations of the Issuer, present and future.

(b) Status of Subordinated Notes

The Subordinated Notes (being those Notes which specify their status as Subordinated) and the Receipts and Coupons relating to them constitute direct, unconditional and unsecured obligations of the Issuer and rank *pari passu* and rateably without any preference among themselves together with all other subordinated obligations of the Issuer other than subordinated obligations which are expressed to rank junior to the Subordinated Notes. In the event of the liquidation or bankruptcy of the Issuer, the payment obligations of the Issuer under the Subordinated Notes, Receipts and Coupons relating to them will rank in right of payment after unsubordinated creditors of the Issuer but at least *pari passu* with all other subordinated obligations of the Issuer which are not expressed by their terms to rank junior to the Subordinated Notes and in priority to the claims of shareholders of the Issuer.

Subordinated Notes may be issued in the form of supplementary capital ("Supplementary Capital"), subordinated capital ("Subordinated Capital"), subordinated supplementary capital ("Subordinated Supplementary Capital") or short-term subordinated capital ("Short-term Subordinated Capital"), in each case pursuant to, and in accordance with the requirements from time to time of, the Austrian Banking Act 1993 as amended (*Bankwesengesetz*) (the "Banking Act"):

(i) Supplementary Capital pursuant to section 23, paragraph 7 of the Banking Act.

Subordinated Notes constituting Supplementary Capital will have a minimum maturity of eight years.

The Issuer may redeem the Notes prior to the expiry of a remaining maturity time of three years, provided that this was contractually agreed upon and the Issuer has, prior to giving notice, available to it an equal amount of capital of at least equal own funds quality.

Interest on Subordinated Notes constituting Supplementary Capital is only payable if the payment of such interest is covered by the annual surplus of the Issuer prior to any changes in the reserves of the Issuer (for the financial year ended immediately prior to the date of such payment of interest) (as determined by the Management Board (*Vorstand*) of the Issuer). If the payment of interest is not payable in any one year, it will, unless specified hereon as non-cumulative, be deferred to the following year or until the Issuer has sufficient surplus to pay the deferred interest payments ("Cumulative Supplementary Capital").

Prior to the liquidation of the Issuer, Subordinated Notes constituting Supplementary Capital may only be redeemed subject to the *pro rata* deduction from the principal outstanding on such Subordinated Notes of the net losses of the Issuer which have accrued since the issue date of such Subordinated Notes. Redemption of the principal amount of Subordinated Notes constituting Supplementary Capital may therefore not occur before the annual accounts of the Issuer for all financial years since the issue date of such Subordinated Notes constituting Supplementary Capital have been determined (as referred to in section 125 of the Austrian Stock Corporation Act).

(ii) Subordinated Capital pursuant to section 23, paragraph 8 of the Banking Act.

Subordinated Notes constituting Subordinated Capital will have a minimum maturity of five years.

Save as set out below, in case of undated Subordinated Notes constituting Subordinated Capital or where the Issuer or the Noteholders are granted a redemption right, a redemption shall only be permissible after the expiry of a notice period of five years. The Issuer may further redeem Subordinated Notes constituting Subordinated Capital after the expiry of five years without notice period if it has, prior to such notice, available to it an equal amount of capital of at least equal own funds quality. The Issuer may give notice to redeem such Notes prior to the expiry of five years pursuant to Condition 6(c) if the Issuer, prior to giving notice, has available to it an equal amount of capital of at least equal own funds quality. In case of redemption of such Notes, the Issuer shall prove to the Austrian Financial Markets Authority that such equivalent substitute funds have been acquired.

Claims of the Issuer are not permitted to be offset against repayment obligations of the Issuer under these Notes and no contractual collateral may be provided by the Issuer or a third person for the liabilities constituted by the Subordinated Notes constituting Subordinated Capital. No subsequent agreement may limit the subordination pursuant to this Condition 3(b) or amend the maturity of Subordinated Notes constituting Subordinated Capital.

(iii) Subordinated Supplementary Capital pursuant to section 23, paragraphs 7 and 8 of the Banking Act. *Subordinated Notes constituting Subordinated Supplementary Capital will have a minimum maturity of eight years.*

The Issuer may redeem the Notes prior to the expiry of a remaining maturity time of three years, provided that this was contractually agreed upon and the Issuer has, prior to giving notice, available to it an equal amount of capital of at least equal own funds quality.

Interest on Subordinated Notes constituting Subordinated Supplementary Capital is only payable if the payment of such interest is covered by the annual surplus of the Issuer prior to any changes in the reserves of the Issuer (for the financial year ended immediately prior to the date of such payment of interest) (as determined by the Management Board (*Vorstand*) of the Issuer). If the payment of interest is not payable in any one year, it will, unless specified hereon as non-cumulative, be deferred to the following year or until the Issuer has sufficient surplus to pay the deferred interest payments ("Cumulative Subordinated Supplementary Capital").

Prior to the liquidation of the Issuer, Subordinated Notes constituting Subordinated Supplementary Capital may only be redeemed subject to the *pro rata* deduction from the principal outstanding on such Subordinated Notes of the net losses of the Issuer which have accrued since the issue date of such Subordinated Notes. Redemption of the principal amount of Subordinated Notes constituting Subordinated Supplementary Capital may therefore not occur before the annual accounts of the Issuer for all financial years since the issue date of such Subordinated Notes constituting Subordinated Supplementary Capital have been determined (as referred to in Section 125 of the Austrian Stock Corporation Act).

Claims of the Issuer are not permitted to be offset against repayment obligations of the Issuer and no contractual collateral may be provided by the Issuer or a third person for the liabilities constituted by the Subordinated Notes constituting Subordinated Supplementary Capital. No subsequent agreement may limit the subordination pursuant to this Condition 3(b) or amend the maturity of Subordinated Notes constituting Subordinated Supplementary Capital.

(iv) Short-term Subordinated Capital pursuant to section 23, paragraph 8a of the Banking Act.

Subordinated Notes constituting Short-term Subordinated Capital will have a minimum maturity of two years.

Save as set out below, in case of undated Subordinated Notes constituting Short-term Subordinated Capital or where the Issuer or the Noteholders are granted a redemption right, a redemption shall only be permissible after the expiry of a notice period of two years. The Issuer may further redeem Subordinated Notes constituting Short-term Subordinated Capital after the expiry of two years without a notice period if it has, prior to such notice, available to it an equal amount of capital of at least equal own funds quality. The Issuer may give notice to redeem such Notes prior to the expiry of two years pursuant to Condition 6(c) if the Issuer, prior to giving notice, has available to it an equal amount of capital of at least equal own funds quality. In case of redemption of such Notes, the Issuer shall prove to the Austrian Financial Markets Authority that such equivalent substitute funds have been acquired.

Payments of principal and/or interest in respect of Subordinated Notes constituting Short-term Subordinated Capital are only payable by the Issuer if the own funds of the Issuer which are accountable as own funds pursuant to the Banking Act would not thereby fall below 100 per cent. of the own funds requirements under section 22, paragraph 1, Nos. 1 to 4 of the Banking Act.

Claims of the Issuer are not permitted to be offset against repayment obligations of the Issuer and no contractual collateral may be provided by the Issuer or a third person for the liabilities constituted by the Subordinated Notes constituting Short-term Subordinated Capital. No subsequent agreement may limit the subordination pursuant to this Condition 3(b) or amend the maturity of Subordinated Notes constituting Subordinated Supplementary Capital.

(c) *Status of Pfandbriefe, Kommunalschuldverschreibungen (Öffentliche Pfandbriefe) and Covered Bonds*
(i) *Pfandbriefe*

The *Pfandbriefe* (being Notes which are specified as such) constitute direct, unconditional and unsubordinated obligations of the Issuer and rank *pari passu* among themselves.

Pfandbriefe are secured by a separated pool of cover assets comprising, among certain other eligible items, first ranking mortgages over Austrian real estate and over certain real estate located in other Member States of the European Economic Area and Switzerland. The cover assets for *Pfandbriefe* are

listed in the mortgage register (*Hypothekenregister*) which is kept by the Issuer pursuant to the Austrian Act on Mortgage Banks (*Hypothekenbankgesetz*). The total nominal amount of the issued *Pfandbriefe* shall at any time be covered by mortgages (or other eligible assets) of at least equal amount and equal interest revenue.

Pfandbriefe are eligible investments for minors (*Mündelgeld*) pursuant to section 230b No 3 of the Austrian General Civil Code. The Issuer intends to apply to include the *Pfandbriefe* in the category 1 register of the European Central Bank.

(ii) *Kommunalschuldverschreibungen (Öffentliche Pfandbriefe)*

The *Kommunalschuldverschreibungen (Öffentliche Pfandbriefe)* (being Notes which are specified as such) constitute direct, unconditional and unsubordinated obligations of the Issuer and rank *pari passu* among themselves.

Kommunalschuldverschreibungen (Öffentliche Pfandbriefe) are secured by a separated pool of cover assets comprising, among certain other eligible items, loan claims against, or debt securities issued or guaranteed by, Austrian government entities or against other Member States of the European Economic Area or Switzerland or their regional governments and governmental entities for which the competent authorities pursuant to Art 43 sec 1 lit b No 5 of the Directive 2000/12/EC have fixed a risk weighting of not more than 20 per cent., or by claims benefiting from a guarantee granted by one of these governmental entities. The cover assets for *Kommunalschuldverschreibungen (Öffentliche Pfandbriefe)* are listed in the relevant register which is kept by the Issuer pursuant to the Austrian Act on Mortgage Banks (*Hypothekenbankgesetz*). The total nominal amount of the issued *Kommunalschuldverschreibungen (Öffentliche Pfandbriefe)* shall at any time be covered by eligible assets of at least equal amount and equal interest revenue.

Kommunalschuldverschreibungen (Öffentliche Pfandbriefe) are eligible investments for minors (*Mündelgeld*) pursuant to section 230b No 3 of the Austrian General Civil Code. The Issuer intends to apply to include the *Kommunalschuldverschreibungen (Öffentliche Pfandbriefe)* in the category 1 register of the European Central Bank.

(iii) Covered Bonds (*Fundierte Bankschuldverschreibungen*)

The Covered Bonds (being Notes which are specified as such) constitute direct, unconditional and unsubordinated obligations of the Issuer and rank *pari passu* among themselves.

Covered Bonds are secured by a separated pool of cover assets which are designated to cover the Notes pursuant to the Austrian Law on Covered Bank Bonds (*Gesetz über fundierte Bankschuldverschreibungen*) and which comprises, as determined by the Articles of Association of the Issuer, claims of the Issuer against the Republic of Austria, claims of the Issuer against Austrian and foreign business enterprises (including banks) if they are guaranteed by the Republic of Austria, gilt-edged securities and cash. The Articles of Association in their current form set out the eligible cover assets within the scope of assets provided by the Austrian Law on Covered Bank Bonds as amended.

Such assets shall at any time cover at least the redemption amount and the interest of the issued Covered Bonds as well as the prospective administrative costs in case of a bankruptcy of the Issuer. The Issuer intends to apply to include the Covered Bonds in the category 1 register of the European Central Bank.

4. Negative Pledge

So long as any of the Senior Notes, Receipts or Coupons remains outstanding (as defined in the Agency Agreement):

(a) the Issuer will not, and will ensure that none of its Core Subsidiaries (as defined in Condition 10) will, create or permit to subsist any mortgage, charge, pledge or other security interest upon the whole or any part of its property or assets, present or future, to secure for the benefit of the holders of any External Indebtedness (as defined below) (i) payment of such External Indebtedness, (ii) any payment under any guarantee of such External Indebtedness, or (iii) any payment under any indemnity relating to such External Indebtedness; and

(b) the Issuer will not, and will use reasonable endeavours to ensure that none of its *Haftungsverbund* Subsidiaries (as defined in Condition 10) will, create or permit to subsist any mortgage, charge, pledge or other security interest upon the whole or any part of its property or assets, present or future, to secure for the benefit of the holders of any Core Group External Indebtedness (as defined below) (i) payment of such Core Group External Indebtedness, (ii) any payment under any guarantee of such

Core Group External Indebtedness, or (iii) any payment under any indemnity relating to such Core Group External Indebtedness,

without in any such case at the same time according to the Senior Notes, Receipts and Coupons (unless it has been already so accorded) the same security as is created or subsisting to secure such External Indebtedness, Core Group External Indebtedness, guarantee or indemnity or such other security as shall be approved by an Extraordinary Resolution (as defined in the Agency Agreement) of the Noteholders, provided however that such restriction shall not apply to *Pfandbriefe*, *Kommunalschuldverschreibungen (Öffentliche Pfandbriefe)*, Covered Bonds or Asset Backed Finance and comparable instruments, including, but not limited to, Czech and Slovak mortgage bonds, issued by the Issuer and/or any Subsidiary as created from time to time by Austrian or any other applicable law or permitted by the Austrian Financial Markets Authority or any other competent supervision authority.

“*Asset Backed Finance*” means External Indebtedness secured by a security (and any security created in substitution for any such security) in the form of any mortgage, charge, pledge or other form of encumbrance or security interest (whether or not also securing other indebtedness or obligations) relating to any securitisation, financing or refinancing of, or the acquisition of, any specified asset or assets, but only to the extent that such security is taken over such specified assets that are being financed or acquired and the recourse of the person making the External Indebtedness available or entering into the relevant arrangement or agreement(s), is limited to such specified assets.

“*Core Group External Indebtedness*” means any present or future indebtedness of the Issuer or any of its Core Subsidiaries in the form of, or represented or evidenced by, bonds, notes, debentures, loan stock or other securities which are for the time being, or are capable of being, quoted, listed or ordinarily dealt in any stock exchange or over-the-counter or other securities market.

“*External Indebtedness*” means any present or future indebtedness in the form of, or represented or evidenced by, bonds, notes, debentures, loan stock or other securities which are for the time being, or are capable of being, quoted, listed or ordinarily dealt in on any stock exchange or over-the-counter or other securities market.

5. Interest and other Calculations

(a) Interest Rate and Accrual

Each Note bears interest on its outstanding principal amount from, and including, the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Interest Rate, such interest being payable in arrear on each Interest Payment Date.

Interest shall cease to accrue on each Note on, but excluding, the due date for redemption unless, upon due presentation, payment of principal is improperly withheld or refused, in which event interest shall continue to accrue (as well after as before judgment) at the Interest Rate in the manner provided in this Condition 5 to the Relevant Date (as defined in Condition 8).

(b) Interest Rate on Floating Rate Notes and Index-linked Interest Notes

(i) *Interest Payment Dates*: Each Floating Rate Note and Index-linked Interest Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Interest Rate, such interest being payable in arrear on each Interest Payment Date. Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown hereon, Interest Payment Date shall mean each date which falls the number of months or other period shown hereon as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

(ii) *Business Day Convention*: If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is:

(A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment;

(B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day;

(C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day; or

(D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

(iii) *Interest Rate for Floating Rate Notes*: The Interest Rate in respect of Floating Rate Notes for each Interest Accrual Period shall be determined in the manner specified hereon and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified hereon.

(A) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified hereon as the manner in which the Interest Rate is to be determined, the Interest Rate for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate. For the purposes of this sub-paragraph (A), "ISDA Rate" for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

(x) the Floating Rate Option is as specified hereon

(y) the Designated Maturity is a period specified hereon and

(z) the relevant Reset Date is the first day of that Interest Accrual Period unless otherwise specified hereon.

For the purposes of this sub-paragraph (A), "Floating Rate", "Calculation Agent", "Floating Rate Option", "Designated Maturity", "Reset Date" and "Swap Transaction" have the meanings given to those terms in the ISDA Definitions.

(B) Screen Rate Determination for Floating Rate Notes

(x) Where Screen Rate Determination is specified hereon as the manner in which the Interest Rate is to be determined, the Interest Rate for each Interest Accrual Period will, subject as provided below, be either:

(1) the offered quotation; or

(2) the arithmetic mean of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate(s) which appears or appear, as the case may be, on the Relevant Screen Page as at either 11.00 a.m. (London time in the case of LIBOR or Brussels time in the case of EURIBOR) on the Interest Determination Date in question as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations.

If the Reference Rate from time to time in respect of Floating Rate Notes is specified in the applicable Final Terms as being other than LIBOR or EURIBOR, the Interest Rate in respect of such Notes will be determined as provided in the applicable Final Terms.

(y) if the Relevant Screen Page is not available or if, sub-paragraph (x)(1) applies and no such offered quotation appears on the Relevant Screen Page or if sub-paragraph (x)(2) above applies and fewer than three such offered quotations appear on the Relevant Screen Page in each case as at the time specified above, subject as provided below, the Calculation Agent shall request, if the Reference Rate is LIBOR, the principal London office of each of the Reference Banks or, if the Reference Rate is EURIBOR, the principal Eurozone office of each of the Reference Banks, to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time), or if the Reference

Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Interest Rate for such Interest Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent; and

(z) if paragraph (y) above applies and the Calculation Agent determines that fewer than two Reference Banks are providing offered quotations, subject as provided below, the Interest Rate shall be the arithmetic mean of the rates per annum (expressed as a percentage) as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market, as the case may be, or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time), on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Calculation Agent suitable for such purpose) informs the Calculation Agent it is quoting to leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market, as the case may be, provided that, if the Interest Rate cannot be determined in accordance with the foregoing provisions of this paragraph, the Interest Rate shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum or Minimum Interest Rate is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum or Minimum Interest Rate relating to the relevant Interest Accrual Period, in place of the Margin or Maximum or Minimum Interest Rate relating to that last preceding Interest Accrual Period).

(iv) *Interest Rate for Index-linked Interest Notes:* The Interest Rate in respect of Index-linked Interest Notes for each Interest Accrual Period shall be determined in the manner specified hereon and interest will accrue by reference to an Index or Formula as specified in the relevant Final Terms.

For a description of certain risks relating to an investment in such Notes, see "Risk Factors – Factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme – Index-linked Notes" and the relevant Final Terms.

(c) *Interest Rate on Zero Coupon Notes*

Where a Note the Interest Rate of which is specified hereon to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note. As from the Maturity Date, the Interest Rate for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as described in Condition 6(b)).

(d) *Dual Currency Notes*

In the case of Dual Currency Notes, if the rate or amount of interest falls to be determined by reference to a Rate of Exchange or a method of calculating Rate of Exchange, the rate or amount of interest payable shall be determined in the manner specified hereon.

(e) *Partly Paid Notes*

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified hereon.

(f) Accrual of Interest

Interest shall cease to accrue on each Note on the due date for redemption unless, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (as well after as before judgment) at the Interest Rate in the manner provided in this Condition 5 to the Relevant Date (as defined in Condition 8).

(g) Interest on Equity-linked Notes

In the case of Equity-linked Notes, the Rate of Interest or amount of interest payable in respect of each Interest Accrual Period or Interest Payment Date, as the case may be, shall be determined by reference to an Underlying Security or a Basket of Underlying Securities or formula in the manner specified in the relevant Final Terms.

For a description of certain risks relating to an investment in such Notes, see "Risk Factors – Factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme – Equity-linked Notes" and the relevant Final Terms.

(h) Margin, Maximum/Minimum Interest Rates, Instalment Amounts and Redemption Amounts and Rounding

(i) If any Margin is specified hereon (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Interest Rates, in the case of (x), or the Interest Rates for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with (c) above by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin subject always to the next paragraph.

(ii) If any Maximum or Minimum Interest Rate, Instalment Amount or Redemption Amount is specified hereon, then any Interest Rate, Instalment Amount or Redemption Amount shall be subject to such maximum or minimum, as the case may be.

(iii) Subject to the requirements of applicable law, for the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up). For these purposes "unit" means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country(ies) of such currency and, with respect to euro, means 0.01 euro.

(i) Calculations

If an Interest Amount (or a formula for its calculation) is specified for any period, the amount of interest payable in respect of such Note for such period shall equal such Interest Amount (or be calculated in accordance with such formula). If no Interest Amount (or no such formula) is so specified, the amount of interest payable in respect of any Note for any such period shall be calculated by multiplying the product of the Interest Rate and the outstanding principal amount of such Note by the Day Count Fraction. Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable in respect of such Interest Period shall be the sum of the amounts of interest payable in respect of each of those Interest Accrual Periods.

(j) Determination and Publication of Interest Rates, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts and Instalment Amounts

As soon as practicable after the Relevant Time on each Interest Determination Date or such other time on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, it shall determine such rate and calculate the amount of interest payable (the "Interest Amount") in respect of each Specified Denomination of the Notes for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or Instalment Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Interest Rate and the Interest Amounts for each Interest Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or any Instalment Amount to be notified to the Fiscal Agent, the Issuer, each of the Paying Agents, the Noteholders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are listed on a stock exchange

and the rules of such exchange or other relevant authority so require, such exchange or other relevant authority as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of an Interest Rate and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period is subject to adjustment pursuant to Condition 5(b), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 10, the accrued interest and the Interest Rate payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Interest Rate or the Interest Amount so calculated need be made. The determination of any rate or amount, the obtaining of each quote and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

(k) *Definitions*

In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

"Business Day" means:

- (i) in the case of a specified currency other than euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre and in London; and/or
- (ii) in the case of euro, a day on which the TARGET System is operating (a *"TARGET Business Day"*); and/or
- (iii) in the case of a specified currency and/or one or more specified financial centres, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in the specified currency or, if none is specified, generally in each of the financial centres so specified.

"Day Count Fraction" means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period, the *"Calculation Period"*):

- (i) if *"Actual/365"* or *"Actual/Actual – ISDA"* is specified hereon, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (x) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (y) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (ii) if *"Actual/365 (Fixed)"* is specified hereon, the actual number of days in the Calculation Period divided by 365;
- (iii) if *"Actual/360"* is specified hereon, the actual number of days in the Calculation Period divided by 360;
- (iv) if *"30/360"*, *"360/360"* or *"Bond Basis"* is specified hereon, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (a) the last day of the Calculation Period is the 31st day of a month but the first day of the Calculation Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (b) the last day of the Calculation Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month));
- (v) if *"30E/360"* or *"Eurobond Basis"* is specified hereon, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Calculation Period unless, in the case of a Calculation Period ending on the Maturity Date, the Maturity Date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month); and
- (vi) if *"Actual/Actual – ICMA"* is specified hereon,

(a) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and

(b) if the Calculation Period is longer than one Determination Period, the sum of: (x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and (y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year

where:

"Determination Date" means the date specified as such hereon or, if none is so specified, the Interest Payment Date.

"Determination Period" means the period from and including a Determination Date in any year to but excluding the next Determination Date.

"Effective Date" means, with respect to any Floating Rate to be determined on an Interest Determination Date, the date specified as such hereon or, if none is so specified, the first day of the Interest Accrual Period to which such Interest Determination Date relates.

"Euro-zone" means the region comprising member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended.

"Interest Accrual Period" means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date.

"Interest Commencement Date" means the Issue Date or such other date as may be specified hereon.

"Interest Determination Date" means, with respect to an Interest Rate and Interest Accrual Period: (i) the date specified as such hereon or, if none is so specified, the first day of such Interest Accrual Period if the Relevant Currency is Sterling or (ii) the day falling two Business Days in London for the Relevant Currency prior to the first day of such Interest Accrual Period if the Relevant Currency is neither Sterling nor euro or (iii) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Relevant Currency is euro.

"Interest Period" means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date.

"Interest Period Date" means each Interest Payment Date unless otherwise specified hereon.

"Interest Rate" means the rate of interest payable from time to time in respect of this Note and that is either specified or calculated in accordance with the provisions hereon.

"ISDA Definitions" means the 2000 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc., unless otherwise specified;

"Number of Calculation Periods" means the number of Calculation Periods normally ending in any year.

"Primary Source" means the source for the calculation of interest payable in respect of Floating Rate Notes.

"Reference Banks" means, in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market and, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, in each case selected by the Calculation Agent or as specified hereon.

"Reference Rate" means the rate specified as such hereon.

"Relevant Currency" means the currency specified as such hereon or, if none is specified, the currency in which the Notes are denominated.

"Relevant Screen Page" means such page, section, caption, column or other part of a particular information service as may be specified hereon.

“*TARGET System*” means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System or any successor thereto.

(l) Calculation Agent

The Issuer shall procure that there shall at all times be one or more Calculation Agents if provision is made for them hereon and for so long as any Note is outstanding (as defined in the Agency Agreement). Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Period or Interest Accrual Period or to calculate any Interest Amount, Instalment Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, or to comply with any other requirement, the Issuer shall appoint a leading bank or investment banking firm engaged in the inter-bank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (in the case of International Notes acting through its principal London office or any other office actively involved in such market and in the case of Domestic Notes, acting through its principal office in Vienna) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

(m) Certificates to be final

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 5, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Calculation Agent, the Fiscal Agent, the other Paying Agents and all Noteholders, Receiptholders and Couponholders and (in the absence as aforesaid) no liability to the Issuer, the Noteholders, the Receiptholders or the Couponholders shall attach to the Calculation Agent or the Fiscal Agent in connection with the exercise or non-exercise by them of their powers, duties and discretions pursuant to such provisions.

6. Redemption, Purchase and Options

(a) Redemption by Instalments and Final Redemption

(i) Unless previously redeemed, purchased and cancelled as provided in this Condition 6 or the relevant Instalment Date (being one of the dates so specified hereon) is extended pursuant to any Issuer's or Noteholders' option in accordance with Condition 6(d) or 6(e), each Note that provides for Instalment Dates and Instalment Amounts shall be partially redeemed on each Instalment Date at the related Instalment Amount specified hereon. The outstanding principal amount of each such Note shall be reduced by the Instalment Amount (or, if such Instalment Amount is calculated by reference to a proportion of the principal amount of such Note, such proportion) for all purposes with effect from the related Instalment Date, unless payment of the Instalment Amount is improperly withheld or refused on presentation of the related Receipt, in which case, such amount shall remain outstanding until the Relevant Date relating to such Instalment Amount.

(ii) Unless previously redeemed, purchased and cancelled as provided below or its maturity is extended pursuant to any Issuer's or Noteholders' option in accordance with Condition 6(d) or 6(e), each Note shall be finally redeemed on the Maturity Date specified hereon at its Final Redemption Amount (which, unless otherwise provided, is its principal amount) or, in the case of a Note falling within paragraph (i) above, its final Instalment Amount, with the exception that the redemption of Subordinated Notes constituting Supplementary Capital or Subordinated Notes constituting Subordinated Supplementary Capital may be delayed until the annual accounts of the Issuer for the relevant financial year(s) have been determined (as referred to in section 125 of the Austrian Stock Corporation Act), pursuant to Conditions 3(b)(i) or 3(b)(iii), as the case may be.

(b) Early Redemption

(i) Zero Coupon Notes

(A) The Early Redemption Amount payable in respect of any Zero Coupon Note, the Early Redemption Amount of which is not linked to an index and/or a formula, upon redemption of such Note pursuant to Condition 6(c) or upon it becoming due and payable as provided in Condition 10 shall be the Amortised Face Amount (calculated as provided below) of such Note, unless otherwise specified hereon.

(B) Subject to the provisions of sub-paragraph (C) below, the Amortised Face Amount of any such Note shall be the scheduled Final Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown hereon, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually. Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown hereon.

(C) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 6(c) or upon it becoming due and payable as provided in Condition 10 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in sub-paragraph (B) above, except that such sub-paragraph shall have effect as though the reference therein to the date on which the Note becomes due and payable were replaced by a reference to the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph shall continue to be made (as well after as before judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Note on the Maturity Date together with any interest that may accrue in accordance with Condition 5(d).

(ii) Other Notes: The Early Redemption Amount payable in respect of any Note (other than Zero Coupon Notes described in (i) above), upon redemption of such Note pursuant to Condition 6(c) or upon it becoming due and payable as provided in Condition 10, shall be the Final Redemption Amount unless otherwise specified hereon.

(c) Redemption for Taxation Reasons

If, as a result of any amendment to or change in the laws or regulations of the Republic of Austria or of any political subdivision thereof or any authority therein or thereof having power to tax or any change in the official or generally accepted interpretation or application of such laws or regulations which becomes effective on or after the Issue Date (in the case of a non-syndicated Series) or the signing date (in the case of a syndicated Series), as the case may be, the Issuer has or will become obliged to pay any additional amounts as described in Condition 8 (and such amendment or change has been evidenced by the delivery by the Issuer to the Fiscal Agent (who shall accept such certificate and opinion as sufficient evidence thereof) of (i) a certificate signed by two authorised signatories of the Issuer on behalf of the Issuer stating that such amendment or change has occurred (irrespective of whether such amendment or change is then effective), describing the facts leading thereto and stating that such requirement cannot be avoided by the Issuer taking reasonable measures available to it and (ii) an opinion of independent legal advisers of recognised standing to the effect that such amendment or change has occurred (irrespective of whether such amendment or change is then effective)) on any Interest Payment Date (if this Note is either a Floating Rate Note or Index-Linked Note), or, at any time (if this Note is neither a Floating Rate Note or Index-Linked Note), the Issuer may (having given not less than 30 nor more than 90 days' irrevocable notice to the Noteholders and to the holders in accordance with Condition 14) redeem all, but not some only, of the Notes (other than Notes in respect of which the Issuer shall have given a notice of redemption pursuant to Condition 6(d) or an Exercise Notice in accordance with Condition 6(e), prior to any notice being given under this Condition 6(c)) at their Early Redemption Amount, together with accrued interest to the date fixed for such redemption, provided that (i) no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be required to pay such additional amounts were a payment in respect of the Note then due and (ii) in the case of Subordinated Notes, the Issuer has available to it a corresponding amount of capital of the same amount and at least equal own funds quality and the Issuer has proven this to the Austrian Financial Markets Authority.

(d) Redemption at the Option of the Issuer

If so provided hereon, the Issuer may, on giving irrevocable notice to the Noteholders falling within the Issuer's Option Period redeem all or, if so provided, some of the Notes (other than Notes in respect of which the Issuer shall have given a notice of redemption pursuant to Condition 6(c), prior to any notice being given under this Condition 6(d)) on any Optional Redemption Date. Any such redemption of Notes shall be at their Optional Redemption Amount together with interest accrued to the date fixed for redemption. Any such redemption or exercise must relate to Notes of a nominal amount at least equal to the Minimum Redemption Amount to be redeemed specified hereon and no

greater than the Maximum Redemption Amount to be redeemed specified hereon. No such redemption shall be possible prior to the expiry of the minimum period that may be required for such Note in accordance with section 23 of the Banking Act.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption the notice to Noteholders shall also contain the certificate numbers of the Bearer Notes, or in the case of Registered Notes shall specify the nominal amount of Registered Notes drawn and the holder(s) of such Registered Notes, to be redeemed, which shall have been drawn in such place and in such manner as may be fair and reasonable in the circumstances, taking account of prevailing market practice, subject to compliance with any applicable laws and stock exchange or other relevant authority requirements. So long as the Notes are listed on the Vienna Stock Exchange or any other stock exchange and the Vienna Stock Exchange Act or rules of the relevant stock exchange so require, the Issuer shall notify such stock exchange of a partial redemption of Notes. In the case of a partial redemption of the Notes which are represented by a Global Certificate or Global Note, the relevant Notes will be selected in accordance with the rules of Euroclear and/or Clearstream, Luxembourg (in the case of International Notes) and/or, if any, OekB (in the case of Domestic Notes) and if none, prevailing market practice.

(e) Redemption at the Option of Noteholders

If so provided hereon, the Issuer shall, at the option of the holder of such Note, redeem such Note on the date or dates so provided at its Optional Redemption Amount (as described in Part A of the relevant Final Terms) together with interest accrued to the date fixed for redemption.

To exercise such option the holder must deposit (in the case of Bearer Notes) such Note (together with all unmatured Receipts and Coupons and unexchanged Talons) with any Paying Agent or (in the case of Registered Notes) the Certificate representing such Note(s) with the Registrar or any Transfer Agent at its specified office, together with a duly completed option exercise notice ("Exercise Notice") in the form obtainable from any Paying Agent, the Registrar or any Transfer Agent (as applicable) within the Noteholders' Option Period. No Note or Certificate so deposited and option exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer, except that such Note or Certificate will be returned to the relevant Noteholder by the Paying Agent, the Registrar or Transfer Agent with which it has been deposited if, prior to the due date for its redemption or the exercise of the option, the Note becomes immediately due and payable or if upon due presentation payment of the redemption moneys is not made or exercise of the option is denied.

(f) Purchases

The Issuer and any of its Subsidiaries (as defined below) may, to the extent permitted by applicable law, at any time purchase Notes in the ordinary course of their respective treasury business (provided that all unmatured Receipts and Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price.

(g) Cancellation

All Notes purchased by or on behalf of the Issuer or any of its Subsidiaries may, at the option of the Issuer, be surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Note together with all unmatured Receipts and Coupons and all unexchanged Talons to the Fiscal Agent and, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar and, in each case, if so surrendered, may, at the option of the Issuer, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Receipts and Coupons and unexchanged Talons attached thereto or surrendered therewith) but not prior to the expiry of the minimum period that may be required for such Note in accordance with section 23 of the Banking Act. Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

References in these Conditions to "Redemption Amount" shall be deemed to include references to Final Redemption Amount, Early Redemption Amount and Optional Redemption Amount, as the context may require or permit.

7. Payments and Talons

(a) Bearer Notes

Payments of principal and interest in respect of Bearer Notes shall, subject as mentioned below, be made against presentation and surrender of the relevant Receipts (in the case of payments of Instalment Amounts other than on the due date for redemption and provided that the Receipt is presented for payment together with its relative Note), Notes (in the case of all other payments of principal and, in the case of interest, as specified in Condition 7(f)(vi)) or Coupons (in the case of interest, save as specified in Condition 7(f)(ii)), as the case may be, at the specified office of any Paying Agent outside the United States by a cheque payable in the currency in which such payment is due drawn on, or, at the option of the holder, by transfer to an account denominated in such currency with, a Bank. "Bank" means a bank in the principal financial centre for such currency or, in the case of euro, in a city in which banks have access to the TARGET System.

(b) Registered Notes

(i) Payments of principal (which for the purposes of this Condition 7(b) shall include final Instalment Amounts but not other Instalment Amounts) in respect of Registered Notes shall be made to the person shown on the Register, or, if so specified, to the order of such person against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in sub-paragraph (ii) below.

(ii) Interest (which for the purpose of this Condition 7(b) shall include all Instalment Amounts other than final Instalment Amounts) on Registered Notes shall be paid to the person shown on the Register or to its order at the close of business on the fifteenth day before the due date for payment thereof (the "Record Date"). Payments of interest on each Registered Note shall be made in the currency in which such payments are due by cheque drawn on a Bank and mailed to the holder (or the first named of joint holders) of such Note at its address appearing in the Register. Upon application by the holder to the specified office of the Registrar or any Transfer Agent before the Record Date and subject as provided in paragraph (a) above, such payment of interest may be made by transfer to an account in the relevant currency maintained by the payee with a Bank.

(c) Payments in the United States

Notwithstanding the foregoing, if any Bearer Notes are denominated in US dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.

(d) Payments subject to Fiscal Laws

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives, but without prejudice to the provisions of Condition 8. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

(e) Appointment of Agents

The Fiscal Agent, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent initially appointed by the Issuer for International Notes and their respective specified offices are listed below. With regard to Domestic Notes, Erste Bank der oesterreichischen Sparkassen AG will act as Paying Agent, Registrar, Transfer Agent and Calculation Agent. The Fiscal Agent, the Paying Agents, the Registrar, Transfer Agents and the Calculation Agent act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Noteholder or Couponholder. The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, any other Paying Agent, the Registrar, any Transfer Agent or the Calculation Agent and to appoint additional or other Paying Agents or Transfer Agents, provided that the Issuer shall at all times maintain (i) a Fiscal Agent, (ii) a Registrar in relation to Registered Notes, (iii) a Transfer Agent in relation to Registered Notes, (iv) one or more Calculation Agent(s) where the Conditions so require, (v) Paying Agents having specified offices in at least two major European cities in relation to Notes other than Domestic Notes, and a Paying Agent in Vienna in relation to Domestic Notes, (vi) such other

agents as may be required by the rules of any stock exchange on which the Notes may be listed or clearing system through which the Notes may be cleared and (vii) a Paying Agent with a specified office in a European member state that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any other European Union Directive implementing the conclusions of the ECOFIN Council Meeting of 26th-27th November 2000 on the taxation of savings income or any law implementing or complying with or introduced in order to conform to, such Directive.

In addition, the Issuer shall forthwith appoint a Paying Agent in New York City in respect of any Bearer Notes denominated in US dollars in the circumstances described in paragraph (c) above.

Notice of any such change or any change of any specified office shall promptly be given to the Noteholders by the Issuer in accordance with Condition 14.

(f) Unmatured Coupons and Receipts and unexchanged Talons

(i) Upon the due date for redemption of Bearer Notes which comprise Fixed Rate Notes (other than Dual Currency Notes or Index-linked Notes) should be surrendered for payment together with all unmatured Coupons (if any) appertaining thereto, failing which an amount equal to the face value of each missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon that the sum of principal so paid bears to the total principal due) shall be deducted from the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 9).

(ii) Upon the due date for redemption of any Bearer Note comprising a Floating Rate Note, Dual Currency Note or Index-linked Note unmatured Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.

(iii) Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.

(iv) Upon the due date for redemption of any Bearer Note that is redeemable in instalments, all Receipts relating to such Note having an Instalment Date falling on or after such due date (whether or not attached) shall become void and no payment shall be made in respect of them.

(v) Where any Bearer Note that provides that the unmatured Coupons related thereto are to become void upon the due date for redemption of those Notes is presented for redemption without all unmatured Coupons and any unexchanged Talon relating to it, and where any Bearer Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.

(vi) If the due date for redemption of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Note or Certificate representing it, as the case may be. Interest accrued on a Note that only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Note or Certificate representing it, as the case may be.

(g) Talons

On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Fiscal Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 9).

(h) Non-Business Days

If any date for payment in respect of any Note, Receipt or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this paragraph, "business day" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the

relevant place of presentation, in such jurisdictions as shall be specified as "Business Day Jurisdictions" hereon and:

(i) (in the case of a payment in a currency other than euro) where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency; or

(ii) (in the case of a payment in euro) which is a TARGET Business Day.

(i) Definition of the euro

(i) References in these conditions to the euro are to the currency which was introduced at the start of the third stage of European Economic and Monetary Union pursuant to Article 109(L) of the Treaty establishing the European Communities as amended by the Treaty on European Union (the "Treaty").

(ii) Notes denominated in a currency that may be converted into euro, may be subject to redenomination, renominatisation, reconventioning and/or consolidation with other Notes then denominated in euro as specified in the relevant Final Terms.

8. Taxation

All payments of principal and interest by or on behalf of the Issuer in respect of the Notes, the Receipts and the Coupons shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the Republic of Austria or by any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer shall pay such additional amounts to the Noteholder or Couponholder as shall result in receipt by that Noteholder or Couponholder of such amounts as would have been received by it had no such withholding or deduction been required, except that no such additional amounts shall be payable with respect to any Note, Receipt or Coupon:

(a) Other connection

to, or to a third party on behalf of, a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note, Receipt or Coupon by reason of its having some connection with the Republic of Austria other than the mere holding of the Note, Receipt or Coupon; or

(b) Presentation more than 30 days after the Relevant Date

presented (or in respect of which the Certificate representing it is presented) for payment more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such additional amounts on presenting it for payment on the thirtieth such day; or

(c) Payment to individuals

where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any other European Union Directive implementing the conclusions of the ECOFIN Council meeting of 26th-27th November 2000 on the taxation of savings or any law implementing or complying with, or introduced in order to conform to, such Directive; or

(d) Payment by another Paying Agent

(except in the case of Registered Notes) presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note, Receipt or Coupon to another Paying Agent in a Member State of the European Union.

As used in these Conditions, "Relevant Date" in respect of any Note, Receipt or Coupon means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Noteholders that, upon further presentation of the Note (or relative Certificate), Receipt or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation. References in these Conditions to (i) "principal" shall be deemed to include any premium payable in respect of the Notes, all Instalment Amounts, Redemption Amounts, Amortised Face Amounts and all other amounts in the nature of principal payable pursuant to

Condition 6 or any amendment or supplement to it, (ii) "interest" shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 5 or any amendment or supplement to it and (iii) "principal" and/or "interest" shall be deemed to include any additional amounts that may be payable under this Condition or any undertaking given in addition to or the substitution for it.

9. Prescription

If English law is specified hereon claims against the Issuer for payment in respect of the Notes, Receipts and Coupons (which, for this purpose, shall not include Talons) shall be prescribed and become void unless made within ten years (in the case of principal) and five years (in the case of interest) from the appropriate Relevant Date in respect of them.

If Austrian law is specified hereon and with regard to *Pfandbriefe, Kommunalschuldverschreibungen (Öffentliche Pfandbriefe)* and Covered Bonds, claims against the Issuer for payment in respect of the Notes, Receipts and Coupons (which, for this purpose, shall not include Talons) shall be prescribed and become void unless made within ten years (in the case of principal) and three years (in the case of interest) from the appropriate Relevant Date in respect of them.

10. Events of Default

If any of the following events (each, an "Event of Default") occurs and is continuing, that is to say:

- (a) default being made for a period of 15 days (in the case of interest) or seven days (in the case of principal) in the payment on the due date of interest or principal in respect of any of the Notes; or
- (b) the Issuer failing to perform or observe any covenant, condition or provision contained in the Notes (other than any obligation for the payment of principal or interest in respect of the Notes) and on its part to be performed and observed which default is incapable of remedy or is not remedied within 45 days after notice of such default shall have been given to the Fiscal Agent at its specified office by any Noteholder; or
- (c) any other Indebtedness (as defined below) of the Issuer or any Material Subsidiary (i) is not paid when due nor within any grace period applicable to such Indebtedness, or (ii) has become or becomes capable of being rendered due and payable before its scheduled maturity by reason of a default by the Issuer, or (iii) if payable on demand, is not paid when demanded, or (iv) any guarantee or indemnity given by the Issuer in respect of any Indebtedness of any other person is not honoured when due and called upon; or
- (d) the security for any Indebtedness of the Issuer becomes enforceable and the creditors entitled thereto take steps to enforce the same; or
- (e) the Issuer shall be adjudicated or found bankrupt or insolvent, or any order shall be made by any competent court or administrative agency for, or any resolution shall be passed by the Issuer to apply for, the judicial appointment of an official controller to supervise the management of the Issuer with binding authority with the effect of a temporary moratorium (*Geschäftsaufsicht*) in relation to the Issuer or a substantial part of its assets or if the Issuer shall be wound up or dissolved, otherwise than for the purposes of reconstruction, merger or amalgamation in which the successor entity assumes all the obligations of the Issuer with respect to the Notes;

then:

- (i) in the case of Senior Notes, the holder of any Note may by written notice to the Issuer at its specified office declare such Note to be due and payable at its Early Redemption Amount, together with accrued interest; and
- (ii) in the case of Subordinated Notes, the holder of any Note may by written notice to the Issuer at its specified office:
- (x) in an event contemplated in sub-paragraph (b), institute judicial proceedings against the Issuer as it may think fit to enforce the performance or observance by the Issuer of any covenant, condition or provision contained in the Notes; or
- (y) in any event contemplated in sub-paragraphs (a), (c), (d) or (e) (other than the Issuer being adjudicated bankrupt by a competent Austrian court) inform the Financial Markets Authority of the occurrence of such event and request that the Financial Markets Authority applies to the competent court in Vienna for the commencement of bankruptcy proceedings against the Issuer subject to the

statutory requirement that such court declares that the Issuer has become bankrupt, and only if such declaration is made shall the Notes become due and repayable as hereinafter described; or

(z) if bankruptcy proceedings are commenced in such court against the Issuer (on the application of any person other than a Noteholder acting solely in such capacity), file an application in such court demanding repayment of all principal amounts due under the Notes together with accrued interest and any additional amount;

(iii) in the case of *Pfandbriefe, Kommunalschuldverschreibungen (Öffentliche Pfandbriefe)* and Covered Bonds:

(w) the holder of any Note may, in an event contemplated in sub-paragraph (a), by written notice to the Issuer at its specified office declare such Note to be due and payable at its Early Redemption Amount, together with accrued interest; and

(x) the holder of any Note may, in an event contemplated in sub-paragraph (b), institute judicial proceedings against the Issuer as it may think fit to enforce the performance or observance by the Issuer of any covenant, condition or provision contained in the Notes; and

(y) in any event contemplated in sub-paragraph (c), (d) or (e) (other than the Issuer being adjudicated bankrupt by a competent Austrian court) inform the Financial Markets Authority of the occurrence of such event and request that the Financial Markets Authority applies to the competent court in Vienna for the commencement of bankruptcy proceedings against the Issuer subject to the statutory requirement that such court declares that the Issuer has become bankrupt, and only if such declaration is made shall the Notes become due and repayable as hereinafter described; and

(z) if bankruptcy proceedings are opened against the Issuer by a competent Austrian court, the Notes will, subject to the following sentence, not become due and payable in the event that the relevant pool of cover assets has been transferred to an appropriate credit institution and the holder of any Note may enforce its claim under the Notes up to the shortfall (or estimated shortfall, as the case may be) by which such claims are not covered by the liquidation proceeds of the respective relevant pool of cover assets. Where the respective pool of cover assets is not transferred to another credit institution in accordance with Austrian law, and provided the assets listed in the relevant register are not sufficient to satisfy the claims of all holders of the Notes, the relevant pool of cover assets for the Notes will be liquidated upon application by the special administrator for the pool of cover assets and approval by the competent bankruptcy court, and the Notes will be deemed to be due and payable by operation of the respective law governing these types of Notes; and

(iv) in all cases:

If the competent Austrian court declares the Issuer bankrupt, all claims due to the Noteholders and/or to the Couponholders and/or to the Receiptholders (other than under *Pfandbriefe, Kommunalschuldverschreibungen (Öffentliche Pfandbriefe)* and Covered Bonds) by the Issuer of principal and/or interest and any additional amounts shall be considered due and payable according to section 14 of the Austrian Bankruptcy Act 1914 as amended (*Konkursordnung*) in such currency that is legal tender in Austria on the date such insolvency is published by judicial notice, converted at the rate of exchange applicable on the day preceding such date for the purchase with such currency that is legal tender in Austria in Vienna of the amounts due.

If bankruptcy proceedings are commenced against the Issuer, the Notes (other than under *Pfandbriefe, Kommunalschuldverschreibungen (Öffentliche Pfandbriefe)* and Covered Bonds) will cease to bear interest from the date on which judicial notice of such insolvency is published and all unmaturing Coupons will thereupon become void and no payment shall be made in respect thereof.

The Noteholders, the Couponholders and/or the Receiptholders will be represented in any judicial action or bankruptcy proceedings instituted in Austria against the Issuer by an attorney (curator) appointed by and responsible to the Commercial Court of Vienna under the statute of 24th April 1874, Imperial Legislation Gazette no. 49 as amended (*Kuratorenengesetz*) or, in the case of *Pfandbriefe, Kommunalschuldverschreibungen (Öffentliche Pfandbriefe)*, pursuant to the Introductory Order of the Act on Mortgage Banks and, in the case of Covered Bonds, the Law on Covered Bank Bonds, where the rights of the Noteholders, the Couponholders and/or the Receiptholders are at risk due to the lack of a common representative or where the rights of another person would be deferred.

For the purposes of these Conditions:

“Core Subsidiary” means any Subsidiary other than a *Haftungsverbund* Subsidiary;

“*Haftungsverbund* Subsidiary” means any company which is controlled by and consolidated with the Issuer solely pursuant to its membership in the *Haftungsverbund*;

“*Group*” means the Issuer and its Subsidiaries;

“*Indebtedness*” means any present or future indebtedness (whether being principal, premium, interest or other amounts) for or in respect of (i) money borrowed, (ii) liabilities under or in respect of any acceptance or acceptance credit, or (iii) any notes, bonds, debentures, debenture stock, loan stock or other securities offered, issued or distributed whether by way of public offer, private placing, acquisition consideration or otherwise and whether issued for cash or in whole or in part for a consideration other than cash, in each case in an aggregate principal amount in excess of US\$15,000,000 or its equivalent in other currencies;

“*Material Subsidiary*” means at any time:

(i) any Core Subsidiary of the Issuer whose total assets, revenues or cash flows (consolidated in the case of a company, which itself has Subsidiaries) represent not less than 7.5 per cent. of the consolidated total assets or consolidated revenues or consolidated cash flow of the Group taken as a whole, all as calculated by reference to the then most recent financial statements (consolidated or, as the case may be, unconsolidated), of that Core Subsidiary and the most recent consolidated financial statements of the Group; or

(ii) any Core Subsidiary to which is transferred the whole or substantially the whole of the assets and undertaking of a Core Subsidiary which, immediately prior to such transfer, is a Material Subsidiary;

“*Subsidiary*” means, at any particular time, either:

(a) any company which is then, directly or indirectly, controlled, or at least 50 per cent. of whose issued equity share capital (or equivalent) is then beneficially owned, by the Issuer and/or one or more of its Subsidiaries. For a company to be “controlled” by another means that the other (whether directly or indirectly and whether by the ownership of share capital, the possession of voting power, contract or otherwise) has the power to appoint and/or remove all or the majority of the members of the board of directors or other governing body of that company or otherwise controls or has the power to control the affairs and policies of that company; or

(b) any company regarded as a subsidiary of the Issuer in accordance with International Financial Reporting Standards.

A report by the Auditors (as defined in the Agency Agreement) of the Issuer that, in their opinion, an entity is or is not or was or was not at any particular time a Subsidiary, a *Haftungsverbund* Subsidiary or a Material Subsidiary shall, in the absence of manifest error, be conclusive and binding on all parties.

11. Meeting of Noteholders, Modifications and Waiver

(a) Meetings of Noteholders

This paragraph shall apply only to International Notes, unless specifically indicated otherwise in the Final Terms. The Agency Agreement contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Agency Agreement) of a modification of any of these Conditions (except for Subordinated Notes issued pursuant to Condition 3(b)(ii), (iii) or (iv) in respect of which the subordination provisions may not be modified pursuant to section 23, paragraph 8 no. 2 of the Banking Act) or any provisions of the Agency Agreement. The quorum for any meeting convened to consider a resolution other than an Extraordinary Resolution shall be one or more persons holding or representing in the aggregate not less than one-tenth in principal amount of the Notes for the time being outstanding, and the quorum for any meeting convened to consider an Extraordinary Resolution shall be one or more persons holding or representing a clear majority in principal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the principal amount of the Notes held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to amend the dates of maturity or redemption of the Notes, any Instalment Date or any date for payment of interest or Interest Amounts on the Notes, (ii) to reduce or cancel the principal amount of, or any Instalment Amount of, or any premium payable on redemption of, the Notes, (iii) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any Interest Amount in respect of the Notes, (iv) if a Minimum and/or a Maximum Interest Rate, Instalment Amount or Redemption Amount is shown

hereon, to reduce any such Minimum and/or Maximum, (v) to vary any method of, or basis for, calculating the Final Redemption Amount, the Early Redemption Amount or the Optional Redemption Amount, including the method of calculating the Amortised Face Amount, (vi) to vary the currency or currencies of payment or denomination of the Notes, or (vii) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution, in which case the necessary quorum shall be one or more persons holding or representing not less than two-thirds or at any adjourned meeting not less than one-third in principal amount of the Notes for the time being outstanding. Any resolution duly passed shall be binding on Noteholders (whether or not they were present at the meeting at which such resolution was passed) and on all Couponholders. The expression "Extraordinary Resolution" means a resolution passed at a meeting of Noteholders duly convened by a majority consisting of not less than three-quarters of the votes cast. All other resolutions shall be passed at a meeting of Noteholders duly convened by a clear majority of the votes cast.

These Conditions may be amended, modified or varied in relation to any Series of Notes by the terms of the relevant Final Terms in relation to such Series.

(b) Modification and Amendment of the Agency Agreement

The Issuer shall only permit any modification of, or any waiver or authorisation of any breach or proposed breach of, or any failure to comply with, the Agency Agreement, if to do so could not reasonably be expected to be prejudicial to the interests of the Noteholders.

The Agency Agreement may be amended by the Issuer and the Fiscal Agent, without the consent of the Registrar or any Paying Agent, Transfer Agent, Exchange Agent, Calculation Agent or holder, for the purpose of curing any ambiguity or of curing, correcting or supplementing any defective provision contained therein or in any manner which the Issuer and the Fiscal Agent may mutually deem necessary or desirable and which does not adversely affect the interests of the holders.

12. Replacement of Notes, Certificates, Receipts, Coupons and Talons

If a Note, Certificate, Receipt, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the Fiscal Agent (in case of Bearer Notes, Receipts, Coupons or Talons) and of the Registrar (in the case of Certificates) or such other Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note, Certificate, Receipt, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Notes, Certificates, Receipts, Coupons or further Coupons) and otherwise as the Issuer may reasonably require. Mutilated or defaced Notes, Certificates, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

13. Further Issues

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further securities either having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest on them) and so that such further issue shall be consolidated and form a single series with the outstanding securities of any series (including the Notes) or upon such terms as the Issuer may determine at the time of their issue. References in these Conditions to the Notes include (unless the context requires otherwise) any other securities issued pursuant to this Condition and forming a single series with the Notes.

14. Notices

Notices to the holders of Registered Notes shall be mailed to them (or, in the case of joint holders, to the first named) at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing and so long as the Notes are listed on the Vienna Stock Exchange either in a daily newspaper with general circulation in Austria (which is expected to be the *Amtsblatt zur Wiener Zeitung*) or on the internet home page of the Issuer (which is expected to be <http://treasury.erstebank.com/>). Notices to the holders of Bearer Notes shall, be published so long as the Notes are listed on the Vienna Stock

Exchange, in a daily newspaper with general circulation in Austria (which is expected to be the *Amtsblatt zur Wiener Zeitung*) for information required by the Austrian Stock Exchange Act to be published in a daily newspaper or on the internet home page of the Issuer (which is expected to be <http://treasury.erstebank.com/>). If any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Europe. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any stock exchange on which the Notes are for the time being listed. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first publication as provided above.

Couponholders and Receiptholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Bearer Notes in accordance with this Condition.

15. Governing Law, Jurisdiction and Service of Process

(a) English Law

If English law is specified hereon:

(i) Governing Law

The Notes, the Receipts, the Coupons and the Talons are governed by, and shall be construed in accordance with, English law, save that the subordination provisions of Condition 3(b) are governed by, and shall be construed in accordance with, Austrian law.

(ii) Jurisdiction

The Courts of England are to have jurisdiction to settle any disputes that may arise out of or in connection with any Notes, Receipts, Coupons or Talons and accordingly any legal action or proceedings arising out of or in connection with any Notes, Receipts, Coupons or Talons ("Proceedings") may be brought in such courts. The Issuer irrevocably submits to the jurisdiction of the courts of England and waives any objection to Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This submission is made for the benefit of each of the holders of the Notes, Receipts, Coupons and Talons and shall not affect the right of any of them to take Proceedings in one or more jurisdictions or preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

(iii) Service of Process

The Issuer irrevocably appoints its London branch as its agent in England to receive, for it and on its behalf, service of process in any Proceedings in England. Such service shall be deemed completed on delivery to such process agent (whether or not it is forwarded to and received by the Issuer). If for any reason such process agent ceases to be able to act as such or no longer has an address in London, the Issuer irrevocably agrees to appoint a substitute process agent and shall immediately notify Noteholders of such appointment in accordance with Condition 14. Nothing shall affect the right to serve process in any manner permitted by law.

(b) Austrian Law

For *Pfandbriefe, Kommunalschuldverschreibungen (Öffentliche Pfandbriefe)* or Covered Bonds and if Austrian law is specified hereon:

(i) Governing Law

The Notes, the Receipts, the Coupons and the Talons are governed by, and shall be construed in accordance with, Austrian law.

(ii) Jurisdiction

The competent Austrian courts shall have exclusive jurisdiction to settle any disputes that may arise out of or in connection with any Notes, Receipts, Coupons or Talons, to the extent permissible according to applicable mandatory consumer protection legislation.

(c) Invalidity etc.

If at any time, any one or more of the provisions of the Notes, the Receipts, the Coupons and the Talons is or becomes invalid, illegal or unenforceable in any respect under the law of any jurisdiction, such provision shall as to such jurisdiction, be ineffective to the extent necessary without affecting or impairing the validity, legality and enforceability of the remaining provisions hereof or of such provisions in any other jurisdiction. The invalid or unenforceable provision shall be deemed replaced by

such valid, legal or enforceable provision which comes as close as possible to the original intent of the parties and the invalid, illegal or unenforceable provision.

16. Language

In the event that English language is specified hereon as the binding language, the English language version of these Conditions shall alone be binding and, if specified hereon, the German language version shall be a translation for convenience purposes only.

In the event that German language is specified hereon as the binding language, the German version of these Conditions shall alone be binding and, if specified hereon, the English language version shall be a translation for convenience purposes only.

German Language Version of the Terms and Conditions of the Notes

Emissionsbedingungen

Im Folgenden ist der Text der Emissionsbedingungen wiedergegeben, der – vorbehaltlich der Vervollständigung und Änderung und entsprechend ergänzt oder abgewandelt in Übereinstimmung mit den Bestimmungen des Teils A der maßgeblichen Endgültigen Bedingungen – auf die Schuldverschreibungen, die in Urkundenform (sofern es solche gibt) im Austausch für (eine) Sammelurkunde(n) ausgegeben werden, die jede Serie verbrieft, anwendbar ist. Auf solchen Inhaberschuldverschreibungen oder den sich auf die Namensschuldverschreibungen beziehenden Zertifikaten wird entweder (i) der vollständige Text dieser Emissionsbedingungen gemeinsam mit den maßgeblichen Bestimmungen des Teils A der Endgültigen Bedingungen, oder (ii) diese Emissionsbedingungen in der so vervollständigten, geänderten, ergänzten oder abgewandelten Form (und vorbehaltlich einer Vereinfachung durch Streichung nicht anwendbarer Bestimmungen) angeführt. Alle Begriffe, die in diesen Emissionsbedingungen nicht definiert sind, haben jene Bedeutung, die ihnen in Teil A der maßgeblichen Endgültigen Bedingungen zugewiesen ist. Diese Definitionen werden auf den Einzelurkunden oder Zertifikaten, je nachdem, angeführt. Verweise in den Bedingungen auf „Schuldverschreibungen“ beziehen sich nur auf die Schuldverschreibungen einer Serie, nicht jedoch auf alle Schuldverschreibungen, die unter diesem Programm ausgegeben werden können.

Diese Schuldverschreibung ist entweder eine Inländische Schuldverschreibung oder eine Internationale Schuldverschreibung, wie in den Endgültigen Bedingungen bezeichnet. Die Internationalen Schuldverschreibungen werden gemäß einem Agency Agreement (in der am Ausgabetag gültigen oder ergänzten Fassung, das „Agency Agreement“) vom 9. November 2005 zwischen der Emittentin, JP Morgan Chase Bank, N.A. als Fiskalagent und den anderen darin genannten Stellen, und, hinsichtlich der Internationalen Schuldverschreibungen, welche englischem Recht unterliegen, mit den Rechten gemäß einer Deed of Covenant (in der am Ausgabetag gültigen oder ergänzten Fassung, die „Deed of Covenant“) vom 9. November 2005, welche von der Emittentin hinsichtlich der Schuldverschreibungen abgegeben wurde, ausgegeben. Hinsichtlich der Inländischen Schuldverschreibungen wird die Emittentin selbst als Fiskalagent, Zahlstelle, Registerstelle, Übertragungsstelle und Berechnungsstelle agieren, soweit nötig. Der Fiskalagent, die Zahlstellen, die Registerstelle, die Übertragungsstelle und die Berechnungsstelle(n) werden nunmehr (wenn solche vorhanden sind) als der „Fiskalagent“, die „Zahlstellen“ (diese Bezeichnung umfasst auch den Fiskalagenten), die Registerstelle, die Übertragungsstelle und die Berechnungsstelle(n) bezeichnet. Die Gläubiger der Schuldverschreibung (wie nachstehend definiert), die Inhaber von Kuponscheinen (die „Kuponscheine“) betreffend zinstragende Inhaberschuldverschreibungen und, soweit auf solche Schuldverschreibungen anwendbar, Talonscheine für weitere Kuponscheine (die „Talonscheine“) (die „Kuponscheininhaber“) und die Inhaber von Ratenscheinen im Hinblick auf die Teilzahlung von Kapital (die „Ratenscheine“) hinsichtlich von auf Inhaber lautenden Schuldverschreibungen, auf die das Kapital in Raten zahlbar ist, (die „Ratenscheininhaber“) haben Kenntnis von allen Bestimmungen des Agency Agreement, welche auf sie anwendbar sind.

In diesen Emissionsbedingungen bezeichnet „Tranche“ in jeder Hinsicht identische Schuldverschreibungen und „Endgültige Bedingungen“ bezeichnet die endgültigen Bedingungen, die sich auf eine Tranche beziehen.

Kopien des Agency Agreement und der Deed of Covenant können in den benannten Geschäftsstellen der Zahlstellen, der Registerstelle und der Übertragungsstellen eingesehen werden.

Wenn englisches Recht in den Endgültigen Bedingungen genannt ist, steht keiner Person gemäß dem Contracts (Rights of Third Parties) Act 1999 das Recht zu, Bestimmungen dieser Schuldverschreibungen durchzusetzen, unbeschadet der sonstigen Rechte oder Rechtsbehelfe, welche einer Person abgesehen von diesem Gesetz zustehen.

1. Form, Stückelung und Eigentum

Die Schuldverschreibungen lauten auf Inhaber („Inhaberschuldverschreibungen“, wobei dieser Begriff auch Schuldverschreibungen umfasst, die als Umtauschbare Inhaberschuldverschreibungen benannt werden), auf Namen („Namensschuldverschreibungen“) oder auf Inhaber, umtauschbar in Namensschuldverschreibungen („Umtauschbare Inhaberschuldverschreibungen“), jeweils in den Endgültigen Bedingungen bestimmte Stückelungen.

Alle Namensschuldverschreibungen haben dieselbe bestimmte Stückelung. Im Falle von Umtauschbaren Inhaberschuldverschreibungen haben die Namensschuldverschreibungen, in welche sie umtauschbar

sind, dieselbe bestimmte Stückelung wie die niedrigste Stückelung der Umtauschbaren Inhaberschuldverschreibungen.

Diese Schuldverschreibung ist ein Pfandbrief, eine Kommunalschuldverschreibung (Öffentlicher Pfandbrief), eine Fundierte Bankschuldverschreibung, eine Festverzinsliche Schuldverschreibung, eine Variabel Verzinsliche Schuldverschreibung, eine Nullkupon-Schuldverschreibung, eine Schuldverschreibung mit Indexabhängiger Verzinsung, eine Schuldverschreibung mit Indexabhängiger Rückzahlung, eine Teilzahlungsschuldverschreibung, eine Doppelwährungs-Schuldverschreibung oder eine Teileingezahlte Schuldverschreibung, eine Kombination der vorstehenden oder einer anderen Art von Schuldverschreibung, jeweils abhängig von Status und Verzinsung und Rückzahlungs/Zahlungsbasis, wie in den Endgültigen Bedingungen bestimmt.

Inhaberschuldverschreibungen in Urkundenform haben Seriennummern und werden mit Kuponscheinen ausgegeben (und, soweit notwendig, einem Talonschein), ausgenommen bei Nullkupon-Schuldverschreibungen, bei denen die Verweise auf Zinsen (ausgenommen Zinsen, welche nach dem Fälligkeitstag fällig werden), Kuponscheine und Talonscheine in diesen Emissionsbedingungen nicht anwendbar sind. Teilzahlungsschuldverschreibungen werden mit einem oder mehreren beigefügten Ratenscheinen ausgegeben.

Namenschuldverschreibungen werden durch registrierte Zertifikate („Zertifikate“) vertreten und jedes Zertifikat vertritt sämtliche Namensschuldverschreibungen desselben Inhabers, vorbehaltlich von Bedingung 2(c).

Das Eigentum an Inhaberschuldverschreibungen und Ratenscheinen, Kuponscheinen und Talonscheinen wird durch Übergabe übertragen. Das Eigentum an Namensschuldverschreibungen, welche englischem Recht unterliegen, wird, in Übereinstimmung mit zwingendem Recht und wie nachstehend vorgesehen, durch Eintragung im Register (das „Register“), dessen Führung durch die Registerstelle im Einklang mit den Bestimmungen des Agency Agreement die Emittentin vorkehrt, übertragen. Das Eigentum an Namensschuldverschreibungen, welche österreichischem Recht unterliegen, wird durch Abtretung oder, insoweit solche Namensschuldverschreibungen eine Orderklausel enthalten, durch Indossament und Übergabe übertragen. Der Inhaber (wie unten definiert) einer Schuldverschreibung, eines Ratenscheines, eines Kuponscheines oder eines Talonscheines wird als deren alleiniger Eigentümer für alle Zwecke behandelt, egal ob sie überfällig sind oder nicht und unabhängig von einer Mitteilung über das Eigentum, Treuhandverhältnisse oder sonstige Rechte daran, von einem schriftlichen Vermerk darauf (oder auf dem sie vertretenden Zertifikat) oder von deren Diebstahl oder Verlust (oder des sie vertretenden Zertifikates) und niemand ist haftbar, wenn er den Inhaber dergestalt behandelt, ausgenommen aufgrund gesetzlicher Vorschrift oder auftrags eines zuständigen Gerichtes.

Schuldverschreibungen, die österreichischem Recht unterliegen, werden durch eine Sammelurkunde oder ein Sammelzertifikat ohne Kuponscheine verbrieft. Einzelurkunden, Zertifikate, Kuponscheine, Talonscheine oder Ratenscheine werden für Schuldverschreibungen, die österreichischem Recht unterliegen, nicht ausgegeben. Jede Sammelurkunde sowie jedes Sammelzertifikat wird von zwei bevollmächtigten Vertretern der Emittentin unterzeichnet.

In diesen Emissionsbedingungen bezeichnet der Begriff „Gläubiger der Schuldverschreibung“ den Inhaber einer Inhaberschuldverschreibung und der zugehörigen Ratenscheine oder die Person, auf deren Name eine Namensschuldverschreibung registriert ist (je nachdem), „Inhaber“ (in Hinblick auf eine Schuldverschreibung, einen Beleg, einen Kuponschein oder einen Talonschein) bezeichnet den Inhaber einer Inhaberschuldverschreibung, eines Ratenscheines, eines Kuponscheines oder eines Talonscheines oder jene Person, auf deren Name eine Namensschuldverschreibung registriert ist und Begriffe, die in diesen Emissionsbedingungen verwendet werden, haben die ihnen hierin zugewiesenen Bedeutungen. Wenn keine Bedeutung angegeben ist, indiziert dies, dass dieser Begriff auf die Schuldverschreibungen nicht anwendbar ist.

So lange Inhaberschuldverschreibungen, die österreichischem Recht unterliegen, durch eine Sammelurkunde verbrieft sind, bezeichnet „Gläubiger der Schuldverschreibung“ jeden Inhaber eines Miteigentumanteils oder eines anderen Anteils oder Rechts an der Sammelurkunde gemäß Depotgesetz und, soweit anwendbar, den allgemeinen Geschäftsbedingungen der OeKB als österreichische Wertpapiersammelbank, oder eine Person, auf deren Namen eine Namensschuldverschreibung und/oder ein Sammelzertifikat registriert ist.

2. Umtausch von Umtauschbaren Inhaberschuldverschreibungen und Übertragungen von Namensschuldverschreibungen

(a) Umtausch von Umtauschbaren Inhaberschuldverschreibungen

Umtauschbare Inhaberschuldverschreibungen können, vorbehaltlich wie in Bedingung 2 (f) vorgesehen, in Namensschuldverschreibungen mit dem gleichen Gesamtnennbetrag auf schriftliche Anfrage des jeweiligen Gläubigers der Schuldverschreibung und durch Einreichung jeder umzutauschenden Umtauschbaren Inhaberschuldverschreibung, gemeinsam mit allen nicht fälligen und zugehörigen Ratenscheinen, Kuponscheinen und Talonscheinen, bei der benannten Geschäftsstelle einer Übertragungsstelle umgetauscht werden; sofern eine Umtauschbare Inhaberschuldverschreibung zum Umtausch nach dem Record Date (wie in Bedingung 7(b) definiert) für eine Zinszahlung eingereicht wird, muss der Kuponschein hinsichtlich dieser Zinszahlung nicht mit ihr eingereicht werden. Namensschuldverschreibungen können nicht in Inhaberschuldverschreibungen umgetauscht werden. Inhaberschuldverschreibungen mit einer bestimmten Stückelung können nicht in Inhaberschuldverschreibungen mit einer anderen bestimmten Stückelung umgetauscht werden. Inhaberschuldverschreibungen, welche nicht Umtauschbare Inhaberschuldverschreibungen sind, können nicht in Namensschuldverschreibungen umgetauscht werden.

(b) Übertragung von Namensschuldverschreibungen

Eine oder mehrere Namensschuldverschreibungen können durch Einreichung (bei der benannten Geschäftsstelle der Registerstelle oder einer Übertragungsstelle) des Zertifikates, welches solche zu übertragenden Namensschuldverschreibungen vertritt, gemeinsam mit der auf dem jeweiligen Zertifikat angebrachten Übertragungserklärung (oder einer anderen Übertragungserklärung, welche im Wesentlichen der Übertragungserklärung entspricht und welche dieselben Zusagen und Bestätigungen enthält (wenn solche vorhanden sind), ausgenommen etwas anderes ist durch die Emittentin vereinbart), ordnungsgemäß ausgefüllt und unterfertigt, oder, im Falle von Namensschuldverschreibungen, die österreichischem Recht unterliegen und die eine Orderklausel enthalten, ordnungsgemäß indossiert sind, und jeden anderen Nachweis enthalten, den die Registerstelle oder die Übertragungsstelle vernünftigerweise verlangen, übertragen werden. Im Falle einer nur teilweisen Übertragung von durch ein Zertifikat vertretenen Namensschuldverschreibungen wird ein neues Zertifikat an den Übernehmer hinsichtlich des übertragenen Teiles und ein weiteres neues Zertifikat hinsichtlich des nicht übertragenen Teiles an den Übertragenden ausgestellt. Alle Übertragungen von Schuldverschreibungen und Eintragungen in Register werden gemäß den detaillierten Bestimmungen über die Übertragung von Schuldverschreibungen im Anhang zum Agency Agreement (soweit anwendbar) vorgenommen. Diese Bestimmungen können mit der vorherigen schriftlichen Zustimmung der Registerstelle und der Gläubiger der Schuldverschreibung durch die Emittentin geändert werden. Eine Kopie der derzeitigen Bestimmungen wird jedem Gläubiger der Schuldverschreibung von der Registerstelle auf Anforderung zur Verfügung gestellt.

(c) Ausübung von Wahlrechten oder Teilweise Rückzahlung hinsichtlich von Namensschuldverschreibungen

Im Falle der Ausübung eines Wahlrechtes der Emittentin oder der Gläubiger der Schuldverschreibung hinsichtlich von Namensschuldverschreibungen oder einer Teilweisen Rückzahlung von Namensschuldverschreibungen, welche durch ein einziges Zertifikat vertreten werden, wird ein neues Zertifikat an den Gläubiger der Schuldverschreibung ausgegeben, um die Ausübung eines solchen Wahlrechtes oder die verbleibenden, nicht rückgezahlten Namensschuldverschreibungen darzustellen.

Im Falle einer teilweisen Ausübung eines Wahlrechtes, welches dazu führt, dass Namensschuldverschreibungen desselben Bestandes verschiedene Bedingungen aufweisen, werden gesonderte Zertifikate jeweils für die Schuldverschreibungen mit denselben Bedingungen ausgegeben. Neue Zertifikate werden nur gegen Einreichung der bestehenden Zertifikate bei der Registerstelle oder bei einer Übertragungsstelle ausgegeben. Im Falle einer Übertragung von Namensschuldverschreibungen an eine Person, die bereits Inhaber von Namensschuldverschreibungen ist, wird ein neues Zertifikat über den vergrößerten Bestand nur gegen Einreichung des Zertifikates, welches den bisherigen Bestand vertritt, ausgegeben.

(d) Ausgabe von neuen Zertifikaten

Jedes neue Zertifikat, welches gemäß den Bedingungen 2(a), (b) oder (c) ausgegeben wird, ist innerhalb von drei Geschäftstagen nach Erhalt der Umtauschaufforderung, der Übertragungserklärung oder der Ausübungserklärung (wie in Bedingung 6(e) definiert) oder der Einreichung des Zertifikates zum Umtausch zur Lieferung verfügbar. Die Lieferung der(s) neuen Zertifikate(s) erfolgt bei der benannten Geschäftsstelle der Übertragungsstelle oder der Registerstelle (je nachdem), an welche die

Umtauschforderung, die Übertragungserklärung oder die Ausübungserklärung zugestellt wurde oder bei welcher das Zertifikat eingereicht wurde, oder, nach Wahl des Inhabers, der die Lieferung oder Einreichung wie zuvor dargestellt und in der jeweiligen Umtauschforderung, Übertragungserklärung oder Ausübungserklärung oder auf andere schriftliche Weise festgesetzt hat, durch nicht versicherte Postzustellung auf das Risiko des Inhabers, dem das neue Zertifikat zusteht, an jene Adresse, die er auf diese Weise bezeichnet hat, ausgenommen dieser Inhaber verlangt eine andere Art der Lieferung und bezahlt im Voraus dem jeweiligen Agenten (wie im Agency Agreement definiert) die Kosten einer anderen von ihm bestimmten Liefermethode und/oder Versicherung. In dieser Bedingung 2(d) bezeichnet „Geschäftstag“ einen Tag außer Samstag oder Sonntag, an dem Banken am Ort der benannten Geschäftsstelle der jeweiligen Übertragungsstelle oder der Registerstelle (je nachdem) zum Geschäftsbetrieb geöffnet sind.

(e) Kostenloser Umtausch

Der Umtausch und die Übertragung von Schuldverschreibungen und Zertifikaten bei Registrierung, Übertragung, teilweiser Rückzahlung oder Ausübung eines Wahlrechtes wird ohne Verrechnung von Kosten durch (oder für) die Emittentin, die Registerstelle oder die Übertragungsstellen vorgenommen, aber unter Zahlung von Steuern, Gebühren oder anderen behördlichen Abgaben, welche im Hinblick darauf vorgeschrieben werden (oder unter Abgabe einer Haftungsfreistellung auf Verlangen der Registerstelle oder der jeweiligen Übertragungsstelle).

(f) Sperrfrist

Kein Gläubiger der Schuldverschreibung ist berechtigt, die Registrierung der Übertragung einer Namensschuldverschreibung oder den Umtausch einer Umtauschbaren Inhaberschuldverschreibung in eine oder mehrere Namensschuldverschreibung(en) (i) während eines Zeitraums von 15 Tagen, der am Fälligkeitsdatum der Rückzahlung dieser Schuldverschreibung oder einer Teilrückzahlung dieser Schuldverschreibung endet, (ii) während eines Zeitraums von 15 Tagen vor jedem Zeitpunkt, an dem die Schuldverschreibungen nach Wahl der Emittentin gemäß Bedingung 6(d) rückgezahlt werden können, (iii) nachdem die Emittentin bekannt gegeben hat, diese Schuldverschreibung zurückzuzahlen, oder (iv) während eines Zeitraums von sieben Tagen, der an einem Record Date endet, wobei dieser mitzuzählen ist, zu verlangen. Eine Umtauschbare Inhaberschuldverschreibung, deren Rückzahlung bekannt gegeben wurde, kann jedoch in eine oder mehrere Namensschuldverschreibung(en) umgetauscht werden, wenn das entsprechende Zertifikat gleichzeitig und nicht nach dem jeweiligen Record Date eingereicht wird.

3. Status

(a) Status der Nicht-Nachrangigen Schuldverschreibungen

Die Nicht-Nachrangigen Schuldverschreibungen (das sind jene Schuldverschreibungen, die ihren Status als nicht-nachrangig bezeichnen) und die Ratenscheine und zugehörigen Kuponscheine begründen direkte, unbedingte, nicht nachrangige und (vorbehaltlich von Bedingung 4) unbesicherte Verbindlichkeiten der Emittentin und haben den gleichen Rang ohne Vorrang untereinander und (soweit nicht gesetzliche Ausnahmen anwendbar sind und ohne das Vorgenannte einzuschränken) die Zahlungspflichten der Emittentin gemäß den Nicht-Nachrangigen Schuldverschreibungen und den Ratenscheine und zugehörigen Kuponscheinen haben den gleichen Rang wie alle anderen gegenwärtigen und zukünftigen unbesicherten und nicht-nachrangigen Verschuldungen und geldwerten Verpflichtungen der Emittentin.

(b) Status der Nachrangigen Schuldverschreibungen

Die Nachrangigen Schuldverschreibungen (das sind jene Schuldverschreibungen, die ihren Status als nachrangig bezeichnen) und die Ratenscheine und zugehörigen Kuponscheine begründen direkte, unbedingte und nicht besicherte Verbindlichkeiten der Emittentin und haben den gleichen Rang ohne Vorrang untereinander wie alle anderen nachrangigen Verbindlichkeiten der Emittentin, ausgenommen nachrangige Verpflichtungen, welche ausdrücklich als nachrangig gegenüber den Nachrangigen Schuldverschreibungen bezeichnet werden. Im Falle der Liquidation oder des Konkurses der Emittentin stehen die Zahlungspflichten der Emittentin gemäß den Nachrangigen Schuldverschreibungen, den Ratenscheinen und zugehörigen Kuponscheinen im Rang nach den nicht-nachrangigen Gläubigern der Emittentin, aber zumindest im gleichen Rang mit allen anderen nachrangigen Verpflichtungen der Emittentin, welche nicht gemäß deren Bedingungen nachrangig gegenüber den Nachrangigen Schuldverschreibungen sind, und vorrangig gegenüber den Ansprüchen der Aktionäre der Emittentin.

Nachrangige Schuldverschreibungen können in Form von Ergänzungskapital („Ergänzungskapital“), nachrangigem Kapital („Nachrangiges Kapital“), nachrangigem Ergänzungskapital („Nachrangiges Ergänzungskapital“) oder kurzfristigem nachrangigem Kapital („Kurzfristiges Nachrangiges Kapital“) ausgegeben werden, in jedem Fall gemäß und in Übereinstimmung mit den Anforderungen des österreichischen Bankwesengesetzes 1993 in der geltenden Fassung (das „Bankwesengesetz“):

(i) Ergänzungskapital gemäß § 23 Abs 7 Bankwesengesetz.

Nachrangige Schuldverschreibungen, welche Ergänzungskapital darstellen, haben eine Laufzeit von mindestens acht Jahren.

Die Emittentin ist berechtigt, die Schuldverschreibungen vor Ablauf der Restlaufzeit von drei Jahren zu kündigen, wenn dies vertraglich vereinbart wurde und die Emittentin vor Abgabe der Kündigungsanzeige Kapital in gleicher Höhe und zumindest gleicher Eigenmittelqualität zur Verfügung hat.

Zinsen auf Nachrangige Schuldverschreibungen, welche Ergänzungskapital darstellen, dürfen nur ausbezahlt werden, wenn die Zahlung der Zinsen im Jahresüberschuss vor Rücklagenbewegung der Emittentin (für das Geschäftsjahr, welches unmittelbar vor dem Zeitpunkt einer solchen Zinszahlung geendet hat) gedeckt ist (wie durch den Vorstand der Emittentin festgestellt). Wenn die Zinsen in einem Jahr nicht zahlbar sind, wird die Zahlung der Zinsen bis zum folgenden Jahr aufgeschoben oder bis zu jenem Zeitpunkt, an dem der Jahresüberschuss der Emittentin für die Zahlung der aufgeschobenen Zinszahlungen ausreicht („Kumulatives Ergänzungskapital“), ausgenommen das Ergänzungskapital wird in den Endgültigen Bedingungen als nicht-kumulativ bezeichnet.

Vor der Liquidation der Emittentin dürfen Nachrangige Schuldverschreibungen, welche Ergänzungskapital darstellen, nur unter anteiligem Abzug der seit dem Ausgabebetrag solcher Nachrangiger Schuldverschreibungen angefallenen Nettoverluste vom Nennbetrag, der auf diese Nachrangigen Schuldverschreibungen ausständig ist, zurückbezahlt werden. Eine Rückzahlung des Nennbetrages von Nachrangigen Schuldverschreibungen, die Ergänzungskapital darstellen, darf daher nicht erfolgen, bevor der Jahresabschluss der Emittentin für alle Geschäftsjahre seit dem Ausgabebetrag solcher Nachrangiger Schuldverschreibungen, die Ergänzungskapital darstellen, festgestellt wurde (wie im § 125 des Aktiengesetzes vorgesehen).

(ii) Nachrangiges Kapital gemäß § 23 Abs 8 Bankwesengesetz.

Nachrangige Schuldverschreibungen, welche Nachrangiges Kapital darstellen, haben eine Mindestlaufzeit von fünf Jahren.

Im Falle von unbefristeten Nachrangigen Schuldverschreibungen, die Nachrangiges Kapital begründen oder in Fällen, in denen der Emittentin oder den Gläubigern der Schuldverschreibungen ein Rückzahlungsrecht eingeräumt ist, darf eine Rückzahlung erst nach Ablauf einer Kündigungsfrist von fünf Jahren erfolgen, abgesehen von den nachstehend genannten Fällen. Die Emittentin ist ferner berechtigt, Nachrangige Schuldverschreibungen, die Nachrangiges Kapital darstellen, nach einer Laufzeit von fünf Jahren ohne Einhaltung einer Kündigungsfrist zurückzuzahlen, sofern die Emittentin vor der Kündigungsanzeige Kapital in gleicher Höhe und zumindest gleicher Eigenmittelqualität zur Verfügung hat. Die Emittentin ist berechtigt, eine Mitteilung, diese Schuldverschreibungen vor dem Ablauf von fünf Jahren gemäß Bedingung 6(c) rückzuzahlen, abzugeben, wenn die Emittentin vor Abgabe der Kündigungsanzeige Kapital in gleicher Höhe und zumindest gleicher Eigenmittelqualität zur Verfügung hat. Im Falle einer Rückzahlung von solchen Schuldverschreibungen hat die Emittentin der österreichischen Finanzmarktaufsichtsbehörde nachzuweisen, dass gleichwertige Ersatzmittel angeschafft wurden.

Forderungen der Emittentin dürfen nicht gegen Rückzahlungspflichten der Emittentin gemäß diesen Schuldverschreibungen aufgerechnet werden und für die Nachrangigen Schuldverschreibungen, die Nachrangiges Kapital darstellen, dürfen keine vertraglichen Sicherheiten durch die Emittentin oder einen Dritten bestellt werden. Durch nachträgliche Vereinbarung darf weder die Nachrangigkeit gemäß dieser Bedingung 3(b) eingeschränkt werden, noch darf die Fälligkeit von Nachrangigen Schuldverschreibungen, welche Nachrangiges Kapital begründen, geändert werden.

(iii) Nachrangiges Ergänzungskapital gemäß § 23 Abs 7 und 8 BWG.

Nachrangige Schuldverschreibungen, welche Nachrangiges Ergänzungskapital begründen, haben eine Mindestlaufzeit von acht Jahren.

Die Emittentin ist berechtigt, die Schuldverschreibungen vor Ablauf der Restlaufzeit von drei Jahren zurückzuzahlen, wenn dies vertraglich vereinbart wurde und die Emittentin vor Abgabe der

Kündigungsanzeige Kapital in gleicher Höhe und zumindest gleicher Eigenmittelqualität zur Verfügung hat.

Zinsen auf Nachrangige Schuldverschreibungen, welche Nachrangiges Ergänzungskapital darstellen, dürfen nur ausbezahlt werden, wenn die Zahlung der Zinsen im Jahresüberschuss vor Rücklagenbewegung der Emittentin (für das Geschäftsjahr, welches unmittelbar vor dem Zeitpunkt einer solchen Zinszahlung geendet hat) gedeckt ist (wie durch den Vorstand der Emittentin festgestellt). Wenn die Zinsen in einem Jahr nicht zahlbar sind, wird die Zahlung der Zinsen bis zum folgenden Jahr aufgeschoben oder bis zu jenem Zeitpunkt, an dem der Jahresüberschuss der Emittentin für die Zahlung der aufgeschobenen Zinszahlungen ausreicht („Kumulatives Nachrangiges Ergänzungskapital“), ausgenommen das Nachrangige Ergänzungskapital wird in den Endgültigen Bedingungen als nicht-kumulativ benannt.

Vor der Liquidation der Emittentin dürfen Nachrangige Schuldverschreibungen, welche Nachrangiges Ergänzungskapital darstellen, nur unter anteiligem Abzug der seit dem Ausgabetag solcher Nachrangigen Schuldverschreibungen angefallenen Nettoverluste vom Kapitalbetrag, der auf diese Nachrangigen Schuldverschreibungen ausständig ist, zurückbezahlt werden. Eine Rückzahlung des Nennbetrages von Nachrangigen Schuldverschreibungen, die Nachrangiges Ergänzungskapital darstellen, darf daher nicht erfolgen, bevor der Jahresabschluss der Emittentin für alle Geschäftsjahre seit dem Ausgabetag solcher Nachrangigen Schuldverschreibungen, die Nachrangiges Ergänzungskapital darstellen, festgestellt wurde (wie im § 125 des Aktiengesetzes vorgesehen).

Forderungen der Emittentin dürfen nicht gegen Rückzahlungspflichten der Emittentin gemäß diesen Schuldverschreibungen aufgerechnet werden und für die nachrangigen Schuldverschreibungen, die Nachrangiges Ergänzungskapital darstellen, dürfen keine vertraglichen Sicherheiten durch die Emittentin oder einen Dritten bestellt werden. Durch nachträgliche Vereinbarung darf weder die Nachrangigkeit gemäß dieser Bedingung 3(b) eingeschränkt werden, noch darf die Fälligkeit von Nachrangigen Schuldverschreibungen, welche Nachrangiges Ergänzungskapital begründen, geändert werden.

(iv) Kurzfristiges Nachrangiges Kapital gemäß § 23 Abs 8a BWG.

Nachrangige Schuldverschreibungen, welche Kurzfristiges Nachrangiges Kapital darstellen, haben eine Mindestlaufzeit von zwei Jahren.

Im Falle von Nachrangigen Schuldverschreibungen, welche Kurzfristiges Nachrangiges Kapital darstellen, bei denen eine Laufzeit nicht festgelegt ist oder bei denen der Emittentin oder den Gläubigern der Schuldverschreibung ein Kündigungsrecht eingeräumt ist, darf eine Rückzahlung erst nach Ablauf einer Kündigungsfrist von zwei Jahren erfolgen, abgesehen von den nachstehend genannten Fällen. Die Emittentin ist außerdem berechtigt, Nachrangige Schuldverschreibungen, welche Kurzfristiges Nachrangiges Kapital darstellen, nach Ablauf von zwei Jahren ohne Kündigungsfrist zurückzuzahlen, wenn die Emittentin vor der Kündigungsanzeige Kapital in gleicher Höhe und zumindest gleicher Eigenmittelqualität zur Verfügung hat. Die Emittentin ist berechtigt, eine Mitteilung über die Rückzahlung solcher Schuldverschreibungen vor Ablauf von zwei Jahren gemäß Bedingung 6(c) zu machen, wenn die Emittentin vor der Kündigungsanzeige Kapital in gleicher Höhe und zumindest gleicher Eigenmittelqualität zur Verfügung hat. Im Falle einer Rückzahlung von solchen Schuldverschreibungen hat die Emittentin der österreichischen Finanzmarktaufsichtsbehörde nachzuweisen, dass gleichwertige Ersatzmittel angeschafft wurden.

Zahlungen von Kapital und/oder Zinsen auf Nachrangige Schuldverschreibungen, welche Kurzfristiges Nachrangiges Kapital darstellen, dürfen von der Emittentin nur ausbezahlt werden, wenn die anrechenbaren Eigenmittel der Emittentin gemäß Bankwesengesetz dadurch nicht unter 100 % des Eigenmittelerfordernisses gemäß § 22 Abs 1 Z 1 bis 4 des Bankwesengesetzes absinken.

Forderungen der Emittentin dürfen nicht gegen Rückzahlungspflichten der Emittentin gemäß diesen Schuldverschreibungen aufgerechnet werden und für die aus den Nachrangigen Schuldverschreibungen, die Kurzfristiges Nachrangiges Kapital darstellen, resultierenden Verbindlichkeiten dürfen keine vertraglichen Sicherheiten durch die Emittentin oder einen Dritten bestellt werden. Durch nachträgliche Vereinbarung darf weder die Nachrangigkeit gemäß dieser Bedingung 3(b) eingeschränkt werden, noch darf die Fälligkeit von Nachrangigen Schuldverschreibungen, welche Nachrangiges Ergänzungskapital begründen, geändert werden.

c) Staus von Pfandbriefen, Kommunalschuldverschreibungen (öffentliche Pfandbriefe) und fundierten Bankschuldverschreibungen

(i) Pfandbriefe

Pfandbriefe (das sind Schuldverschreibungen, die als solche bezeichnet werden) begründen direkte, unbedingte und nicht-nachrangige Verpflichtungen der Emittentin und haben untereinander den gleichen Rang.

Pfandbriefe werden durch einen gesonderten Pool von Deckungswerten besichert, welcher neben anderen geeigneten Vermögenswerten erstrangige Hypotheken an österreichischen Liegenschaften und an bestimmten Liegenschaften, welche in anderen Mitgliedstaaten des Europäischen Wirtschaftsraumes und der Schweiz gelegen sind, enthält. Die Deckungswerte für Pfandbriefe werden im Hypothekenregister eingetragen, welches von der Emittentin gemäß dem Hypothekbankgesetz geführt wird. Der Gesamtbetrag der im Umlauf befindlichen Pfandbriefe ist in Höhe des Nennwerts jederzeit durch Hypotheken (oder andere geeignete Vermögenswerte) von mindestens gleicher Höhe und mindestens gleichem Zinsertrag gedeckt.

Pfandbriefe sind geeignete Anlagen für Mündergeld gemäß § 230b Z 3 des österreichischen Allgemeinen Bürgerlichen Gesetzbuches. Die Emittentin beabsichtigt, die Aufnahme der Pfandbriefe in das Kategorie 1 Register der Europäischen Zentralbank zu beantragen.

(ii) Kommunalschuldverschreibungen (Öffentliche Pfandbriefe)

Kommunalschuldverschreibungen (Öffentliche Pfandbriefe) (das sind Schuldverschreibungen, die als solche bezeichnet werden) begründen direkte, unbedingte und nicht-nachrangige Verpflichtungen der Emittentin und haben untereinander den gleichen Rang.

Kommunalschuldverschreibungen (Öffentliche Pfandbriefe) werden durch einen gesonderten Pool von Deckungswerten besichert, welcher neben anderen geeigneten Vermögenswerten Darlehensforderungen gegen inländische Körperschaften des öffentlichen Rechts oder andere Mitgliedstaaten des Europäischen Wirtschaftsraumes als Österreich oder die Schweiz sowie deren Regionalregierungen und örtliche Gebietskörperschaften, für welche die zuständigen Behörden nach Art 43 Abs 1 lit b Z 5 der Richtlinie 2000/12/EG eine Gewichtung von höchstens 20% festgelegt haben, oder Forderungen, denen eine Garantie durch eine der vorgenannten Körperschaften zukommt, oder von einer der vorgenannten Körperschaften ausgegebene Schuldverschreibungen oder Schuldverschreibungen, für die eine der vorgenannten Körperschaften die Garantie übernimmt, enthält. Die Deckungswerte für Kommunalschuldverschreibungen (Öffentliche Pfandbriefe) werden im Hypothekenregister eingetragen, welches von der Emittentin gemäß dem Hypothekbankgesetz geführt wird. Der Gesamtbetrag der im Umlauf befindlichen Kommunalschuldverschreibungen (Öffentliche Pfandbriefe) ist in Höhe des Nennwerts jederzeit durch Deckungswerte von mindestens gleicher Höhe und mindestens gleichem Zinsertrag gedeckt.

Kommunalschuldverschreibungen (Öffentliche Pfandbriefe) sind geeignete Anlagen für Mündergeld gemäß § 230b Z 3 des österreichischen Allgemeinen Bürgerlichen Gesetzbuches. Die Emittentin beabsichtigt, die Aufnahme der Kommunalschuldverschreibungen (Öffentliche Pfandbriefe) in das Kategorie 1 Register der Europäischen Zentralbank zu beantragen.

(iii) Fundierte Bankschuldverschreibungen

Fundierte Bankschuldverschreibungen (das sind Schuldverschreibungen, die als solche bezeichnet werden) begründen direkte, unbedingte und nicht-nachrangige Verpflichtungen der Emittentin und haben untereinander den gleichen Rang.

Fundierte Bankschuldverschreibungen werden durch einen gesonderten Pool von Deckungswerten besichert, welche zur vorzugsweisen Deckung der Schuldverschreibungen gemäß dem Gesetz über fundierte Bankschuldverschreibungen bestimmt sind und welcher, wie in der Satzung der Emittentin festgelegt, Forderungen der Emittentin gegen die Republik Österreich, Forderungen der Emittentin gegen österreichische und ausländische Unternehmen (einschließlich Banken), sofern sie durch die Republik Österreich garantiert werden, mündelsichere Wertpapiere und Bargeld enthält. Die von der Satzung in der derzeitigen Fassung vorgegebenen Deckungswerte sind zulässige Deckungswerte gemäß dem Gesetz über fundierte Bankschuldverschreibungen in der geltenden Fassung.

Die Deckungswerte haben zu jeder Zeit zumindest den Rückzahlungsbetrag und die Zinsen der ausgegebenen Fundierten Bankschuldverschreibungen sowie die voraussichtlichen administrativen Kosten im Falle eines Konkurses der Emittentin zu decken.

Die Emittentin plant, die Aufnahme der fundierten Bankschuldverschreibungen in das Kategorie 1 Register der Europäischen Zentralbank zu beantragen.

4. Negativverpflichtung

So lange Nicht-Nachrangige Schuldverschreibungen, Ratenscheine oder Kuponscheine (wie im Agency Agreement definiert) ausständig sind:

(a) wird die Emittentin keine Hypothek, Belastung, Pfandrecht oder ein anderes Sicherheitsrecht über ihr Eigentum oder ihre Vermögenswerte, zur Gänze oder teilweise, künftig oder gegenwärtig, zugunsten der Inhaber von Externer Verschuldung (wie unten definiert) für (i) die Zahlung solcher Externer Verschuldung, (ii) eine Zahlung gemäß einer Garantie für eine solche Externe Verschuldung, oder (iii) eine Zahlung gemäß einer Haftung, welche sich auf eine solche Externe Verschuldung bezieht, bestellen oder aufrechterhalten; die Emittentin wird sicherstellen, dass keine ihrer Kern-Tochtergesellschaften (wie in Bedingung 10 definiert) eine der oben beschriebenen Handlungen vornimmt; und

(b) wird die Emittentin keine Hypothek, Belastung, Pfandrecht oder ein anderes Sicherheitsrecht über ihr Eigentum oder ihre Vermögenswerte, zur Gänze oder teilweise, künftig oder gegenwärtig, bestellen oder aufrechterhalten, um zu Gunsten der Inhaber einer Externen Verschuldung der Kerngruppe (wie unten definiert) (i) die Zahlung solcher Externer Verschuldung der Kerngruppe, (ii) eine Zahlung gemäß einer Garantie für eine solche Externe Verschuldung, oder (iii) eine Zahlung gemäß einer Haftung, welche sich auf eine solche Kerngruppen Externe Verschuldung bezieht, zu besichern; die Emittentin wird zumutbare Anstrengungen unternehmen, um sicherzustellen, dass keine ihrer Haftungsverbund Tochtergesellschaften (wie in Bedingung 10 definiert) eine der oben beschriebenen Handlungen vornimmt,

ohne in einem solchen Fall zur gleichen Zeit zu Gunsten der Nicht-Nachrangigen Schuldverschreibungen, der Ratenscheine und Kuponscheine (außer wenn es ohnedies bereits so vereinbart war) die gleiche Sicherheit zu geben, welche zur Besicherung von Externer Verschuldung, Kerngruppen Externer Verschuldung, Garantie oder Haftung oder anderer Sicherheit, die durch einen Außerordentlichen Beschluss (wie im Agency Agreement definiert) der Gläubiger der Schuldverschreibung beschlossen wird, geschaffen oder aufrechterhalten wird, wobei diese Einschränkung nicht für Pfandbriefe, Kommunalschuldverschreibungen (Öffentliche Pfandbriefe), Fundierte Bankschuldverschreibungen oder Asset Backed Finanzierungen und vergleichbare Instrumente gilt, einschließlich, aber nicht beschränkt auf, tschechische und slowakische Immobilienanleihen, welche von der Emittentin und/oder einer Tochtergesellschaft ausgegeben werden und welche durch österreichisches oder anderes anwendbares Recht geschaffen werden oder gemäß der österreichischen Finanzmarktaufsichtsbehörde oder einer anderen zuständigen Aufsichtsbehörde zulässig sind.

„Asset Backed Finanzierung“ bedeutet jede Externe Verschuldung, die durch eine Sicherheit (und eine Sicherheit, die als Ersatz für eine Sicherheit geschaffen wird) in Form einer Hypothek, eines Pfandrechts oder einer anderen Form der Belastung oder eines Sicherheitsrechts (unabhängig, ob sie auch andere Verschuldungen oder Verpflichtungen besichern), die sich auf eine Verbriefung, die Finanzierung, die Refinanzierung, oder den Erwerb von einem bestimmten Vermögenswert oder Vermögen bezieht, besichert wird, aber nur in dem Ausmaß, als eine solche Sicherheit solche bestimmte Vermögenswerte besichert, die finanziert oder erworben wurden und der Regress der Person, die die Externe Verschuldung verfügbar macht oder die entsprechende(n) Vereinbarung(en) eingeht, auf solche bestimmte Vermögenswerte beschränkt ist.

„Externe Verschuldung der Kerngruppe“ bedeutet jede gegenwärtige und künftige Verschuldung der Emittentin oder einer ihrer Kern-Tochtergesellschaften in der Form von, oder verkörpert in oder verbrieft durch Schuldverschreibungen, Anleihen, Schuldscheine, Obligationsanleihen, oder andere Wertpapiere, welche zur Zeit notiert, gelistet oder auf sonstige Weise an einer Wertpapierbörse oder außerbörslich oder an einem anderen Wertpapiermarkt gehandelt werden, oder werden könnten.

„Externe Verschuldung“ bedeutet jede gegenwärtige und künftige Verschuldung in der Form von, oder verkörpert in oder verbrieft durch Schuldverschreibungen, Anleihen, Schuldscheine, Obligationsanleihen, oder andere Wertpapiere, welche zur Zeit notiert, gelistet oder auf sonstige Weise an einer Wertpapierbörse oder außerbörslich oder an einem anderen Wertpapiermarkt gehandelt werden, oder werden könnten.

5. Verzinsung und andere Berechnungen

(a) Zinssatz und Zinslauf

Jede Schuldverschreibung ist auf ihren ausstehenden Nennbetrag ab (einschließlich) dem Zinsbeginntag mit dem Zinssatz (ausgedrückt als Prozentsatz) jährlich zu verzinsen, wobei solche Zinsen im Nachhinein an jedem Zinszahlungstag zahlbar sind.

Der Zinslauf für jede Schuldverschreibung endet am Fälligkeitstag (dieser ausgenommen), sofern nicht die Zahlung des Nennbetrages, nach rechtmäßiger Vorlage, unrechtmäßig zurückgehalten oder abgelehnt wird; in einem solchen Fall fallen Zinsen weiter an (sowohl nach als auch vor einem Gerichtsurteil) zu dem in dieser Bedingung 5 vorgesehenem Zinssatz bis zum Relevant Date (wie in Bedingung 8 definiert).

(b) Zinssatz für Variabel Verzinsliche Schuldverschreibungen und Schuldverschreibungen mit Indexabhängiger Verzinsung

(i) *Zinszahlungstage*: Jede Variabel Verzinsliche Schuldverschreibung und Schuldverschreibung mit Indexabhängiger Verzinsung wird auf ihren ausstehenden Nominalbetrag ab dem Zinsbeginnstag mit dem Zinssatz (ausgedrückt als Prozentsatz) jährlich verzinst, wobei solche Zinsen im Nachhinein an jedem Zinszahlungstag zahlbar sind. Ein solcher Zinszahlungstag oder solche Zinszahlungstage sind entweder die, welche in den Endgültigen Bedingungen als Bestimmte Zinszahlungstage benannt sind, oder, wenn keine Bestimmten Zinszahlungstage darin benannt sind, jeder Zeitpunkt, der nach einer Anzahl von Monaten oder einem anderen Zeitraum, welcher in den Endgültigen Bedingungen als Zinsperiode benannt ist, nach dem vorhergehenden Zinszahlungstag, oder, im Falle des ersten Zinszahlungstages, nach dem Zinsbeginnstag fällt.

(ii) *Business Day Convention*: Wenn ein Zeitpunkt, auf den in diesen Bedingungen Bezug genommen wird, und gemäß einer Business Day Convention anzupassen ist, auf einen Tag fallen würde, welcher kein Geschäftstag ist, dann soll, wenn die Business Day Convention benannt ist als:

(A) die Floating Rate Business Day Convention, der Zeitpunkt auf den nächsten Tag, der ein Geschäftstag ist, verschoben werden, außer dies würde dazu führen, dass er in den nächsten Kalendermonat fallen würde; in einem solchen Fall wird (x) dann der Zeitpunkt auf den unmittelbar vorhergehenden Geschäftstag verlegt, und (y) jeder nachfolgende Zeitpunkt sowie der letzte Geschäftstag jenes Monats, in welchen dieser Zeitpunkt gefallen wäre, wenn er nicht angepasst worden wäre;

(B) die Following Business Day Convention, ein solcher Zeitpunkt auf den nächsten Geschäftstag verschoben werden;

(C) die Modified Following Business Day Convention, der Zeitpunkt auf den nächsten Tag, der ein Geschäftstag ist, verschoben werden, außer dies würde dazu führen, dass er in den nächsten Kalendermonat fallen würde; in einem solchen Fall soll das Datum auf den unmittelbar vorhergehenden Geschäftstag vorgezogen werden; oder

(D) die Preceding Business Day Convention, der relevante Zeitpunkt auf den unmittelbar vorhergehenden Geschäftstag vorgezogen werden.

(iii) *Zinssatz für Variabel Verzinsliche Schuldverschreibungen*: Der Zinssatz für Variabel Verzinsliche Schuldverschreibungen wird für jede Zinslaufperiode in der in den Endgültigen Bedingungen bestimmten anwendbaren Weise festgelegt und die nachfolgenden Bestimmungen hinsichtlich der ISDA Feststellung oder der Bildschirmseitenfeststellung sind anwendbar, je nach dem, welche Weise hierin bezeichnet ist.

(A) ISDA Feststellung für Variabel Verzinsliche Schuldverschreibungen

Wenn die ISDA Feststellung in den Endgültigen Bedingungen als jene Weise benannt wird, mit welcher der Zinssatz zu bestimmen ist, wird der Zinssatz für die jeweilige Zinslaufperiode durch die Berechnungsstelle mit jenem Zinssatz festgelegt, welcher dem anwendbaren ISDA Satz entspricht. Für Zwecke dieses Unterabsatzes (A) bedeutet „ISDA Satz“ für eine Zinslaufperiode einen Satz, der dem variablen Zinssatz entspricht, welcher durch die Berechnungsstelle gemäß einer Swap-Transaktion unter den Bedingungen einer Vereinbarung festgelegt wurde, welche die ISDA Definitionen beinhaltet und gemäß welchen:

(x) die Floating Rate Option in den Endgültigen Bedingungen benannt ist,

(y) die Designated Maturity ein Zeitraum ist, der in den Endgültigen Bedingungen benannt ist, und

(z) das maßgebliche Reset Date der erste Tag dieser Zinslaufperiode ist, wenn nichts anderes in den Endgültigen Bedingungen bestimmt ist.

Für die Zwecke dieses Unterabsatzes (A) haben die Begriffe „variabler Zinssatz“, „Berechnungsstelle“, „Floating Rate Option“, „Designated Maturity“, „Reset Date“ und „Swap Transaktion“ jene Bedeutung, die ihnen in den ISDA Definitionen zugewiesen sind.

(B) Feststellung der Bildschirmseite für Variabel Verzinsliche Schuldverschreibungen

(x) Wenn die Bildschirmseitenfeststellung in den Endgültigen Bedingungen als jene Methode, mit welcher der Zinssatz festgelegt wird, bestimmt ist, ist der Zinssatz für jede Zinslaufperiode, wenn nachstehend nicht anders bestimmt ist, entweder:

(1) die angebotene Quotierung; oder

(2) das arithmetische Mittel der angebotenen Quotierungen,

(ausgedrückt als jährlicher Prozentsatz) für den Referenzzinssatz, die Referenzzinssätze, welche(r) auf der maßgeblichen Bildschirmseite entweder um 11.00 Uhr (Londoner Ortszeit im Falle von LIBOR, oder Brüsseler Ortszeit im Falle EURIBOR) am in Frage kommenden Zinsfestsetzungstag von der Berechnungsstelle festgelegt werden. Wenn fünf oder mehr solcher angebotener Quotierungen auf der maßgeblichen Bildschirmseite verfügbar sind, werden die höchste (oder wenn mehrere höchste Quotierungen vorhanden sind, nur eine dieser Quotierungen) und die niedrigste (oder, wenn mehrere niedrigste Quotierungen vorhanden sind, nur eine dieser Quotierungen) Quotierung von der Berechnungsstelle für Zwecke der Bestimmung des arithmetischen Mittels der angebotenen Quotierungen nicht beachtet.

Wenn der Referenzzinssatz hinsichtlich der Variabel Verzinslichen Schuldverschreibungen in den anwendbaren Endgültigen Bedingungen entweder als LIBOR oder EURIBOR festgelegt wird, wird der Zinssatz für diese Schuldverschreibungen wie in den anwendbaren Endgültigen Bedingungen vorgesehen festgelegt.

(y) wenn die maßgebliche Bildschirmseite nicht verfügbar ist, oder wenn Unterabsatz (x)(1) anwendbar ist und keine solche angebotene Quotierung auf der maßgeblichen Bildschirmseite erscheint oder wenn Unterabsatz (x)(2) oben anwendbar ist und weniger als drei solcher angebotenen Quotierungen auf der maßgeblichen Bildschirmseite in jedem Fall zu der oben angegebenen Zeit erscheinen, wird die Berechnungsstelle, wenn nachstehend nichts anderes vorgesehen ist, verlangen, dass, wenn der Referenzzinssatz LIBOR ist, die Hauptgeschäftsstelle in London einer jeden Referenzbank, oder wenn der Referenzzinssatz EURIBOR ist, die Hauptgeschäftsstelle in der Eurozone einer jeden Referenzbank, der Berechnungsstelle ihre angebotene Quotierung zur Verfügung stellt (ausgedrückt als jährlicher Prozentsatz). Wenn der Referenzzinssatz LIBOR ist, geschieht dies um ungefähr 11.00 Uhr (Londoner Zeit) oder, wenn die Referenzrate EURIBOR ist, um ungefähr 11.00 Uhr (Brüsseler Zeit) an jedem in Frage kommenden Zinsfestsetzungstag. Wenn zwei oder mehrere der Referenzbanken die Berechnungsstelle mit solchen angebotenen Quotierungen versorgen, wird der Zinssatz für eine solche Zinsperiode das arithmetische Mittel der angebotenen Quotierungen sein, wie er von der Berechnungsstelle festsetzt wird; und

(z) wenn Absatz (y) oben anwendbar ist und die Berechnungsstelle feststellt, dass weniger als zwei Referenzbanken angebotene Quotierungen zur Verfügung stellen, dann wird, wenn nachstehend nichts anderes festgelegt ist, der Zinssatz das arithmetische Mittel der jährlichen Zinssätze (ausgedrückt als Prozentsatz), welche der Berechnungsstelle (auf ihre Anforderung) von den Referenzbanken oder zwei oder mehreren von ihnen, zu welchen diesen Banken Einlagen in der festgesetzten Währung für einen Zeitraum angeboten wurde, welcher gleich zu jenem ist, welcher von den Banken für den Referenzzinssatz herangezogen worden wäre, um, wenn der Referenzzinssatz LIBOR ist, ungefähr 11.00 Uhr (Londoner Zeit) oder, wenn der Referenzzinssatz EURIBOR ist, um ungefähr 11.00 Uhr (Brüsseler Zeit) am jeweiligen Zinsfestlegungstag, im, wenn der Referenzzinssatz LIBOR ist, London Interbankenmarkt, oder wenn der Referenzzinssatz EURIBOR ist, dem Eurozone Interbankenmarkt, je nachdem; oder wenn weniger als zwei der Referenzbanken der Berechnungsstelle solche angebotenen Zinssätze zur Verfügung stellen, der angebotene Zinssatz für Einlagen in der maßgeblichen Währung für einen Zeitraum, welcher jenem entspricht, welcher für den Referenzzinssatz anwendbar gewesen wäre, oder das arithmetische Mittel der angebotenen Zinssätze für Einlagen in der festgesetzten Währung für einen Zeitraum, der jenem entspricht, der für den Referenzzinssatz anwendbar gewesen wäre, über welchen, wenn der Referenzzinssatz LIBOR ist, um ungefähr 11.00 Uhr (Londoner Zeit), oder, wenn die Referenzrate EURIBOR ist, um ungefähr 11.00 Uhr (Brüsseler Zeit), am jeweiligen Zinsfestsetzungstag, eine oder mehrere Banken (welche nach Meinung der Berechnungsstelle für diesen Zweck geeignet sind) die Berechnungsstelle informiert, dass sie diesen an führende Banken im, wenn der Referenzzinssatz LIBOR ist, Londoner Interbankenmarkt, oder, wenn der Referenzzinssatz EURIBOR ist, im Eurozone Interbankenmarkt, anbietet, vorausgesetzt, dass wenn der Zinssatz gemäß diesen vorstehenden Bestimmungen dieses Absatzes nicht bestimmt werden kann, die Zinsrate zum letzten vorhergehenden Zinsfestsetzungstag festgelegt werden soll (obgleich als Ersatz, wenn ein unterschiedlicher Margin- oder Maximal- oder

Minimumzinssatz auf die jeweilige Zinslaufperiode anwendbar ist, als jene, welche auf die letzte vorhergehende Zinslaufperiode anwendbar war, wird der Margin- oder Maximum- oder Minimumzinssatz, der auf die relevante Zinslaufperiode anwendbar wäre, an die Stelle des Margin- oder des Maximum- oder Minimumzinssatzes der letzten vorhergehenden Zinslaufperiode gesetzt).

(iv) *Zinssatz für Schuldverschreibungen mit Indexabhängiger Verzinsung*: Der Zinssatz für Schuldverschreibungen mit Indexabhängiger Verzinsung für jede Zinslaufperiode wird in der in den Endgültigen Bedingungen bestimmten Weise bestimmt und Zinsen laufen gemäß einer Referenz zu einem Index oder zu einer Formel auf, wie in den Endgültigen Bedingungen festgesetzt.

Für eine Beschreibung bestimmter Risiken, die sich auf eine Veranlagung in solchen Schuldverschreibungen beziehen, siehe "Risk Factors – Factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme – Index-linked Notes", die Zusammenfassung und die maßgeblichen Endgültigen Bedingungen.

(c) *Zinssatz für Nullkupon-Schuldverschreibungen*

Wenn eine Schuldverschreibung, deren Zinssatz in den Endgültigen Bedingungen als Nullkupon benannt wird, vor dem Fälligkeitsdatum rückzahlbar ist und bei Fälligkeit nicht bezahlt wird, ist der fällige und zahlbare Betrag vor dem Fälligkeitstag der Vorzeitige Rückzahlungsbetrag dieser Schuldverschreibung. Ab dem Fälligkeitstag ist der Zinssatz für den überfälligen Nennbetrag einer solchen Schuldverschreibung der jährliche Zinssatz (ausgedrückt als Prozentsatz), der der Amortisationsrendite (wie in Bedingung 6(b) definiert) entspricht.

(d) *Doppelwährungs-Schuldverschreibungen*

Im Fall von Doppelwährungs-Schuldverschreibungen ist der Zinssatz oder der Betrag der zahlbaren Zinsen in der Weise zu bestimmen, die in den Endgültigen Bedingungen benannt ist, wenn der Zinssatz oder der Betrag der Zinsen durch Bezug auf einen Wechselkurs oder eine Methode zur Berechnung eines Wechselkurses zu bestimmen ist.

(e) *Teileingezahlte Schuldverschreibungen*

Im Fall von Teileingezahlten Schuldverschreibungen (ausgenommen Teileingezahlte Schuldverschreibungen, die Nullkupon Schuldverschreibungen sind), fallen Zinsen, wie oben angegeben, auf den einbezahlten Teilbetrag solcher Schuldverschreibungen an, und ansonsten wie in den Endgültigen Bedingungen angegeben.

(f) *Zinslauf*

Die Verzinsung endet für jede Schuldverschreibung am Fälligkeitstag der Rückzahlung, ausgenommen, die Zahlung wird bei ordnungsgemäßer Vorlage unrechtmäßigerweise zurückbehalten oder verweigert, in welchem Fall Zinsen weiter auflaufen (sowohl nach als auch vor einem Gerichtsurteil) zum Zinssatz und in der Weise wie in dieser Bedingung 5 vorgesehen bis zum Relevant Date (wie in Bedingung 8 definiert).

(g) *Verzinsung von Equity-abhängigen Schuldverschreibungen*

Im Fall von Equity-abhängigen Schuldverschreibungen ist der Zinssatz oder der zahlbare Zinsbetrag für jede Zinslaufperiode oder jeden Zinszahlungstag durch Bezug auf ein Underlying oder einen Korb von Underlyings oder eine Formel, je nachdem wie in den Endgültigen Bedingungen angegeben, zu bestimmen.

Für eine Beschreibung bestimmter Risiken, die sich auf eine Veranlagung in solchen Schuldverschreibungen beziehen, siehe "Risk Factors – Factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme – Index-linked Notes – Equity-linked Notes", die Zusammenfassung und die maßgeblichen Endgültigen Bedingungen.

(h) *Marge, Maximum/Minimumzinssätze, Teilzahlungsbeträge und Rückzahlungsbeträge und Rundung*

(i) Wenn eine Marge in den Endgültigen Bedingungen angegeben ist (entweder (x) im Allgemeinen, oder (y) in Bezug auf eine oder mehrere Zinslaufperioden, wird im Falle von (x) eine Anpassung der Zinssätze für die angegebenen Zinslaufperioden vorgenommen, oder im Falle von (y) in Übereinstimmung mit (c) oben durch Addition (wenn dies eine positive Zahl darstellt, oder Subtraktion des absoluten Wertes (wenn dies eine negative Zahl darstellt) jener Margin berechnet, soweit der nachstehende Absatz nichts anderes bestimmt.

(ii) Wenn ein Maximum oder Minimum Zinssatz, Teilzahlungsbetrag oder Rückzahlungsbetrag in den Endgültigen Bedingungen angegeben ist, dann ist jeder Zinssatz, Teilzahlungsbetrag oder Rückzahlungsbetrag jeweils dadurch begrenzt.

(iii) Soweit anwendbares Recht nicht entgegensteht, werden für die Zwecke von Berechnungen, welche gemäß diesen Bedingungen notwendig sind (außer es ist anders angegeben) (x) alle Prozentsätze, welche aus solchen Berechnungen resultieren, gerundet, wenn notwendig, bis zum nächsten Hunderttausendstel eines Prozentpunktes (wobei Hälften aufgerundet werden) (y) alle Zahlen auf sieben Stellen gerundet, wobei Hälften aufgerundet werden), und (z) alle Währungsbeträge, die fällig und zahlbar werden, auf die nächste Einheit einer solchen Währung aufgerundet (wobei Hälften aufgerundet werden). Für diese Zwecke bedeutet „Einheit“, im Bezug auf eine andere Währung als Euro, den niedersten Betrag einer solchen Währung, der als gesetzliches Zahlungsmittel in dem Land oder den Ländern dieser Währung verfügbar ist, und hinsichtlich des Euro 0,01 Euro.

(i) Berechnungen

Wenn ein Zinsbetrag (oder eine Formel für seine Berechnung) für einen bestimmten Zeitraum festgesetzt ist, entspricht der Betrag an zahlbaren Zinsen hinsichtlich einer solchen Schuldverschreibung für einen solchen Zeitraum diesem Zinsbetrag (oder er wird in Übereinstimmung mit einer solchen Formel berechnet). Wenn kein Zinsbetrag (oder keine solche Formel) auf diese Weise festgesetzt ist, wird der Betrag an zahlbaren Zinsen hinsichtlich einer Schuldverschreibung für einen solchen Zeitraum berechnet, in dem das Produkt des Zinssatzes und des ausstehenden Nennbetrages einer solchen Schuldverschreibung mit dem Zinstagequotienten multipliziert wird. Wenn eine Zinsperiode zwei oder mehrere Zinsauflaufperioden umfasst, so ist der Betrag an zahlbaren Zinsen für eine solche Zinsperiode die Summe der Beträge der zahlbaren Zinsen für jede dieser Zinslaufperioden.

(j) Festsetzung und Veröffentlichung von Zinssätzen, Zinsbeträgen, Endgültigen Rückzahlungsbeträgen, Vorzeitigen Rückzahlungsbeträgen, Optionalen Rückzahlungsbeträgen und Teilzahlungsbeträgen.

Sobald durchführbar nach der maßgeblichen Zeit an jedem Zinsfestlegungstag oder einer solchen anderen Zeit zu einem solchen Zeitpunkt, an dem die Berechnungsstelle verpflichtet ist, einen Zinssatz oder einen Betrag zu berechnen, eine Quotierung zu erhalten oder eine Festsetzung oder Berechnung zu machen, wird die Berechnungsstelle einen solchen Zinssatz bestimmen und den zahlbaren Zinsbetrag (der „Zinsbetrag“) hinsichtlich einer jeden Bestimmten Stückelung der Schuldverschreibungen für die jeweilige Zinsauflaufperiode berechnen, sowie den Endgültigen Rückzahlungsbetrag, den Vorzeitigen Rückzahlungsbetrag, den Optionalen Rückzahlungsbetrag oder den Teilzahlungstag berechnen, die jeweilige Quotierung erhalten oder die jeweilige Festsetzung oder Berechnung machen, je nachdem, und veranlassen, dass der Zinssatz und die Zinsbeträge für jede Zinsperiode und der maßgebliche Zinszahlungstag und, wenn diese Berechnung notwendig ist, der Endgültige Rückzahlungsbetrag, der Vorzeitige Rückzahlungsbetrag, der Optionale Rückzahlungsbetrag oder der Teilzahlungstag dem Fiskalagenten, der Emittentin, jeder Zahlstelle, den Gläubigern der Schuldverschreibung, jeder anderen Berechnungsstelle, die hinsichtlich der Schuldverschreibungen bestellt wurde, und welche eine weitere Berechnung nach Erhalt einer solchen Information machen muss, und, wenn die Schuldverschreibungen an einer Börse notieren und die Regeln dieser Börse oder einer anderen maßgeblichen Behörde dies verlangen, der Behörde oder der anderen relevanten Behörde angezeigt werden, sobald als möglich nach der Festsetzung, aber in keinem Fall später als (i) zu Beginn der maßgeblichen Zinsperiode, wenn diese vor diesem Zeitpunkt festgelegt wurde, im Falle einer Anzeige eines Zinssatzes oder Zinsbetrages an eine solche Börse, oder (ii) in allen anderen Fällen am vierten Geschäftstag nach einer solchen Festlegung. Falls ein Zinszahlungstag oder eine Zinsperiode gemäß Bedingung 5(b) anzupassen ist, können die solcherart veröffentlichten Zinsbeträge und der Zinszahlungstag nachträglich geändert werden (oder geeignete alternative Vorkehrungen können durch Anpassung getroffen werden) ohne Anzeige im Falle einer Ausweitung oder Verkürzung der Zinsperiode. Wenn die Schuldverschreibungen gemäß Bedingung 10 fällig und zahlbar werden, werden die aufgelaufenen Zinsen und der Zinssatz, die im Hinblick auf die Schuldverschreibungen zahlbar sind, weiterhin ungeachtet dessen in Übereinstimmung mit dieser Bedingung berechnet, wobei jedoch eine Veröffentlichung des Zinssatzes oder des Zinsbetrages, der auf diese Art berechnet wird, nicht erfolgen muss. Die Bestimmung eines Zinssatzes oder eines Betrages, die Einholung einer Quotierung und die Durchführung einer Festsetzung oder Berechnung durch die Berechnungsstelle ist (ausgenommen im Falle eines offensichtlichen Irrtums) endgültig und bindend für alle Parteien.

(k) Definitionen

In diesen Bedingungen haben die folgenden definierten Begriffe die nachfolgenden Bedeutungen, sofern nicht der Zusammenhang etwas anderes verlangt:

„Geschäftstag“ bedeutet:

(i) im Falle einer anderen als Euro festgesetzten Währung, ein Tag außer Samstag und Sonntag, an dem Geschäftsbanken und Devisenmärkte in dem Hauptfinanzzentrum und in London Zahlungen abwickeln; und/oder

(ii) Im Falle von Euro, ein Tag, an dem das TARGET System zur Verfügung steht (ein „TARGET Geschäftstag“); und/oder

(iii) im Falle einer festgesetzten Währung und/oder einer oder mehrerer festgesetzter Finanzzentren, ein Tag (außer Samstag und Sonntag), an dem Geschäftsbanken und Devisenmärkte Zahlungen in der bestimmten Währung oder, wenn keine angegeben ist, generell in jedem der Finanzzentren, die so bestimmt sind, abwickeln.

„Zinstagequotient“ bedeutet im Bezug auf die Berechnung eines Zinsbetrages für eine Schuldverschreibung für jedweden Zeitraum (ab und inklusive dem ersten Tag eines solchen Zeitraumes bis und exklusive dem letzten) (ungeachtet dessen, ob er eine Zinsperiode darstellt, der „Berechnungszeitraum“):

(i) wenn in den Endgültigen Bedingungen „Actual/365“ oder Actual/Actual – ISDA“ bestimmt ist, die tatsächliche Anzahl von Tagen im Berechnungszeitraum, geteilt durch 365 (oder, falls ein Teil des Berechnungszeitraumes in ein Schaltjahr fällt, geteilt durch die Summe (x) der tatsächlichen Anzahl von Tagen in dem Teil des Berechnungszeitraumes, die in ein Schaltjahr fällt, geteilt durch 366, und (y) der tatsächlichen Anzahl von Tagen in dem Teil der Berechnungsperiode, die nicht in ein Schaltjahr fällt, geteilt durch 365);

(ii) wenn in den Endgültigen Bedingungen „Actual/365 (Fixed)“ bestimmt ist, die tatsächliche Anzahl von Tagen im Berechnungszeitraum, geteilt durch 365;

(iii) wenn in den Endgültigen Bedingungen „Actual/360“ bestimmt ist, die tatsächliche Anzahl von Tagen im Berechnungszeitraum, geteilt durch 360,

(iv) wenn in den Endgültigen Bedingungen „30/360“ „360/360“ oder „Bondbasis“ bestimmt ist, die Anzahl von Tagen im Berechnungszeitraum, geteilt durch 360 (wobei diese Anzahl der Tage auf Basis eines Jahres mit 360 Tagen in 12 Monaten zu je 30 Tagen zu berechnen ist (außer für den Fall, dass (a) der letzte Tag des Berechnungszeitraumes der 31. eines Monats ist, aber der erste Tag der Berechnungsperiode ein anderer als der 30. oder 31. Tag eines Monats ist, soll der Tag, in den dieser letzte Tag fällt, nicht auf einen Monat zu 30 Tagen verkürzt werden, oder (b) der letzte Tag der Berechnungsperiode der letzte Tag des Monats Februar ist, soll der Monat Februar nicht auf einen Monat zu 30 Tagen verlängert werden));

(v) wenn in den Endgültigen Bedingungen „30E/360“ oder „Eurobondbasis“ bestimmt ist, die Anzahl von Tagen im Berechnungszeitraum, geteilt durch 360 (wobei diese Anzahl der Tage auf Basis eines Jahres mit 360 Tagen in 12 Monaten zu je 30 Tagen zu berechnen ist, ohne Berücksichtigung des Datums, auf das der erste oder der letzte Tag des Berechnungszeitraumes fällt; wenn allerdings der Berechnungszeitraum mit dem Fälligkeitstag endet und der Fälligkeitstag der letzte Tag des Monats Februar ist, soll der Monat Februar nicht auf einen Monat zu 30 Tagen verlängert werden); und

(vi) wenn in den Endgültigen Bedingungen „Actual/Actual – ICMA“ bestimmt ist,

(a) wenn der Berechnungszeitraum gleich oder kürzer als der Feststellungszeitraum ist, in den er fällt, die Anzahl der Tage des Berechnungszeitraumes, geteilt durch das Produkt (x) der Anzahl der Tage dieses Feststellungszeitraumes und (y) der Anzahl der Feststellungszeiträume, die in einem Jahr üblicherweise enden; und

(b) wenn der Berechnungszeitraum länger als ein Feststellungszeitraum ist, die Summe aus: (x) der Anzahl der Tage in einem Berechnungszeitraum, der in den Feststellungszeitraum fällt, in dem er beginnt, geteilt durch das Produkt aus: (1) der Anzahl der Tage dieses Feststellungszeitraumes und (2) der Anzahl von Feststellungszeiträumen, die üblicherweise in einem Jahr enden; und (y) die Anzahl der Tage dieses Berechnungszeitraumes, die in den nächsten Feststellungszeitraum fallen, geteilt durch das Produkt aus (1) der Anzahl der Tage dieses Feststellungszeitraumes und (2) der Anzahl der Feststellungszeiträume, die normalerweise in einem Jahr enden,

wobei:

„Feststellungszeitraum“ jeden Zeitraum ab und inklusive dem Feststellungstag in einem Jahr bis und exklusive dem nächsten Feststellungstag bedeutet und

„Feststellungstag“ das so in den Endgültigen Bedingungen festgelegte Datum bedeutet, oder, wenn er auf diese Weise nicht festgelegt ist, den Zinszahlungstag.

„Effektiver Tag“ bedeutet, hinsichtlich eines Variablen Zinssatzes, welcher an einem Zinsfestsetzungstag festgelegt wird, den Zeitpunkt, welcher als solcher in den Endgültigen Bedingungen festgesetzt ist, oder wenn keiner festgelegt ist, der erste Tag der Zinslaufperiode, auf welchen sich der jeweilige Zinsfestsetzungstag bezieht.

„Eurozone“ bedeutet die Region, welche aus den Mitgliedstaaten der Europäischen Union besteht, welche die gemeinsame Währung in Übereinstimmung mit dem Vertrag zur Errichtung der Europäischen Gemeinschaften in der derzeit geltenden Fassung eingerichtet haben.

„Zinslaufperiode“ bedeutet den Zeitraum, der am (und inklusive) dem Zinsbeginnstag beginnt und am ersten Zinsperiodentag (exklusive) und jeden nachfolgenden Zeitraum, der an (und inklusive) einem Zinsperiodentag beginnt und an (exklusive) dem nächsten folgenden Zinsperiodentag endet.

„Zinsbeginnstag“ bedeutet den Emissionstag oder einen anderen Tag, wie in den Endgültigen Bedingungen angegeben.

„Zinsfestsetzungstag“ bedeutet, hinsichtlich eines Zinssatzes und einer Zinslaufperiode: (i) der Tag, der als solcher in den Endgültigen Bedingungen bestimmt ist, oder wenn keiner bestimmt ist, der erste Tag der jeweiligen Zinslaufperiode, wenn die maßgebliche Währung Pfund Sterling ist, oder (ii) der Tag, der zwei Geschäftstage in London für die maßgebliche Währung vor dem ersten Tag einer solchen Zinslaufperiode fällt, wenn die maßgebliche Währung weder Pfund Sterling noch Euro ist, oder (iii) der Tag, der zwei Geschäftstage vor den ersten Tag einer solchen Zinslaufperiode fällt, wenn die maßgebliche Währung Euro ist.

„Zinsperiode“ bedeutet jenen Zeitraum, der am (und inklusive) dem Zinsbeginnstag beginnt und am (exklusive) ersten Zinszahlungstag endet und jeden nachfolgenden Zeitraum, der an (und inklusive) einem Zinszahlungstag beginnt und an (exklusive) dem nächsten folgenden Zinszahlungstag endet.

„Zinsperiodentag“ bedeutet jeden Zinszahlungstag, wenn in den Endgültigen Bedingungen nicht anders angegeben.

„Zinssatz“ bedeutet den Zinssatz, der von Zeit zu Zeit hinsichtlich dieser Schuldverschreibung zahlbar ist und welcher entweder in den Endgültigen Bedingungen gegeben ist, oder in Übereinstimmung mit den endgültigen Bedingungen berechnet wird.

„ISDA Definitionen“ bedeutet die ISDA Definitionen 2000 (unter Berücksichtigung der jeweiligen Änderungen und Ergänzungen), die durch die International Swaps and Derivatives Association, Inc., veröffentlicht wurden.

„Anzahl von Berechnungszeiträumen“ bedeutet die Anzahl der Berechnungszeiträume, die normalerweise in einem Jahr enden.

„Primäre Quelle“ bedeutet die Quelle für die Berechnung der Zinsen, welche hinsichtlich von Variabel Verzinsten Schuldverschreibungen zahlbar sind.

„Referenzbanken“ bedeutet im Falle einer Bestimmung von LIBOR die Hauptgeschäftsstelle in London von vier großen Banken im Londoner Interbankenmarkt und, im Fall einer Bestimmung von EURIBOR, die Eurozone Hauptgeschäftsstellen von vier großen Banken im Eurozonen Interbankenmarkt, die in jedem Fall von der Berechnungsstelle ausgewählt oder in den Endgültigen Bedingungen bezeichnet werden.

„Referenzzinssatz“ bedeutet den Zinssatz, der in den Endgültigen Bedingungen als solcher bestimmt wurde.

„Maßgebliche Währung“ bedeutet die Währung, die in den Endgültigen Bedingungen als solche bezeichnet wurde, oder wenn keine bezeichnet wurde, die Währung, in der die Schuldverschreibungen denominated sind.

„Maßgebliche Bildschirmseite“ bedeutet jene Seite, Abschnitt, Überschrift, Spalte oder anderen Teil eines bestimmten Informationsdienstes, der in den Endgültigen Bedingungen festgelegt wird.

„TARGET System“ bezeichnet das Trans-European Automated Real-time Gross Settlement Express Transfer (TARGET) System oder dessen Nachfolger.

(l) Berechnungsstelle

Die Emittentin wird dafür sorgen, dass zu jeder Zeit zumindest eine oder mehrere Berechnungsstellen zur Verfügung stehen, wenn dies in den Endgültigen Bedingungen vorgesehen ist und solange eine Schuldverschreibung aussteht (wie im Agency Agreement definiert). Wenn mehr als eine Berechnungsstelle hinsichtlich der Schuldverschreibungen bestellt ist, so sind die Verweise in diesen Bedingungen auf die Berechnungsstelle so zu verstehen, dass jede Berechnungsstelle ihre jeweiligen Pflichten gemäß diesen Bedingungen ausüben wird. Wenn die Berechnungsstelle nicht in der Lage oder nicht Willens ist, ihre Funktion auszuüben, oder wenn die Berechnungsstelle scheitert, zeitgerecht den Zinssatz für eine Zinsperiode oder eine Zinslaufperiode festzulegen oder einen Zinsbetrag, Teilzahlungstag, Endgültigen Rückzahlungsbetrag, Vorzeitigen Rückzahlungsbetrag oder Optionalen Rückzahlungsbetrag zu berechnen, je nachdem, oder einem anderen Erfordernis zu genügen, wird die Emittentin eine führende Bank oder eine Investmentbank, welche im Interbankenmarkt tätig ist (oder wenn angebracht, Geldmarkt, Swapmarkt oder Over-the-Counter Indexoptionenmarkt) bestellen, welche am engsten mit der Berechnung oder Festsetzung verbunden ist, welche durch die Berechnungsstelle vorgenommen wird (im Falle von Internationalen Schuldverschreibungen wird sie durch ihre Londoner Hauptgeschäftsstelle oder andere Geschäftsstelle, welche aktiv in einem solchen Markt eingebunden ist, tätig, und im Falle von Inländischen Schuldverschreibungen, wird sie durch ihre Hauptgeschäftsstelle in Wien tätig), um an deren Stelle tätig zu werden. Die Berechnungsstelle darf ihre Funktion nicht zurücklegen, ohne dass ein Nachfolger wie zuvor beschrieben bestellt worden wäre.

(m) Bestätigungen bindend

Alle Bestätigungen, Kommunikationen, Meinungen, Festlegungen, Berechnungen, Quotierungen und Entscheidungen, welche für Zwecke dieser Bedingung 5 gegeben, ausgedrückt, erstellt oder eingeholt werden, sind (abgesehen von vorsätzlichem Fehler, Arglist, oder offensichtlichem Irrtum) bindend für die Emittentin, die Berechnungsstelle, den Fiskalagenten, die anderen Zahlstellen und alle Gläubiger von Schuldverschreibungen, Inhaber von Ratenscheinen und Kuponscheinen, und (ausgenommen in den vorher genannten Fällen) die Berechnungsstelle oder der Fiskalagent sind nicht haftbar gegenüber der Emittentin, den Gläubigern von Schuldverschreibungen, Inhabern von Ratenscheinen oder Kuponscheinen im Zusammenhang mit der Ausübung oder Nichtausübung ihrer Befugnisse, Pflichten und Ermessensentscheidungen gemäß diesen Bestimmungen.

6. Rückzahlung, Rückkauf und Wahlmöglichkeiten

(a) Rückzahlung in Teilzahlungen und Endgültige Rückzahlung

(i) Jede Schuldverschreibung, welche Teilzahlungstage und Teilzahlungsbeträge vorsieht, wird teilweise an jedem Teilzahlungstag zu dem zugehörigen Teilzahlungsbetrag rückgezahlt, wie in den Endgültigen Bedingungen angegeben, außer sie wurden bereits zuvor gemäß dieser Bedingung 6 rückgezahlt, zurückgekauft, oder eingezogen, oder wenn der jeweilige Teilzahlungstag (welcher einer der Tage ist, die in den Endgültigen Bedingungen benannt sind) gemäß einer Wahlmöglichkeit der Emittentin oder der Gläubiger der Schuldverschreibung in Übereinstimmung mit Bedingung 6(d) oder 6(e) verlängert wird. Der ausstehende Nennbetrag einer jeden solchen Schuldverschreibung wird durch den Teilzahlungsbetrag verringert (oder wenn der jeweilige Teilzahlungsbetrag durch Bezugnahme auf einen Anteil des Nennbetrages einer solchen Schuldverschreibung berechnet wird, jener Anteil) für alle Zwecke mit Wirkung ab dem jeweiligen Teilzahlungstag, außer die Zahlung des Teilzahlungsbetrags wird bei Vorlage des jeweiligen Ratenscheines unrechtmäßig zurückgehalten oder verweigert, in welchem Fall der jeweilige Betrag weiterhin bis zum Relevant Date, der sich auf den jeweiligen Teilzahlungsbetrag bezieht, ausstehend sein soll.

(ii) Jede Schuldverschreibung wird endgültig am Rückzahlungstag, der in den Endgültigen Bedingungen angegeben ist, zum Rückzahlungsbetrag, (welcher, wenn nicht anders festgelegt, ihr Nennbetrag ist) zurückgezahlt, oder, im Falle einer Schuldverschreibung gemäß Absatz (i) oben, an ihrem letzten Teilzahlungsbetrag mit der Ausnahme, dass die Rückzahlung von Nachrangigen Schuldverschreibungen, welche Ergänzungskapital oder Nachrangiges Ergänzungskapital darstellen, aufgeschoben werden kann, bis die Jahresabschlüsse der Emittentin für das/die relevante(n) Geschäftsjahr(e) festgestellt wurden (wie in § 125 des österreichischen Aktiengesetzes festgelegt), gemäß Bedingungen 3(b) (i) oder 3(b)(iii), je nachdem, sofern sie nicht vorher zurückgezahlt, rückgekauft oder eingezogen wurden, wie nachstehend vorgesehen, oder ihre Laufzeit gemäß einem Wahlrecht der Emittentin oder der Gläubiger der Schuldverschreibung in Übereinstimmung mit Bedingung 6(d) oder 6(e) verlängert wird.

(iii) Tilgung von Aktienanleihen

(A) Inländische Schuldverschreibungen, welche als „Reverse Convertible Schuldverschreibungen“ oder „Aktienanleihe“ oder „Cash or Share“ oder ähnlich bezeichnet werden, werden, soweit sie nicht bereits vorher zurückbezahlt wurden, am Fälligkeitstag nach alleiniger Wahl der Emittentin entweder (i) durch Zahlung des Rückzahlungsbetrages (der, wenn nichts anderes angegeben ist, dem Nennwert entspricht), oder (ii) statt durch Zahlung des Rückzahlungsbetrag durch a) physische Lieferung der in den Endgültigen Bedingungen festgelegten Anzahl der betreffenden Aktien je Teilschuldverschreibung und b) gegebenenfalls durch Zahlung eines Ausgleichsbetrages (für den Fall, dass aufgrund der Stückelung nicht ausschließlich ganze Stücke an Aktien geliefert werden können), nach Maßgabe dieser Emissionsbedingungen und der Endgültigen Bedingungen an die (oder für Order der) Gläubiger, getilgt.

„Aktien“ bezeichnet die in den Endgültigen Bedingungen bezeichneten Aktien, welche, wenn sich die Emittentin hierfür entscheidet, in einem Anhang zu den Endgültigen Bedingungen näher beschrieben sind.

(B) Die Emittentin hat ihr Wahlrecht am dem in den Endgültigen Bedingungen festgelegten Ausübungstag auszuüben. Eine gesonderte Bekanntmachung, welche Art der Rückzahlung gewählt wurde, erfolgt nicht.

(C) Für den Fall, dass am Ausübungstag eine Marktstörung vorliegt, verschiebt sich der Ausübungstag und gegebenenfalls der Fälligkeitstag (unbeschadet der Verzinsung) bis zu jenem Tag, an dem die Marktstörung beendet ist oder die Emittentin in der Lage ist, einen fairen Preis für die Aktien zu ermitteln.

„Marktstörung“ bedeutet die vorübergehende Suspendierung oder wesentliche Einschränkung des Handels in den Aktien an der in den Endgültigen Bedingungen bezeichneten maßgeblichen Wertpapierbörse und/oder an der maßgeblichen Optionenbörse (welche, wenn nichts anderes bezeichnet ist, jene Wertpapierbörse(n) und/oder Optionsbörse(n) ist, an der die Aktien und/oder darauf bezogene Optionen zum Begebungstag gehandelt werden), sofern diese Suspendierung oder Einschränkung in der letzten Stunde vor der üblicherweise zu erfolgenden Berechnung des Schlusskurses der Aktie eintritt bzw. besteht. Eine Beschränkung der Stunden oder Anzahl der Tage, an denen ein Handel stattfindet, gilt nicht als Marktstörung, sofern die Einschränkung auf einer vorher angekündigten Änderung an der betreffenden Wertpapierbörse und/oder Optionsbörse beruht. Eine im Laufe eines Tages eintretende Beschränkung im Handel aufgrund von Preisbewegungen, die bestimmte vorgegebene Grenzen überschreiten, gilt nur dann als Marktstörung, wenn diese Beschränkung bis zum Ende der Handelszeit an dem betreffenden Tag fort dauert. Die Emittentin wird sich bemühen, dem Gläubiger unverzüglich mitzuteilen, wenn eine Marktstörung eingetreten ist. Eine Pflicht zur Mitteilung besteht jedoch nicht. Die Emittentin übernimmt keine Haftung für die Tätigkeit der maßgeblichen Wertpapierbörse und/oder maßgeblichen Optionsbörse, insbesondere auch nicht für die Richtigkeit, Vollständigkeit, Kontinuität und dauerhafte Berechnung der Kurse der Aktien.

(D) Sollte die Gesellschaft, welche die Aktien ausgegeben hat, mit der die Schuldverschreibung getilgt werden können, am Rückzahlungstag nicht mehr existieren (insbesondere infolge Konkurs oder Liquidation), erhält der Gläubiger weder eine Rückzahlung zum Nennwert noch irgendwelche Aktien bzw. einen Ausgleichsbetrag. Eine Beendigung der Notierung der Aktien bleibt ohne Auswirkungen auf das Schuldverhältnis.

(E) Sollte während der Laufzeit der Schuldverschreibungen durch eine, wie auch immer beschaffene Kapitalmaßnahme der Gesellschaft (ein „Anpassungsereignis“) für den Gläubiger der Schuldverschreibungen eine wesentliche Änderung seiner wirtschaftlichen Position eintreten, so wird die Emittentin nach Möglichkeit Maßnahmen treffen, dass die Gläubiger der Schuldverschreibungen wirtschaftlich so gestellt werden, wie sie ohne dieses Anpassungsereignis stehen würden.

(b) Vorzeitige Rückzahlung

(i) Nullkupon-Schuldverschreibungen

(A) Der Vorzeitige Rückzahlungsbetrag der hinsichtlich von Nullkupon-Schuldverschreibungen zahlbar ist, bei welchen der Vorzeitige Rückzahlungsbetrag nicht an einen Index und/oder an eine Formel gebunden ist, ist, wenn eine solche Schuldverschreibung gemäß Bedingung 6(c) rückzahlbar ist, oder wenn sie fällig und zahlbar gemäß Bedingung 10 wird, der Amortisationsnennbetrag (berechnet wie unten bestimmt) der jeweiligen Schuldverschreibung, außer die Endgültigen Bedingungen sehen anderes vor.

(B) Ausgenommen in den Fällen des Unterabsatzes (C) unten ist der Amortisationsnennbetrag einer solchen Schuldverschreibung der vorgesehene Rückzahlungsbetrag der Schuldverschreibung am Rückzahlungstag, der mit einem jährlichen Zinssatz (ausgedrückt als Prozentsatz) diskontiert wird, welcher der Amortisationsrendite entspricht (welche, wenn eine solche in den Endgültigen Bedingungen nicht vorgesehen ist, einem Zinssatz entsprechen soll, der bei Diskontierung des Amortisationsnennbetrages zurück bis zum Emissionstag den Emissionspreis der Schuldverschreibung ergeben würde). Sofern die Berechnung für einen Zeitraum von weniger als einem Jahr erfolgen muss, wird die Berechnung auf Basis des Zinstagequotienten wie in den Endgültigen Bedingungen bezeichnet durchgeführt.

(C) Wenn der im Hinblick auf eine solche Schuldverschreibung zahlbare Vorzeitige Rückzahlungsbetrag bei seiner Rückzahlung gemäß Bedingung 6(c), oder wenn er fällig und zahlbar wird, wie in Bedingung 10 vorgesehen, nicht bei Fälligkeit zurückgezahlt wird, ist der fällige und zahlbare Vorzeitige Rückzahlungsbetrag hinsichtlich einer solchen Schuldverschreibung der Amortisationsnennbetrag einer solchen Schuldverschreibung, wie in Unterabsatz (B) oben definiert, außer wenn dieser Unterabsatz in Kraft tritt, obwohl der darin enthaltene Hinweis auf den Zeitpunkt, an dem die Schuldverschreibung fällig und zahlbar wird, durch einen Hinweis auf das Relevant Date ersetzt wird. Die Berechnung des Amortisationsnennbetrages in Übereinstimmung mit diesem Unterabsatz soll weiterhin in der Weise erfolgen (sowohl nach als auch vor einem Gerichtsurteil) bis zum Relevant Date, sofern das Relevant Date auf oder nach den Fälligkeitstag fällt; in diesem Fall soll der fällige und zahlbare Betrag der vorgesehene Endgültige Rückzahlungsbetrag einer solchen Schuldverschreibung am Fälligkeitstag gemeinsam mit Zinsen, die aufgelaufen sind in Übereinstimmung mit Bedingung 5(d), sein.

(ii) Andere Schuldverschreibungen: Der zahlbare Vorzeitige Rückzahlungsbetrag hinsichtlich einer Schuldverschreibung (außer einer Nullkupon Schuldverschreibung wie oben in (i) definiert) soll bei Rückzahlung einer solchen Schuldverschreibung gemäß Bedingung 6(c), oder wenn sie fällig und zahlbar wird wie in Bedingung 10 vorgesehen, der endgültige Rückzahlungsbetrag sein, sofern in den Endgültigen Bedingungen nichts anderes vorgesehen ist.

(c) Rückzahlung aus steuerlichen Gründen

Wenn als Ergebnis einer Novelle oder Änderung in Gesetzen oder Vorschriften der Republik Österreich oder einer ihrer Gebietskörperschaften oder einer dort tätigen Behörde mit der Befugnis, Steuern zu erheben, oder von Änderungen in den offiziellen oder allgemein anerkannten Auslegungen oder der Anwendung solcher Gesetze und Vorschriften, die am oder nach dem Emissionstag (im Fall einer nicht syndizierten Serie) oder am Unterfertigungstag (im Fall einer syndizierten Serie) in Kraft treten, je nachdem, die Emittentin verpflichtet ist oder verpflichtet sein wird, zusätzliche Beträge, wie in Bedingung 8 beschrieben, zu zahlen und eine solche Novelle oder Änderung durch Einreichung bei der Emittentin oder dem Fiskalagenten (der eine solche Bestätigung und Meinung als ausreichenden Nachweis hierüber anerkennen wird) (i) einer von zwei bevollmächtigten Vertretern der Emittentin im Namen der Emittentin unterzeichneten Bestätigung, in dem ausgeführt wird, dass eine solche Änderung oder Novelle eingetreten ist (unabhängig davon, ob eine solche Novelle oder Änderung dann bereits in Kraft ist), die Tatsachen, die dazu geführt haben, beschrieben werden und feststellt, dass diese Verpflichtung durch die Emittentin nicht durch die Ergreifung von vernünftigen, ihr zur Verfügung stehenden Maßnahmen abgewendet werden kann, und (ii) der Meinung eines unabhängigen Rechtsberaters von anerkanntem Stand, besagend, dass eine solche Novelle oder Änderung (unabhängig davon, ob eine solche Änderung oder Novelle dann bereits in Kraft ist) eingetreten ist) an einem Zinszahlungstag (wenn diese Schuldverschreibung entweder eine Variabel Verzinsliche Schuldverschreibung oder eine Schuldverschreibung mit Indexabhängiger Verzinsung ist) oder zu jeder anderen Zeit (wenn die Schuldverschreibung weder eine Variabel Verzinsliche Schuldverschreibung noch eine Schuldverschreibung mit Indexabhängiger Verzinsung ist), kann die Emittentin (welche den Gläubigern der Schuldverschreibung und den Inhabern in Übereinstimmung mit Bedingung 14 eine unwiderrufliche Erklärung in einer Kündigungsfrist von nicht weniger als 30 und nicht mehr als 90 Tagen gegeben hat) alle (nicht jedoch nur einzelne) der Schuldverschreibungen (außer Schuldverschreibungen hinsichtlich derer die Emittentin eine Rückzahlungserklärung gemäß Bedingung 6(d) oder eine Ausübungserklärung in Übereinstimmung mit Bedingung 6(e) vor einer gemäß dieser Bedingung 6(c) gegebenen Erklärung, abgegeben hat) zu ihrem Vorzeitigen Rückzahlungsbetrag, gemeinsam mit aufgelaufenen Zinsen zu dem festgesetzten Zeitpunkt für eine solche Rückzahlung zurückzahlen, vorausgesetzt dass (i) keine solche Rückzahlungserklärung früher als 90 Tage vor dem frühesten Zeitpunkt abgegeben wird, zu dem die Emittentin verpflichtet wäre, zusätzliche Beträge zu bezahlen, an dem eine Zahlung hinsichtlich der Schuldverschreibung dann fällig

wäre und (ii) im Fall von Nachrangigen Schuldverschreibungen die Emittentin einen Kapitalbetrag in der selben Höhe zur Verfügung hat, der zumindest die gleiche Eigenkapitalqualität aufweist und die Emittentin dies der österreichischen Finanzmarktaufsichtsbehörde nachgewiesen hat.

(d) Rückzahlung nach Wahlmöglichkeit der Emittentin

Sofern dies in den Endgültigen Bedingungen bestimmt ist, kann die Emittentin alle, oder wenn dies vorgesehen ist, einige der Schuldverschreibungen (außer Schuldverschreibungen hinsichtlich derer die Emittentin eine Rückzahlungserklärung gemäß Bedingung 6(c) vor einer gemäß dieser Bedingung 6(d) abgegebenen Erklärung abgegeben hat) oder vor einem Optionalen Rückzahlungstag durch Abgabe einer unwiderruflichen Erklärung an die Gläubiger der Schuldverschreibung innerhalb der Wahlperiode der Emittentin zurückzahlen. Eine solche Rückzahlung von Schuldverschreibungen erfolgt zum Optionalen Rückzahlungsbetrag gemeinsam mit aufgelaufenen Zinsen bis zu dem festgesetzten Tag für ihre Rückzahlung. Eine solche Rückzahlung oder Ausübung muss sich auf Schuldverschreibungen beziehen, deren Nennbetrag zumindest dem Minimum-Rückzahlungsbetrag entspricht und darf nicht größer sein als der Maximum-Rückzahlungsbetrag, die beide zur Rückzahlung in den Endgültigen Bedingungen festgesetzt sind. Eine solche Rückzahlung ist nicht vor dem Ablauf der Mindestperiode, die für eine solche Schuldverschreibung in Übereinstimmung mit § 23 Bankwesengesetz vorgesehen ist, möglich.

Alle Schuldverschreibungen, hinsichtlich derer eine solche Erklärung abgegeben wird, sind zu dem in einer solchen Erklärung festgesetzten Zeitpunkt in Übereinstimmung mit dieser Bedingung rückzuzahlen.

Im Fall einer Teilrückzahlung enthält die Erklärung an die Gläubiger der Schuldverschreibung auch die Nummern der Inhaberschuldverschreibungen oder, im Fall von Namensschuldverschreibungen, den Nominalbetrag der zurückgezahlten Namensschuldverschreibungen und des/der Inhaber solcher Namensschuldverschreibungen, die an einem solchen Ort und in einer solchen Weise zurückgezahlt werden sollen, die nach den jeweiligen Umständen unter Berücksichtigung der vorherrschenden Marktpraxis angemessen und vernünftig ist, vorbehaltlich der Einhaltung der anwendbaren Gesetze und der Vorgaben der Börse oder anderer relevanter Behörden. Solange die Schuldverschreibungen an der Wiener Börse oder an einer anderen Börse gelistet sind und das Börsegesetz oder die Regeln der relevanten Börse es so verlangen, hat die Emittentin eine solche Börse von einer teilweisen Rückzahlung der Schuldverschreibung zu verständigen. Im Fall einer teilweisen Rückzahlung von Schuldverschreibungen, die durch eine Sammelurkunde oder eine Sammelzertifikat verbrieft sind, werden die betroffenen Schuldverschreibungen in Übereinstimmung mit den Regeln von Euroclear und/ oder Clearstream, Luxemburg (im Fall von Internationalen Schuldverschreibungen) und/oder, wenn überhaupt, der Oesterreichischen Kontrollbank AG (im Fall von Inländischen Schuldverschreibungen) und, wenn keine vorliegen, gemäß der vorherrschenden Marktpraxis, ausgewählt.

(e) Rückzahlung nach Wahlmöglichkeit der Gläubiger der Schuldverschreibung

Sofern es in den Endgültigen Bedingungen vorgesehen ist, wird die Emittentin nach Wahlmöglichkeit des Inhabers einer solchen Schuldverschreibung eine solche Schuldverschreibung zum/zu den so festgesetzten Zeitpunkt(en) zum Optionalen Rückzahlungsbetrag (wie er in Teil (A) der maßgeblichen Endgültigen Bedingungen beschrieben ist) gemeinsam mit Zinsen, die bis zum festgesetzten Zeitpunkt aufgelaufen sind, zurückzahlen.

Um ein solches Wahlrecht auszuüben, muss der Inhaber (im Fall von Inhaberschuldverschreibungen) eine solche Schuldverschreibung (gemeinsam mit allen nicht fälligen Ratenscheinen und Kuponscheinen und nicht eingelösten Talonscheinen bei einer Zahlstelle oder (im Fall von Namensschuldverschreibungen) das Zertifikat, welches eine solche Schuldverschreibung verbrieft, bei der festgesetzten Geschäftsstelle einer Registerstelle oder einer Übertragungsstelle, gemeinsam mit einer ordnungsgemäß ausgefüllten Wahlausübungserklärung („Ausübungserklärung“) in der von einer Zahlstelle, der Registerstelle oder einer Übertragungsstelle erhältlichen Form (je nachdem) innerhalb der Wahlperiode der Gläubiger der Schuldverschreibung hinterlegen. Keine Schuldverschreibung und kein Zertifikat, die auf diese Weise hinterlegt wurden, und keine ausgeübte Option kann widerrufen werden (außer wie im Agency Agreement vorgesehen) ohne die vorherige Zustimmung der Emittentin, außer dass eine solche Schuldverschreibung oder ein solches Zertifikat an den jeweiligen Gläubiger einer Schuldverschreibung durch die Zahlstelle, die Registerstelle oder Übertragungsstelle, bei welcher sie hinterlegt wurde, zurückgestellt wird, wenn vor dem Fälligkeitstag für die Rückzahlung oder für die Ausübung des Wahlrechts die Schuldverschreibung sofort fällig und zahlbar wird, oder wenn bei ordnungsgemäßer Vorlage die Zahlung des Kapitals nicht erfolgt oder die Ausübung des Wahlrechts verweigert wird.

(f) Rückkauf

Die Emittentin und jede ihre Tochtergesellschaften (wie nachstehend definiert) kann in dem durch anwendbares Recht zulässigen Ausmaß zu jeder Zeit Schuldverschreibungen im gewöhnlichen Verlauf ihres jeweiligen Treasury-Geschäftes (vorausgesetzt, dass alle nicht fälligen Ratenscheine und Kuponscheine und nicht eingelösten Talonscheine, die sich darauf beziehen, den Schuldverschreibungen beigefügt oder mit diesen übergeben werden) am Markt oder auf andere Weise zu jedem Preis zurückkaufen.

(g) Einziehung

Alle durch oder im Namen der Emittentin oder einer ihrer Tochtergesellschaften zurückgekauften Schuldverschreibungen können nach Wahl der Emittentin zur Einziehung übergeben werden, im Fall von Inhaberschuldverschreibungen durch Übergabe einer solchen Schuldverschreibung gemeinsam mit allen nicht fälligen Ratenscheinen und Kuponscheinen und uneingelösten Talonscheinen, an den Fiskalagenten, und, im Fall von Namensschuldverschreibungen durch Übergabe des Zertifikates, welches eine solche Schuldverschreibung verbrieft, an die Registerstelle, und in jedem Fall können die so übergebenen Schuldverschreibungen nach Wahl der Emittentin gemeinsam mit allen durch die Emittentin zurückgekauften Schuldverschreibungen unverzüglich (gemeinsam mit allen nicht fälligen Ratenscheinen und Kuponscheinen und uneingelösten Talonscheinen, die diesem beigefügt sind oder gemeinsam mit ihnen übergeben werden) eingezogen werden, nicht jedoch vor Ablauf der Minimalperiode, die für eine solche Schuldverschreibung in Übereinstimmung mit § 23 Bankwesengesetz verlangt sein kann. Auf diese Weise zur Einziehung übergebene Schuldverschreibungen können nicht wieder ausgegeben oder wieder verkauft werden und die Verpflichtungen der Emittentin hinsichtlich solcher Schuldverschreibungen sind beendet.

Verweise in diesen Bedingungen auf den „Rückzahlungsbetrag“ beinhalten Verweise auf den Endgültigen Rückzahlungsbetrag, den Vorläufigen Rückzahlungsbetrag und den Optionalen Rückzahlungsbetrag, je nachdem, wie es der Zusammenhang erfordert oder erlaubt.

7. Zahlungen und Talonscheine

(a) Inhaberschuldverschreibungen

Zahlungen von Kapital und Zinsen in Bezug auf Inhaberschuldverschreibungen erfolgen, vorbehaltlich wie nachstehend erwähnt, gegen Vorlage und Übergabe der relevanten Ratenscheine (im Fall von Zahlungen von Teilzahlungsbeträgen, die nicht an einem Fälligkeitstag zur Rückzahlung erfolgen und vorausgesetzt, dass der Beleg zur Zahlung gemeinsam mit der sich darauf beziehenden Schuldverschreibung vorgelegt wird), Schuldverschreibungen (im Falle aller anderen Zahlungen von Kapital und, im Fall von Zinsen, wie in Bedingung 7(f) (vi)) oder Kuponscheinen (im Fall von Zinsen, vorbehaltlich wie in Bedingung 7(f) (ii)), je nachdem, bei der festgesetzten Geschäftsstelle einer Zahlstelle außerhalb der Vereinigten Staaten durch einen Scheck in jener Währung, in der die Zahlung fällig ist, oder nach Wahl des Inhabers durch Überweisung auf ein in einer solchen Währung geführtes Bankkonto mit einer Bank. „Bank“ bedeutet eine Bank in einem Hauptfinanzzentrum für eine solche Währung oder, im Falle des Euro, in einer Stadt, in welcher Banken Zugang zum TARGET System haben.

(b) Namensschuldverschreibungen

(i) Zahlungen von Kapital (welches für den Zweck dieser Bedingung 7(b) endgültige Teilzahlungsbeträge, nicht aber andere Teilzahlungsbeträge, beinhaltet) in Bezug auf Namensschuldverschreibungen werden an die im Register eingetragene Person oder, wenn dies so vorgesehen ist, an die Order einer solchen Person gegen Vorlage und Übergabe der maßgeblichen Zertifikate an eine festgesetzte Geschäftsstelle einer Übertragungsstelle oder der Registerstelle und in der in Unterabsatz (ii) unten festgesetzten Weise durchgeführt.

(ii) Zahlungen von Zinsen (welche für Zwecke dieser Bedingung 7(b) auch alle Teilzahlungsbeträge, die nicht endgültige Teilzahlungsbeträge sind, meinen) auf Namensschuldverschreibungen erfolgen an die im Register zu Geschäftsschluss am 15. Tag vor dem Fälligkeitstag für Zahlungen darauf („Record Date“) eingetragene Person oder an ihre Order. Zahlungen von Zinsen auf jede Namensschuldverschreibung erfolgen in der Währung, in welcher solche Zahlungen fällig sind, durch einen Scheck, bezogen auf eine Bank und werden an den Inhaber (oder den Erstgenannten von gemeinsamen Inhabern) einer solchen Schuldverschreibung an die im Register aufscheinende Adresse versendet. Auf Antrag des Inhabers an die festgelegte Geschäftsstelle der Registerstelle oder einer Übertragungsstelle vor dem Record Date und vorbehaltlich der Festsetzungen in Absatz (a) oben

können solche Zinszahlungen durch Überweisung auf ein Konto in der maßgeblichen Währung, welches der Zahlungsempfänger bei einer Bank unterhält, erfolgen.

(c) Zahlungen in die Vereinigten Staaten

Ungeachtet des Obenstehenden können Zahlungen, wenn Inhaberschuldverschreibungen in US Dollar denominated sind, im Hinblick auf diese an die festgelegte Geschäftsstelle einer Zahlstelle in New York City in derselben Weise wie oben beschrieben erfolgen, wenn (i) die Emittentin Zahlstellen mit festgelegten Geschäftsstellen außerhalb der Vereinigten Staaten in der vernünftigen Erwartung festgelegt hat, dass solche Zahlstellen in der Lage wären, Zahlungen dieser Beträge auf die Schuldverschreibungen in der oben festgesetzten Weise bei Fälligkeit durchzuführen, (ii) die vollständige Zahlung solcher Beträge bei all diesen Geschäftsstellen unrechtmäßig ist oder faktisch durch Devisenkontrollen oder ähnliche Beschränkungen betreffend die Zahlung oder den Erhalt solcher Beträge ausgeschlossen ist, und (iii) eine solche Zahlung dann gemäß US-amerikanischem Recht erlaubt ist, ohne nach der Meinung der Emittentin nachteilige steuerliche Konsequenzen für die Emittentin zu erzeugen.

(d) Den Steuergesetzen unterliegende Zahlungen

Alle Zahlungen sind in allen Fällen den anwendbaren Steuergesetzen und anderen Gesetzen, Vorschriften und Richtlinien unterworfen, aber ohne Einschränkung der Bedingung 8. Kommissionen oder Ausgaben werden den Gläubigern von Schuldverschreibungen oder den Kuponinhabern im Hinblick auf solche Zahlungen nicht verrechnet.

(e) Bestellung von Agenten und Stellen

Der Fiskalagent, die Zahlstellen, die Registerstelle, die Übertragungsstellen und die Berechnungsstelle, welche ursprünglich von der Emittentin für Internationale Schuldverschreibungen bestellt wurden, und ihre jeweiligen festgesetzten Geschäftsstellen, sind nachstehend angeführt. Im Hinblick auf Inländische Schuldverschreibungen wird die Erste Bank der oesterreichischen Sparkassen AG als Zahlstelle, Registerstelle, Übertragungsstelle und Berechnungsstelle agieren. Der Fiskalagent, die Zahlstellen, die Registerstelle, die Übertragungsstellen und die Berechnungsstelle handeln ausschließlich als Beauftragte der Emittentin und übernehmen keine Verpflichtung und kein Auftrags- oder Treuhandverhältnis für oder mit einem Gläubiger der Schuldverschreibung oder einem Kuponinhaber.

Die Emittentin behält sich das Recht vor, zu jeder Zeit die Bestellung des Fiskalagenten, einer anderen Zahlstelle, der Registerstelle, einer Übertragungsstelle oder der Berechnungsstelle zu ändern oder zu beenden und zusätzliche oder andere Zahlstellen oder Übertragungsstellen zu bestellen, vorausgesetzt, dass die Emittentin zu jeder Zeit (i) einen Fiskalagenten, (ii) eine Registerstelle im Hinblick auf die Namensschuldverschreibungen, (iii) eine Übertragungsstelle im Hinblick auf die Namensschuldverschreibungen, (iv) eine oder mehrere Berechnungsstellen, sofern die Bedingungen es erfordern, (v) Zahlstellen mit festgelegten Geschäftsstellen in zumindest zwei großen europäischen Städten im Hinblick auf die Schuldverschreibungen, die keine Inländischen Schuldverschreibungen sind, und eine Zahlstelle in Wien im Hinblick auf die Inländischen Schuldverschreibungen, (vi) andere Agenten und Stellen, die nach den Vorschriften einer Börse, an der die Schuldverschreibungen gelistet werden können, erforderlich sind, oder eines Clearing Systems, bei welchem die Schuldverschreibungen verrechnet werden können, und (vii) eine Zahlstelle mit einer festgelegten Geschäftsstelle in einem europäischen Mitgliedsstaat, der nicht verpflichtet ist, Steuern gemäß der europäischen Richtlinie des Rates 2003/48/EG oder einer anderen Richtlinie der Europäischen Union, welche die Schlussfolgerungen des ECOFIN Ratstreffens vom 26. bis 27. November 2000 betreffend die Besteuerung von Spareinkünften oder anderen Gesetzen, welche die genannte Richtlinie umsetzen oder mit ihr einhergehen oder eingeführt wurden, um mit ihr einherzugehen, einzubehalten oder abzuziehen, unterhalten wird.

Zusätzlich soll die Emittentin unverzüglich eine Zahlstelle in New York City hinsichtlich der Inhaberschuldverschreibungen, die in US-Dollar denominated sind, gemäß den in Absatz (c) oben beschriebenen Umständen bestellen.

Die Benachrichtigung von einer solchen Änderung sowie jede Änderung einer festgesetzten Geschäftsstelle wird unverzüglich an die Gläubiger von Schuldverschreibungen durch die Emittentin gemäß Bedingung 14 erfolgen.

(f) Nicht fällige Kuponscheine und Ratenscheine und nicht eingelöste Talonscheine

(i) Zum Fälligkeitszeitpunkt der Rückzahlung von Inhaberschuldverschreibungen, welche festverzinsliche Schuldverschreibungen (außer Doppelwährungs-Schuldverschreibungen oder Schuldverschreibungen mit

Indexabhängiger Verzinsung) darstellen, sollen diese zur Zahlung übergeben werden, gemeinsam mit allen nicht fälligen Kuponscheinen (sofern es welche gibt), die diesen zugehören, wobei im Falle von fehlenden Kuponscheinen ein solcher Betrag, der dem Nennbetrag jedes einzelnen fehlenden, nicht fälligen Kuponscheins, (oder für den Fall, dass eine Zahlung nicht vollständig gemacht wurde, der Anteil jenes Betrages von einem solchen fehlenden nicht fälligen Kuponscheins, der die Summe des so bezahlten Nennbetrags trägt, zum gesamten fälligen Nennbetrag) entspricht, vom Endgültigen Rückzahlungsbetrag, dem Vorzeitigen Rückzahlungsbetrag oder dem Optionalen Rückzahlungsbetrag, je nachdem, die zur Zahlung fällig sind, abgezogen wird. Ein auf diese Weise abgezogener Betrag wird in der oben genannten Weise gegen Übergabe eines solchen fehlenden Kuponscheines innerhalb eines Zeitraums von zehn Jahren vom Relevant Date für die Zahlung eines solchen Nennbetrages (unabhängig davon, ob ein solcher Kuponschein gemäß Bedingung 9 unwirksam wurde) bezahlt.

(ii) Zum Fälligkeitszeitpunkt der Rückzahlung von Inhaberschuldverschreibungen, welche Variabel Verzinsliche Schuldverschreibungen, Doppelwährungs-Schuldverschreibungen oder Schuldverschreibungen mit Indexabhängiger Verzinsung umfassen, werden nicht fällige Kuponscheine, welche sich auf eine solche Schuldverschreibung beziehen (unabhängig davon, ob sie beigefügt sind oder nicht) unwirksam und keine Zahlung wird im Hinblick auf sie erfolgen.

(iii) Am Fälligkeitstag zur Rückzahlung einer Inhaberschuldverschreibung wird ein nicht eingelöster Talonschein, der sich auf eine solche Schuldverschreibung bezieht (unabhängig davon, ob er ihr beigefügt ist oder nicht) unwirksam und kein Kuponschein wird im Hinblick auf einen solchen Talonschein geliefert.

(iv) Zum Fälligkeitstag zur Rückzahlung einer Inhaberschuldverschreibung, die in Teilzahlungen rückzahlbar ist, werden alle Ratenscheine, die sich auf eine solche Schuldverschreibung mit einem Teilzahlungsdatum, welches auf oder nach einem solchem Datum fällt, beziehen, (unabhängig davon, ob sie beigefügt sind oder nicht) unwirksam und keine Zahlung wird im Hinblick auf sie erfolgen.

(v) Wenn eine Inhaberschuldverschreibung, die vorsieht, dass auf sie bezogene nicht fällige Kuponscheine am Fälligkeitstag zur Rückzahlung dieser Schuldverschreibungen unwirksam werden, zur Rückzahlung vorgelegt werden, ohne alle fälligen Kuponscheine und ohne uneingelöste, auf sie beziehende Talonscheine, und wenn eine Inhaberschuldverschreibung zur Rückzahlung ohne uneingelöste Talonscheine die sich auf sie beziehen, zur Rückzahlung vorgelegt wird, erfolgt die Rückzahlung nur gegen die Übernahme einer solchen Haftung, wie sie die Emittentin fordert.

(vi) Wenn der Fälligkeitszeitpunkt zur Rückzahlung einer Schuldverschreibung nicht ein Fälligkeitszeitpunkt zur Zahlung von Zinsen ist, sind aufgelaufene Zinsen vom vorhergehenden Fälligkeitstag für Zinszahlungen oder dem Zinsbeginnstag, je nachdem, nur gegen Vorlage (und Übergabe, sofern angebracht) der jeweiligen Inhaberschuldverschreibung oder, je nachdem, des Zertifikates, welches sie verbrieft, zahlbar. Aufgelaufene Zinsen auf eine Schuldverschreibung, die nur Zinsen nach ihrem Fälligkeitsdatum trägt, sind bei Rückzahlung einer solchen Schuldverschreibung gegen Vorlage der jeweiligen Schuldverschreibung oder, je nachdem, des Zertifikates, welches sie verbrieft, zahlbar.

(g) Talonscheine

An oder nach dem Zinszahlungstag für den letzten Kuponschein, welcher ein Teil des für eine Inhaberschuldverschreibung ausgegebenen Kuponblattes ist, kann der Talonschein, welcher ein Teil eines Kuponblattes ist, an die festgesetzte Geschäftsstelle des Fiskalagenten im Austausch für ein weiteres Kuponblatt übergeben werden (und sofern es notwendig ist, ein weiterer Talonschein für ein weiteres Kuponblatt) (jedoch ohne Kuponscheine, welche gemäß Bedingung 9 unwirksam geworden sind).

(h) Keine Geschäftstage

Wenn ein Zahltag hinsichtlich einer Schuldverschreibung, eines Ratenscheines oder eines Kuponscheins kein Geschäftstag ist, hat der Inhaber kein Anrecht auf die Zahlung bis zum nächstfolgenden Geschäftstag, weder von Zinsen noch einer anderen Summe im Hinblick auf eine solche verschobene Zahlung. In diesem Absatz bedeutet „Geschäftstag“ einen Tag (außer Samstag oder Sonntag), an dem Banken und Devisenmärkte für Geschäfte am maßgeblichen Ort der Vorlage geöffnet sind, in solchen Rechtsordnungen, die als „Geschäftstagsordnungen“ bezeichnet werden: und

(i) (im Falle von Zahlungen in einer anderen Währung als Euro) wenn eine Zahlung durch Überweisung auf ein bei einer Bank in der maßgeblichen Währung, in der Devisentransaktionen in der maßgeblichen Währung im Hauptfinanzzentrum des Staates einer solchen Währung durchgeführt werden können, unterhaltendes Bankkonto erfolgt; oder

(ii) (im Falle einer Zahlung in Euro) der Tag ein TARGET Geschäftstag ist.

(i) Definition des Euro

(i) Verweise in diesen Bedingungen auf den Euro sind solche auf die Währung, die zu Beginn der dritten Stufe der Europäischen Wirtschafts- und Währungsunion gemäß Art 109 (L) des Vertrages zur Schaffung der Europäischen Gemeinschaften und geändert durch den Vertrag über die Europäische Union (der „Vertrag“) eingeführt wurde.

(ii) Schuldverschreibungen, die in einer Währung denominated sind, die in Euro umgerechnet werden kann, können Gegenstand einer Änderung der Stückelung, der Währung, einer Konvention und/oder einer Zusammenführung mit anderen Schuldverschreibungen sein, die dann in Euro denominated sind, wie in den relevanten Endgültigen Bedingungen bestimmt.

8. Besteuerung

Sämtliche Zahlungen von Kapital und Zinsen in Bezug auf die Schuldverschreibungen, die Ratenscheine und die Kuponscheine durch oder im Namen der Emittentin sind frei von und ohne Einbehalt oder Abzug von Steuern, Gebühren, Veranlagungen oder öffentlichen Abgaben welcher Art auch immer, die von oder innerhalb der Republik Österreich durch irgendeine Abgabenbehörde angelastet, auferlegt, eingehoben, vereinnahmt, einbehalten oder veranlagt werden, zu leisten, sofern ein derartiger Einbehalt oder Abzug nicht gesetzlich vorgesehen ist. In diesem Fall wird die Emittentin solche zusätzlichen Beträge an die Gläubiger von Schuldverschreibungen oder Inhaber von Kuponscheinen bezahlen, die erforderlich sind, um die Gläubiger von Schuldverschreibungen oder Inhaber von Kuponscheinen so zu stellen, als hätten sie diese Beträge ohne Einbehalt oder Abzug erhalten, sofern keine derartigen zusätzlichen Beträge hinsichtlich einer Schuldverschreibung, einem Ratenschein oder einem Kuponschein zahlbar sind:

(a) Andere Verbindung

an einen Inhaber oder an einen Dritten im Namen des Inhabers, der zur Zahlung solcher Steuern, Abgaben, Veranlagungen oder öffentlicher Abgaben hinsichtlich einer solchen Schuldverschreibung, eines Belegs oder eines Kuponscheins aufgrund einer anderen Verbindung mit der Republik Österreich, als jene der bloßen Inhaberschaft einer Schuldverschreibung, eines Belegs oder eines Kuponscheins, verpflichtet ist; oder

(b) Vorlage nach mehr als 30 Tagen nach dem Relevant Date

welche zur Zahlung mehr als 30 Tage nach dem Relevant Date vorgelegt werden (oder diesbezüglich das verbiefende Zertifikat vorgelegt wird) außer in dem Ausmaß, in dem der Inhaber zu solchen zusätzlichen Beträgen bei ihrer Vorlage zur Zahlung am 30. Tag berechtigt gewesen wäre;

(c) Zahlungen an Privatpersonen

sofern ein solcher Einbehalt oder Abzug auf Zahlungen an eine Privatperson auferlegt wird und gemäß der Richtlinie des Rates 2003/48/EG oder einer anderen Richtlinie der Europäischen Union, durch welche die Schlussfolgerungen des ECOFIN Ratstreffens vom 26. und 27. November 2000 über die Besteuerung von Zinserträgen umgesetzt wird, oder eines sonstigen Gesetzes, mit dem eine dieser Richtlinien umgesetzt oder ihnen entsprochen wird, oder das eingeführt wurde, um einer solchen Richtlinie zu entsprechen, geltend gemacht werden müssen; oder

(d) Zahlung durch eine andere Zahlstelle

welche (außer im Falle von Namensschuldverschreibungen) durch oder im Namen eines Inhabers zur Zahlung vorgelegt werden, der in der Lage gewesen wäre, einen solchen Einbehalt oder Abzug durch Vorlage der betreffenden Schuldverschreibung, des Belegs oder Kuponscheins bei einer anderen Zahlstelle in einem Mitgliedstaat der Europäischen Union zu vermeiden.

In diesen Bedingungen bedeutet „Relevant Date“ im Hinblick auf eine Schuldverschreibung, einen Ratenschein oder Kuponschein den Zeitpunkt, an dem eine Zahlung erstmals fällig wird oder (wenn ein fälliger Betrag unrechtmäßig zurückgehalten oder verweigert wird) den Zeitpunkt, an dem eine vollständige Bezahlung des ausstehenden Betrages erfolgt, oder (wenn früher) der Zeitpunkt sieben Tage nach jenem, an dem eine Mitteilung an die Gläubiger der Schuldverschreibung ordnungsgemäß erfolgt, dass bei weiterer Vorlage der Schuldverschreibung (oder des sich darauf beziehenden Zertifikates), Ratenscheines oder Kuponscheins in Übereinstimmung mit den Bedingungen, eine solche Zahlung erfolgen wird, vorausgesetzt, dass die Zahlung auch tatsächlich gegen Vorlage durchgeführt wird. Verweise in den Bedingungen auf (i) „Kapital“ beinhalten jede zahlbare Prämie im Hinblick auf

die Schuldverschreibungen, alle Teilzahlungsbeträge, Rückzahlungsbeträge, Amortisationsnennbeträge und alle anderen Beträge, die vom Wesen her zahlbare Nennbeträge gemäß Bedingung 6 oder einer Abänderung oder Ergänzung zu dieser sind, (ii) „Zinsen“ beinhaltet alle Zinsbeträge und alle anderen Beträge, die gemäß Bedingung 5 oder einer Änderung oder Ergänzung zu dieser zahlbar sind, und (iii) „Kapital“ und/oder „Zinsen“ beinhaltet alle zusätzlichen Beträge, die gemäß dieser Bedingung oder einer Verpflichtung zusätzlich oder als Ersatz hierfür zahlbar sind.

9. Verjährung

Sofern englisches Recht in den Endgültigen Bedingungen bestimmt ist, verjähren Ansprüche gegen die Emittentin auf Zahlungen hinsichtlich der Schuldverschreibungen, Ratenscheine und Kuponscheine (welche für diese Zwecke Talonscheine nicht beinhalten) und werden unwirksam, sofern diese nicht innerhalb von zehn Jahren (im Fall des Kapitals) oder innerhalb von fünf Jahren (im Fall von Zinsen) vom angebrachten Relevant Date geltend gemacht werden.

Sofern österreichisches Recht in den Endgültigen Bedingungen bestimmt ist und im Hinblick auf Pfandbriefe, Kommunalschuldverschreibungen (öffentliche Pfandbriefe) und Fundierte Bankschuldverschreibungen, verjähren Ansprüche gegen die Emittentin auf Zahlungen hinsichtlich der Schuldverschreibungen, Ratenscheine und Kuponscheine (welche für diesen Zweck die Talonscheine nicht beinhalten) und werden unwirksam, sofern diese nicht innerhalb von zehn Jahren (im Falle des Kapitals und innerhalb von drei Jahren (im Falle von Zinsen) vom massgeblichen Relevant Date geltend gemacht werden.

10. Leistungsstörungen

Sofern eines der folgenden Ereignisse (jedes eine „Leistungsstörung“) eintritt und fortgesetzt wird, das sind:

- (a) Zahlungsverzug für einen Zeitraum von fünfzehn Tagen (im Fall von Zinsen) oder sieben Tagen (im Fall von Kapitalzahlungen) vom Fälligkeitstag von Zinsen oder Kapital hinsichtlich der Schuldverschreibungen; oder
 - (b) die Emittentin es unterlässt, eine Zusicherung, Bedingung oder Bestimmung, die seitens der Emittentin zu erfüllen oder einzuhalten ist, und die in den Schuldverschreibungen enthalten ist (andere als Verpflichtungen zur Zahlung des Kapitals oder von Zinsen im Hinblick auf die Schuldverschreibungen), zu erfüllen oder einzuhalten, wobei diese Leistungsstörung keiner Abhilfe zugänglich ist oder innerhalb von 45 Tagen nach Mitteilung über eine solche Leistungsstörung, die an die bezeichnete Geschäftsstelle des Fiskalagenten durch einen Gläubiger der Schuldverschreibung mitgeteilt wird, nicht saniert wird; oder
 - (c) andere Verschuldungen (wie unten definiert) der Emittentin oder einer Wesentlichen Tochtergesellschaft (i) bei Fälligkeit weder bezahlt noch innerhalb einer anwendbaren Nachfrist für eine solche Verschuldungen gezahlt wird, oder (ii) fällig und zahlbar gestellt wurde oder werden kann, vor der vorgesehenen Fälligkeit aufgrund einer Leistungsstörung durch die Emittentin, oder (iii) wenn sie auf Anfrage zahlbar ist, auf Abruf nicht gezahlt wird, oder (iv) eine Garantie oder Haftung, die von der Emittentin im Hinblick auf eine Verschuldung einer anderen Person eingeräumt wurde, nicht erfüllt wird, wenn sie fällig ist und abgerufen wird; oder
 - (d) die Sicherheit für eine andere Verschuldung der Emittentin vollstreckbar wird und die dazu berechtigten Gläubiger Schritte zur Vollstreckung derselben unternehmen; oder
 - (e) die Emittentin gerichtlich zahlungsunfähig oder insolvent befunden wird, oder ein Beschluss von einem zuständigen Gericht oder einer Verwaltungsbehörde im Hinblick auf, oder ein Beschluss durch die Emittentin gefasst werden soll, um die Geschäftsaufsicht über die Emittentin zu verhängen, oder wenn die Emittentin abgewickelt oder aufgelöst werden soll, außer für Zwecke der Sanierung, der Verschmelzung oder des Zusammenschlusses, bei welchen der nachfolgende Rechtsträger alle Verpflichtungen der Emittentin im Hinblick auf die Schuldverschreibungen übernimmt;
- dann:

- (i) im Fall von Nicht-Nachrangigen Schuldverschreibungen kann der Inhaber einer Schuldverschreibung durch schriftliche Mitteilung an die Emittentin bei der festgesetzten Geschäftsstelle eine solche Schuldverschreibung als fällig und zahlbar zum Vorzeitigen Rückzahlungsbetrag, zusammen mit aufgelaufenen Zinsen, erklären; und
- (ii) im Fall von Nachrangigen Schuldverschreibungen kann der Inhaber einer Schuldverschreibung durch schriftliche Mitteilung an die Emittentin an die festgesetzte Geschäftsstelle:

(x) in den in Unterabsatz (b) beschriebenen Fällen ein gerichtliches Verfahren gegen die Emittentin einleiten, von dem er meint, dass es geeignet ist, die Einhaltung und Beachtung der jeweiligen Zusicherung, Bedingung oder Bestimmung, die in den Schuldverschreibungen enthalten ist, durchzusetzen; oder

(y) in den in Unterabsätzen (a), (c), (d) oder (e) beschriebenen Fällen (außer wenn die Emittentin durch ein zuständiges österreichisches Gericht für zahlungsunfähig erklärt wird) die Finanzmarktaufsichtsbehörde vom Vorliegen eines solchen Ereignisses informieren und verlangen, dass die Finanzmarktaufsichtsbehörde beim zuständigen Gericht in Wien die Einleitung eines Konkursverfahrens gegen die Emittentin beantragt, vorbehaltlich der gesetzlichen Voraussetzung, dass ein solches Gericht erklärt, dass die Emittentin zahlungsunfähig geworden ist, und nur wenn eine solche Erklärung ergeht, werden die Schuldverschreibungen fällig und zahlbar wie im folgenden beschrieben; oder

(z) wenn ein Konkursverfahren bei einem solchen Gericht gegen die Emittentin eingeleitet wird (auf Antrag einer Person, die kein Gläubiger einer Schuldverschreibung ist, der nur in dieser Funktion agiert), einen Antrag an dieses Gericht stellen, mit welchem die Rückzahlung aller fälligen Kapitalbeträge gemäß den Schuldverschreibungen gemeinsam mit aufgelaufenen Zinsen und jedem zusätzlichen Betrag verlangt wird;

(iii) im Fall von Pfandbriefen, Kommunalschuldverschreibungen (Öffentliche Pfandbriefe) und Fundierten Bankschuldverschreibungen:

(w) der Inhaber einer solchen Schuldverschreibung kann in den in Unterabsatz (a) beschriebenen Fällen durch schriftliche Mitteilung an die Emittentin bei der festgesetzten Geschäftsstelle erklären, dass eine solche Schuldverschreibung zum Vorzeitigen Rückzahlungsbetrag, gemeinsam mit aufgelaufenen Zinsen fällig und zahlbar ist; und

(x) der Inhaber einer solchen Schuldverschreibung kann in den in Unterabsatz (b) beschriebenen Fällen ein gerichtliches Verfahren gegen die Emittentin einleiten, von dem er meint, dass es geeignet ist, die Einhaltung und Beachtung der Zusicherung, Bedingung oder Bestimmung, die in den Schuldverschreibungen enthalten ist, durchzusetzen; und

(y) in den in Unterabsätzen (c), (d) oder (e) beschriebenen Fällen (außer wenn die Emittentin durch ein zuständiges österreichisches Gericht für zahlungsunfähig erklärt wird) die Finanzmarktaufsichtsbehörde vom Vorliegen eines solchen Ereignisses informieren und verlangen, dass die Finanzmarktaufsichtsbehörde beim zuständigen Gericht in Wien die Einleitung eines Konkursverfahrens gegen die Emittentin beantragt, vorbehaltlich der gesetzlichen Voraussetzung, dass ein solches Gericht erklärt, dass die Emittentin zahlungsunfähig geworden ist, und nur wenn eine solche Erklärung ergeht, werden die Schuldverschreibungen fällig und zahlbar wie im folgenden beschrieben; und

(z) wenn ein Konkursverfahren gegen die Emittentin durch ein zuständiges österreichisches Gericht eröffnet wird, werden die Schuldverschreibungen, vorbehaltlich des folgenden Satzes, nicht fällig und zahlbar in dem Fall, dass der maßgebliche Deckungsstock an ein geeignetes Kreditinstitut übertragen wurde und der Inhaber einer Schuldverschreibung kann seinen Anspruch gemäß den Schuldverschreibungen in der Höhe des Ausfalls (oder des angenommenen Ausfalls, je nachdem) geltend machen, wie solche Ansprüche durch die Liquidationserlöse des maßgeblichen Deckungsstockes nicht gedeckt sind. In Fällen, in denen der maßgebliche Deckungsstock nicht an ein anderes Kreditinstitut in Übereinstimmung mit österreichischem Recht übertragen wird und vorausgesetzt, dass die im relevanten Register aufgeführten Vermögenswerte nicht ausreichen, um die Ansprüche aller Gläubiger der Schuldverschreibung zu befriedigen, wird der maßgebliche Deckungsstock für die Schuldverschreibungen auf Antrag des Verwalters des Deckungsstockes und nach Genehmigung durch das zuständige Konkursgericht liquidiert, und die Schuldverschreibungen gelten als fällig und zahlbar gemäss dem jeweils auf diese Arten von Schuldverschreibungen anwendbaren Rechts; und

(iv) in allen Fällen:

Wenn das zuständige österreichische Gericht die Emittentin für zahlungsunfähig erklärt, gelten alle fälligen Ansprüche der Gläubiger der Schuldverschreibung und/oder der Inhaber von Kuponscheinen und/oder der Inhaber von Ratenscheinen (außer Pfandbriefe, Kommunalschuldverschreibungen (Öffentliche Pfandbriefe) und Fundierte Bankschuldverschreibungen) an die Emittentin auf Kapital und/oder Zinsen und zusätzliche Beträge als fällig und zahlbar gemäß § 14 der österreichischen Konkursordnung 1914 in der geltenden Fassung, in jener Währung, die das gesetzliche Zahlungsmittel in Österreich an jenem Tag ist, an dem die Zahlungsunfähigkeit durch gerichtliche Mitteilung bekannt

gegeben wird, umgerechnet zu dem Wechselkurs, der an dem diesem Tag vorangehenden Tag für den Ankauf einer solchen Währung in Wien gilt, die in Österreich gesetzliches Zahlungsmittel für die fälligen Beträge ist.

Wenn ein Konkursverfahren gegen die Emittentin eingeleitet wird, tragen die Schuldverschreibungen (außer Pfandbriefen, Kommunalschuldverschreibungen (Öffentliche Pfandbriefe) und Fundierte Bankschuldverschreibungen) keine Zinsen mehr von jenem Tag an, an dem die gerichtliche Bekanntmachung über einen solchen Konkurs veröffentlicht wird, und alle nicht fälligen Kuponscheine werden daraufhin unwirksam und keine Zahlung erfolgt mehr im Hinblick auf sie.

Die Gläubiger der Schuldverschreibung, die Inhaber von Kuponscheinen und/oder die Inhaber von Ratenscheinen werden in einem Gerichtsverfahren oder in einem Konkursverfahren, welches in Österreich gegen die Emittentin eingeleitet wird, durch einen Kurator, der durch das Handelsgericht Wien bestellt wird und diesem verantwortlich ist gemäß dem Gesetz vom 24. April 1874, Reichsgesetzblatt Nr. 49, in der gültigen Fassung (Kuratorengesetz) vertreten, oder, im Fall von Pfandbriefen, Kommunalschuldverschreibungen (Öffentliche Pfandbriefe) gemäß der Einführungsverordnung zum Hypothekenbankengesetz und, im Fall von Fundierten Bankschuldverschreibungen, gemäß dem Gesetz über Fundierte Bankschuldverschreibungen, wonach die Rechte der Gläubiger der Schuldverschreibung, der Inhaber von Kuponscheinen und/oder der Inhaber von Ratenscheinen aufgrund des Mangels einer gemeinsamen Vertretung gefährdet sind, oder wenn die Rechte einer anderen Person dadurch verzögert würden, bestellt wird.

Für Zwecke dieser Bedingungen bedeutet:

„Kern-Tochtergesellschaft“ jede Tochtergesellschaft, die keine Haftungsverbund Tochtergesellschaft ist;

„Haftungsverbund Tochtergesellschaft“ jede Gesellschaft, die von der Emittentin kontrolliert wird und mit dieser ausschließlich aufgrund ihrer Mitgliedschaft im Haftungsverbund konsolidiert wird.

„Gruppe“ die Emittentin und ihre Tochtergesellschaften.

„Verschuldung“ die gegenwärtige oder zukünftige Verschuldung (unabhängig, ob sie Kapital, Prämien, Zinsen oder andere Beträge betrifft) für oder im Hinblick auf (i) Ausleihungen, (ii) Verbindlichkeiten unter oder im Hinblick auf einen Wechsel oder einen Wechselkredit, oder (iii) Schuldverschreibungen, Anleihen, Schuldscheine, Obligationen, Obligationsanleihen oder andere angebotene, ausgegebene oder vertriebene Wertpapiere, entweder im Wege eines öffentlichen Angebots, eines Private Placements, einer Erwerbsgegenleistung oder auf andere Weise und entweder für Geld, zur Gänze oder teilweise, oder eine nichtgeldwerte Gegenleistung, in jedem Fall in einen Gesamtnominalbetrag von mehr als US-Dollar 15 Millionen oder dem Gegenwert in anderen Währungen;

„Wesentliche Tochtergesellschaften“ zu jeder Zeit:

(i) jede Kern-Tochtergesellschaft der Emittentin, deren gesamte Vermögenswerte, Umsätze oder Cash Flows (konsolidiert im Fall einer Gesellschaft, welche selbst Tochtergesellschaften hat) nicht weniger als 7,5% der gesamten konsolidierten Vermögenswerte oder der konsolidierten Umsätze oder des konsolidierten Cash Flows der Gruppe als Ganzes genommen betragen, wobei alle durch Heranziehung der dann jüngsten Jahresabschlüsse (konsolidiert oder unkonsolidiert, je nachdem), dieser Kern-Tochtergesellschaft und des jüngsten Konzernabschlusses der Gruppe berechnet werden; oder

(ii) jede Kern-Tochtergesellschaft, an welche das gesamte Vermögen oder im wesentlichen das gesamte Vermögen und Unternehmen einer Kern-Tochtergesellschaft, welche unmittelbar vor einer solchen Übertragung eine Wesentliche Tochtergesellschaft ist, übertragen wird;

„Tochtergesellschaft“ zu jeder Zeit entweder:

(a) eine Gesellschaft, die, direkt oder indirekt, kontrolliert wird oder deren ausgegebenes Grundkapital (oder das Äquivalent) wirtschaftlich von der Emittentin und/oder einer oder mehrerer ihrer Tochtergesellschaften zu zumindest 50% gehalten wird. Dass eine Gesellschaft durch einen anderen „kontrolliert“ wird, bedeutet, dass der andere (entweder direkt oder indirekt und durch Eigentum von Grundkapital, den Besitz von Stimmrechten, Vertrag oder auf andere Weise) das Recht hat, die Mehrheit der Vorstandsmitglieder oder des Geschäftsführungsorgans dieser Gesellschaft zu besetzen und/oder zu entfernen oder sie auf andere Weise kontrolliert oder die Befugnis hat, die Geschäfte und die Politik dieser Gesellschaft zu kontrollieren; oder

(b) jede Gesellschaft, die als Tochtergesellschaft der Emittentin in Übereinstimmung mit International Financial Reporting Standards betrachtet wird.

Ein Bericht der Wirtschaftsprüfer (wie im Agency Agreement definiert) der Emittentin, dass nach ihrer Ansicht eine Einheit keine Tochtergesellschaft, Haftungsverbund Tochtergesellschaft oder Wesentliche

Konzerngesellschaft ist, oder nicht ist oder war, oder zu einer bestimmten Zeit nicht war, ist, soweit kein offensichtlicher Fehler vorliegt, endgültig und hat bindende Wirkung für alle Parteien.

11. Gläubigerversammlung, Änderungen und Verzichte

(a) Gläubigerversammlung

Dieser Absatz ist nur auf Internationale Schuldverschreibungen anwendbar, sofern nichts anderes in den Endgültigen Bedingungen festgesetzt wird. Das Agency Agreement enthält Bestimmungen für die Einberufung von Gläubigerversammlungen, um Angelegenheiten, die die Interessen der Gläubiger betreffen, zu erläutern einschließlich der Genehmigung durch eine Außerordentliche Beschlussfassung (wie im Agency Agreement definiert) einer Änderung dieser Bedingungen (außer für Nachrangige Schuldverschreibungen gemäß Bedingung 3(b)(ii), (iii) oder (iv), wonach die Nachrangigkeitsbestimmungen gemäß § 23 Abs 8 Z 2 Bankwesengesetz nicht geändert werden können) oder einer Bestimmung des Agency Agreements. Das Quorum für eine Versammlung, die einberufen worden ist, um einen anderen Beschluss als einen Außerordentlichen Beschluss zu diskutieren, soll eine Person oder mehrere Personen sein, die insgesamt nicht weniger als ein Zehntel des Nennbetrags der zu dieser Zeit ausstehenden Schuldverschreibungen halten oder vertreten, und das Quorum für eine Versammlung, um eine Außerordentliche Beschlussfassung zu erläutern, soll eine Person oder mehrere Personen sein, die eine klare Mehrheit des Nennbetrags der ausstehenden Schuldverschreibungen zur jeweiligen Zeit halten oder vertreten, oder bei einer vertagten Versammlung, eine oder mehrere Personen, die Gläubiger der Schuldverschreibung sind oder vertreten, unabhängig vom Nennbetrag der Schuldverschreibungen, die sie halten oder vertreten, außer die Tagesordnung einer solchen Versammlung beinhaltet Überlegungen für Vorschläge, unter anderem, (i) um die Fälligkeitsdaten oder Rückzahlungsdaten der Schuldverschreibungen, eines Teilzahlungstags oder eines Zinszahlungstages oder Zinsbeträge auf die Schuldverschreibungen zu ändern, (ii) um den Nennbetrag von Teilzahlungsbeträgen oder überhaupt Teilzahlungsbeträge oder Rückzahlungsprämien zu reduzieren oder zurückzuzahlen, (iii) um den Zinssatz oder die Zinssätze im Hinblick auf die Schuldverschreibungen zu reduzieren oder die Methode oder Basis zur Berechnung des Zinssatzes oder der Zinssätze oder den Zinsbetrag oder die Basis für die Berechnung von Zinsbeträgen im Hinblick auf die Schuldverschreibungen zu verändern, (iv) wenn ein Minimum- und/oder ein Maximum Zinssatz, Teilzahlungsbetrag oder Rückzahlungsbetrag in den Endgültigen Bedingungen bestimmt ist, ein solches Minimum oder Maximum zu reduzieren, (v) um eine Methode oder eine Basis für die Berechnung des Endgültigen Rückzahlungsbetrages, des Vorzeitigen Rückzahlungsbetrages oder des Optionalen Rückzahlungsbetrages (einschließlich der Methode zur Berechnung des Amortisationsnennbetrages) zu ändern (vi) die Währung oder die Währungen oder die Stückelung der Schuldverschreibungen zu ändern, oder (vii) die Bestimmungen betreffend die notwendigen Quoren einer Versammlung der Gläubiger von Schuldverschreibungen oder die notwendigen Mehrheiten, um eine Außerordentliche Beschlussfassung durchzuführen, zu ändern, in welchem Fall die notwendige Mehrheit eine oder mehrere Personen umfassen muss, die nicht weniger als zwei Drittel des Nennbetrages der zu dieser Zeit ausstehenden Schuldverschreibungen halten oder vertreten, oder im Fall einer vertagten Versammlung nicht weniger als ein Drittel des Nennbetrags der zu diesem Zeitpunkt ausstehenden Schuldverschreibungen halten oder vertreten. Ein ordnungsgemäß gefasster Beschluss hat bindende Wirkung für die Gläubiger von Schuldverschreibungen (unabhängig davon, ob sie bei der Versammlung, bei welcher ein solcher Beschluss gefasst wurde, anwesend waren) und für alle Inhaber von Kuponscheinen. Der Ausdruck „Außerordentlicher Beschluss“ bedeutet einen Beschluss, der bei einer ordnungsgemäß einberufenen Versammlung der Gläubiger der Schuldverschreibung durch eine Mehrheit gefasst wurde, die nicht weniger als drei Viertel der abgegebenen Stimmen umfasst.

Alle anderen Beschlüsse, die bei einer ordnungsgemäß einberufenen Versammlung der Gläubiger der Schuldverschreibung gefasst werden, werden mit klarer Mehrheit der abgegebenen Stimmen gefasst.

Diese Bedingungen können im Hinblick auf eine Serie von Schuldverschreibungen durch die Bestimmungen der maßgeblichen Endgültigen Bedingungen im Hinblick auf eine solche Serie geändert, abgeändert oder variiert werden.

(b) Änderung des Agency Agreements

Die Emittentin wird nur solche Änderungen oder Verzichte oder Genehmigungen von Verletzungen oder vorgeschlagenen Verletzungen sowie das Versagen der Einhaltung des Agency Agreements erlauben, wenn vernünftigerweise nicht erwartet werden kann, dass dies nachteilig für die Interessen der Gläubiger der Schuldverschreibung ist.

Das Agency Agreement kann durch die Emittentin und durch den Fiskalagenten ohne Zustimmung der Registerstelle oder einer Zahlstelle, Übertragungsstelle, Austauschstelle, Berechnungsstelle oder eines Inhabers zum Zweck der Klarstellung einer Mehrdeutigkeit, der Korrektur oder Ergänzung einer fehlerhaften darin enthaltenen Bestimmung oder in einer Weise geändert werden, welche die Emittentin und der Fiskalagent gemeinsam für notwendig oder wünschenswert halten und welche die Interessen der Inhaber nicht nachteilig berührt.

12. Austausch von Schuldverschreibungen, Zertifikaten, Ratenscheinen, Kuponscheinen und Talonscheinen

Wenn eine Schuldverschreibung, Zertifikat, Ratenschein, Kuponschein oder Talonschein verloren, gestohlen, verstümmelt, entstellt oder zerstört wird, kann sie ersetzt werden, vorbehaltlich der anwendbaren Gesetze, Vorschriften und Regeln von Börsen und anderen zuständigen Behörden, bei der festgesetzten Geschäftsstelle des Fiskalagenten (im Fall von Inhaberschuldverschreibungen, Ratenscheinen, Kuponscheine oder Talons) und bei der Registerstelle (im Fall von Zertifikaten) oder einer solchen anderen Zahlstelle oder Übertragungsstelle, je nachdem, die von der Emittentin zu diesem Zweck festgelegt wird, und wenn eine Verständigung über diese Festlegung an die Gläubiger der Schuldverschreibung vorgenommen wird, in jedem Fall bei Zahlung von Kosten und Gebühren durch den Anspruchsteller, die im Zusammenhang damit und auf der Grundlage solcher Bestimmungen als Nachweis, Sicherheit und Schadloshaltung entstanden sind, (welche beinhalten können, unter anderem, dass wenn die angeblich verlorene, gestohlene oder zerstörte Schuldverschreibung, Zertifikat, Ratenschein, Kuponschein oder Talonscheine in der Folge zur Zahlung vorgelegt wird, oder, je nachdem, zum Austausch für weitere Kuponscheine vorgelegt wird, dass der Emittentin auf Anforderung der zahlbare Betrag an die Emittentin im Hinblick auf solche Schuldverschreibungen, Zertifikate, Ratenscheine, Kuponscheine und weitere Kuponscheine bezahlt wird) und auf andere Weise, die die Emittentin vernünftigerweise bestimmen kann. Verstümmelte und entstellte Schuldverschreibungen und Zertifikate, Ratenscheine, Kuponscheine oder Talonscheine müssen übergeben werden, bevor ein Ersatz dafür ausgestellt wird.

13. Weitere Emissionen

Die Emittentin kann von Zeit zu Zeit ohne Zustimmung der Gläubiger der Schuldverschreibung oder Inhaber von Kuponscheinen weitere Wertpapiere schaffen und ausgeben, die entweder dieselben Ausgabebedingungen wie die Schuldverschreibungen in aller Hinsicht haben (ausgenommen betreffend die erste Zahlung von Zinsen auf sie), so dass diese weitere Emission konsolidiert wird und eine einzelne Serie mit den ausstehenden Wertpapieren einer Serie (einschließlich der Schuldverschreibungen) darstellt, oder auf der Grundlage solcher Bedingungen, die die Emittentin zur Zeit der Ausgabe festsetzen kann. Verweise in diesen Bedingungen auf die Schuldverschreibungen beinhalten (sofern der Zusammenhang nichts Anderes verlangt) alle anderen Wertpapiere, die gemäß dieser Bestimmung ausgegeben werden und stellen eine einheitliche Serie von Schuldverschreibungen dar.

14. Verständigungen

Verständigungen an die Inhaber von Namensschuldverschreibungen werden diesen an ihre jeweilige Adresse in dem Register zugesandt (oder im Fall von Miteigentum an den erstgenannten) und gelten als am vierten Werktag nach dem Tag der Postaufgabe zugestellt (welcher ein anderer Tag außer Samstag und Sonntag ist) und werden solange die Schuldverschreibungen an der Wiener Börse gelistet sind entweder in einer Tageszeitung mit einer allgemeinen Verbreitung in Österreich (voraussichtlich das Amtsblatt zur Wiener Zeitung) oder auf der Internet-Homepage der Emittentin (voraussichtlich <http://treasury.erstebank.com/>) veröffentlicht. Verständigungen an die Inhaber von Inhaberschuldverschreibungen werden, solange die Schuldverschreibungen an der Wiener Börse gelistet sind, in einer Tageszeitung mit allgemeiner Verbreitung in Österreich (voraussichtlich das Amtsblatt zur Wiener Zeitung) veröffentlicht, wenn das österreichische Börsengesetz fordert, dass sie in einer Tageszeitung veröffentlicht werden, oder im Internet auf der Homepage der Emittentin (voraussichtlich <http://treasury.erstebank.com/>). Wenn eine solche Veröffentlichung nicht praktikabel ist, ist die Veröffentlichung ordnungsgemäß und gültig, wenn sie in einer führenden englischsprachigen Tageszeitung mit allgemeiner Verbreitung in Europa erfolgt. Die Emittentin hat sicherzustellen, dass Verständigungen ordnungsgemäß veröffentlicht werden in einer Weise, welche den Regeln und Vorschriften einer Börse entsprechen, an der die Schuldverschreibungen zur jeweiligen Zeit gelistet sind. Eine Verständigung gilt am Tag der Veröffentlichung als erfolgt, oder, wenn die Veröffentlichung

mehr als einmal oder an verschiedenen Daten erfolgt, am Datum der ersten Veröffentlichung wie oben vorgesehen.

Für Inhaber von Kuponscheinen und Ratenscheinen wird angenommen, dass sie für alle Zwecke Kenntnis von den Inhalten einer Veröffentlichung, die an die Inhaber von Inhaberschuldverschreibungen im Einklang mit diesen Bedingungen gegeben wurde, haben.

15. Anwendbares Recht, Gerichtsstand und Zustellungen

(a) Englisches Recht

Sofern englisches Recht in den endgültigen Bedingungen bestimmt ist:

(i) Anwendbares Recht

Die Schuldverschreibungen, die Ratenscheine, die Kuponscheine und die Talonscheine unterliegen englischem Recht und sollen in Übereinstimmung mit englischem Recht ausgelegt werden, mit der Ausnahme, dass die Nachrangigkeitsbestimmungen der Bedingung 3(b) österreichischem Recht unterliegen und in Übereinstimmung mit österreichischem Recht ausgelegt werden.

(ii) Gerichtsstand

Die Gerichte von England sind zuständig für alle Streitigkeiten, die aus oder im Zusammenhang mit Schuldverschreibungen, Ratenscheinen, Kuponscheinen oder Talonscheinen entspringen und entsprechend können rechtliche Maßnahmen oder Verfahren daraus oder im Zusammenhang mit Schuldverschreibungen, Ratenscheinen, Kuponscheinen oder Talonscheinen („Verfahren“) vor solche Gerichte gebracht werden. Die Emittentin unterwirft sich unwiderruflich der Zuständigkeit der Gerichte von England und verzichtet auf Einspruch in Verfahren bei solchen Gerichten auf Basis des Gerichtsortes oder auf der Basis, dass das Verfahren vor ein nicht passendes Gericht gebracht wurde. Diese Unterwerfung erfolgt zum Vorteil von jedem Inhaber von Schuldverschreibungen, Ratenscheinen, Kuponscheinen und Talonscheinen und berührt nicht dessen Recht, Verfahren in einer oder mehreren Rechtsordnungen zu führen oder schließt die Führung von Verfahren in einer anderen Rechtsordnung (unabhängig davon ob gleichzeitig oder nicht) nicht aus.

(iii) Zustellungen

Die Emittentin bestellt unwiderruflich ihre Londoner Niederlassung als Zustellungsbevollmächtigte in England für sich selber und in ihrem Namen in einem Verfahren in England. Die Zustellung soll mit der Übergabe an diese Zustellungsbevollmächtigte (unabhängig davon, ob es weitergeleitet und von der Emittentin erhalten wird) als erfolgt gelten. Wenn, aus welchem Grund auch immer, ein solcher Zustellungsbevollmächtigter nicht mehr in der Lage ist, als solcher zu agieren oder nicht länger eine Adresse in London hat, stimmt die Emittentin unwiderruflich zu, einen Ersatz zu bestellen und die Inhaber der Schuldverschreibungen unverzüglich von einer solchen Bestellung gemäß den Bestimmungen in Bedingung 14 zu informieren. Das Recht, die Zustellung in der durch Gesetz zugelassenen Weise vorzunehmen, wird in keiner Weise beschränkt.

(b) Österreichisches Recht

Für Pfandbriefe, Kommunalschuldverschreibungen (Öffentliche Pfandbriefe) oder Fundierte Bankschuldverschreibungen und wenn österreichisches Recht in den Endgültigen Bedingungen bestimmt ist:

(i) Anwendbares Recht

Die Schuldverschreibungen, die Ratenscheine, die Kuponscheine und die Talonscheine unterliegen österreichischem Recht und sollen in Übereinstimmung mit österreichischem Recht ausgelegt werden.

(ii) Gerichtsstand

Die zuständigen österreichischen Gerichte sind ausschließlich zuständig für Streitigkeiten, die aus oder im Zusammenhang mit Schuldverschreibungen, Ratenscheinen, Kuponscheinen oder Talons entstehen, soweit dies nach den anwendbaren zwingenden Konsumentenschutzgesetzen zulässig ist.

(c) Unwirksamkeit etc.

Sollten zu irgendeinem Zeitpunkt eine oder mehrere der Bestimmungen der Ratenscheine, der Schuldverschreibungen, der Kuponscheine und der Talonscheine unwirksam, unrechtmäßig oder undurchsetzbar gemäß dem Recht eines Staates sein oder werden, dann soll eine solche Bestimmung im Hinblick auf eine solche Jurisdiktion unwirksam im notwendigen Ausmaß sein, ohne die Gültigkeit, Rechtmäßigkeit und Durchsetzbarkeit der verbleibenden Bestimmungen zu berühren oder zu

verhindern. Die ungültige oder undurchsetzbare Bestimmung soll durch eine solche gültige, rechtmäßige oder durchsetzbare Bestimmung ersetzt werden, die so nahe wie möglich dem ursprünglichen Willen der Parteien und der ungültigen, unrechtmäßigen oder undurchsetzbaren Bestimmung entspricht.

16. Sprache

Für den Fall, dass die englische Sprache in den endgültigen Bedingungen als bindende Sprache bestimmt ist, soll die englische Version dieser Bedingungen alleine verbindlich sein und, wenn es in den endgültigen Bedingungen bestimmt ist, soll die deutschsprachige Version eine Übersetzung zum Zweck der Benutzerfreundlichkeit darstellen.

Für den Fall, dass die deutsche Sprache in den endgültigen Bedingungen als bindende Sprache bestimmt ist, ist die deutsche Fassung der Bedingungen alleine bindend und, wenn es in den endgültigen Bedingungen bestimmt ist, ist die englischsprachige Version eine Übersetzung zum Zweck der Benutzerfreundlichkeit.

Use of Proceeds

The net proceeds from the issue of any Notes will be used by the Issuer for its general funding purposes.

Summary of Provisions Relating to the Notes while in Global Form

Initial Issue of International Notes

Upon the initial deposit of a Global Note representing International Notes with a common depository for Euroclear or Clearstream, Luxembourg (the "Common Depository") or registration of Registered International Notes in the name of any nominee for Euroclear and Clearstream, Luxembourg and delivery of the relevant Global Certificate to the Common Depository, Euroclear or Clearstream, Luxembourg will credit each subscriber with a principal amount of Notes equal to the principal amount thereof for which it has subscribed and paid.

Notes representing International Notes that are initially deposited with the Common Depository for Euroclear or Clearstream, Luxembourg may (if indicated in the relevant Final Terms) also be credited to the accounts of subscribers with other clearing systems (if indicated in the relevant Final Terms) through direct or indirect accounts with Euroclear and Clearstream, Luxembourg held by such other clearing systems. Conversely, Notes representing International Notes that are initially deposited with any other clearing system may similarly be credited to the accounts of subscribers with Euroclear, Clearstream, Luxembourg or other clearing systems.

Initial Issue of Domestic Notes

Upon the initial deposit of a Global Note representing Domestic Notes with OeKB or a depository for OeKB or registration of Registered Domestic Notes in the name of any nominee for OeKB and delivery of the relevant Global Certificate to the depository, OeKB or the respective control securities depository will credit each subscriber with a principal amount of Notes equal to the principal amount thereof for which it has subscribed and paid.

Notes representing Domestic Notes that are initially deposited with the depository for OeKB may (if indicated in the relevant Final Terms) also be credited to the accounts of subscribers with the Issuer or with other clearing systems (if indicated in the relevant Final Terms) through direct or indirect accounts with OeKB held by such other clearing systems. Conversely, Notes that are initially deposited with any other clearing system may similarly be credited to the accounts of subscribers with OeKB or other clearing systems.

Global Notes and Global Certificates representing Domestic Notes may also be deposited with, or on behalf of, the Issuer.

Relationship of Accountholders with Clearing Systems

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg, OeKB or any other clearing system as the holder of a Note represented by a Global Note or a Global Certificate must look solely to Euroclear, Clearstream, Luxembourg, OeKB or such clearing system (as the case may be) for its share of each payment made by the Issuer to the bearer of such Global Note or the holder of the Global Certificate, as the case may be, and in relation to all other rights arising under the Global Notes or Global Certificate, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, Luxembourg, OeKB or such clearing system (as the case may be). Such persons shall have no claim directly against the Issuer in respect of payments due on the Notes for so long as the Notes are represented by such Global Note or Global Certificate and such obligations of the Issuer will be discharged by payment to the bearer of such Global Note or the holder of the Global Certificate, as the case may be, in respect of each amount so paid.

The following discussion applies only to Notes which are governed by English law.

Exchange

1. Temporary Global Notes

Each temporary Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date:

(a) if Part A of the relevant Final Terms indicates that such Global Note is issued in compliance with the C Rules or in a transaction to which TEFRA is not applicable (see "Overview of the Programme – Selling Restrictions"), in whole, but not in part, for the Definitive Notes defined and described below and

(b) otherwise, in whole or in part upon certification as to non-US beneficial ownership in the form set out in the Agency Agreement, for interests in a permanent Global Note or, if so provided in the relevant Final Terms, for Definitive Notes.

Each temporary Global Note that is also an Exchangeable Bearer Note will be exchangeable for Registered Notes in accordance with the Conditions in addition to any permanent Global Note or Definitive Notes for which it may be exchangeable and, before its Exchange Date, will also be exchangeable in whole or in part for Registered Notes only.

2. Permanent Global Notes

Each permanent Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date in whole but not, except as provided under "Partial Exchange of Permanent Global Notes", in part for Definitive Notes or, in the case of 2(C) below, Registered Notes:

- (a) unless principal in respect of any Notes is not paid when due, by the Issuer giving notice to the Noteholders and the Fiscal Agent of its intention to effect such exchange or
- (b) if Part A of the relevant Final Terms provides that such Global Note is exchangeable at the request of the holder, by the holder giving notice to the Fiscal Agent of its election for such exchange or
- (c) if the permanent Global Note is an Exchangeable Bearer Note, by the holder giving notice to the Fiscal Agent of its election to exchange the whole or a part of such Global Note for Registered Notes or
- (d) otherwise, (1) if the permanent Global Note is held on behalf of Euroclear or Clearstream, Luxembourg or any other clearing system (an "Alternative Clearing System") and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or in fact does so or (2) if principal in respect of any Notes is not paid when due, by the holder giving notice to the Fiscal Agent of its election for such exchange.

3. Global Certificates

If the Final Terms state that the Notes are to be represented by a Global Certificate on issue, transfers of the holding of Registered Notes represented by any Global Certificate pursuant to Condition 2(B) may only be made in part:

- (a) if the Registered Notes represented by the Global Certificate are held on behalf of Euroclear, or Clearstream, Luxembourg or an alternative clearing system and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so or
- (b) if principal in respect of any Registered Notes is not paid when due or
- (c) with the consent of the Issuer

provided that, in the case of the first transfer of part of a holding pursuant to 3(A) or 3(B) above, the holder of the Global Certificate has given the Registrar not less than 30 days' notice at its specified office of the intention of the holder of the Global Certificate to effect such transfer.

4. Partial Exchange of Permanent Global Notes

For so long as a permanent Global Note is held on behalf of a clearing system and the rules of that clearing system so permit, such permanent Global Note will be exchangeable at the cost of the Issuer in part on one or more occasions (1) for Registered Notes if the permanent Global Note is an Exchangeable Bearer Note and the part submitted for exchange is to be exchanged for Registered Notes, or (2) for Definitive Notes (i) if principal in respect of any Notes is not paid when due or (ii) if so provided in, and in accordance with, the Conditions (which will be set out in the relevant Final Terms) relating to Partly-paid Notes.

5. Delivery of Notes

On or after any due date for exchange, the holder of a Global Note may surrender such Global Note or, in the case of a partial exchange, present it for endorsement to or to the order of the Fiscal Agent. In exchange for any Global Note, or the part thereof to be exchanged, the Issuer will (i) in the case of a temporary Global Note exchangeable for a permanent Global Note, deliver, or procure the delivery of, a permanent Global Note in an aggregate principal amount equal to that of the whole or that part of a temporary Global Note that is being exchanged or, in the case of a subsequent exchange, endorse, or procure the endorsement of, a permanent Global Note to reflect such exchange or (ii) in the case of a Global Note or Global Certificate exchangeable for Definitive Notes or Registered Notes, deliver, or procure the delivery of, an equal aggregate principal amount of duly executed and authenticated Definitive Notes and/or Certificates, as the case may be. In this

Prospectus, “Definitive Notes” means, in relation to any Global Note, the definitive Bearer Notes for which such Global Note may be exchanged (if appropriate, having attached to them all Coupons and Receipts in respect of interest or Instalment Amounts that have not already been paid on the Global Note and a Talon). Definitive Notes will be security printed and Certificates will be printed in accordance with any applicable legal and stock exchange requirements in or substantially in the form set out in the Schedules to the Agency Agreement. On exchange in full of each permanent Global Note, the Issuer will, if the holder so requests, procure that it is cancelled and returned to the holder together with the relevant Definitive Notes.

6. Exchange Date

“Exchange Date” means, in relation to a temporary Global Note, the day falling after the expiry of 40 days after its issue date and, in relation to a permanent Global Note, a day falling not less than 60 days, or in the case of an exchange for Registered Notes five days, or in the case of failure to pay principal in respect of any Notes when due 30 days, after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Fiscal Agent is located and in the city in which the relevant clearing system is located.

Amendment to Conditions

The temporary Global Notes, the permanent Global Notes and the Global Certificates contain provisions that apply to the Notes that they represent, some of which modify the effect of the terms and conditions of the Notes set out in this Prospectus. The following is a summary of certain of those provisions:

1. Payments

No payment falling due after the Exchange Date will be made on any temporary Global Note unless exchange for an interest in a permanent Global Note or for Definitive Notes or Registered Notes is improperly withheld or refused. Payments on any temporary Global Note issued in compliance with the D Rules before the Exchange Date will only be made against presentation of certification as to non-US beneficial ownership in the form set out in the Agency Agreement. All payments in respect of Notes represented by a Global Note will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Notes, surrender of that Global Note to or to the order of the Fiscal Agent or such other Paying Agent as shall have been notified to the Noteholders for such purpose. A record of each payment so made will be endorsed on each Global Note, which endorsement will be *prima facie* evidence that such payment has been made in respect of the Notes. Condition 8(d) will apply to the Definitive Notes only. Global Notes will not bear interest coupons.

2. Prescription

Claims against the Issuer in respect of Notes that are represented by a permanent Global Note or a Global Certificate will become void unless it is presented for payment within a period of five years (in the case of both principal and interest) from the appropriate Relevant Date (as defined in “Terms and Conditions of the Notes – Taxation”).

3. Meetings

The holder of a permanent Global Note or of the Registered Notes represented by a Global Certificate shall (unless such permanent Global Note or Global Certificate represents only one Note) be treated as being two persons for the purposes of any quorum requirements of a meeting of Noteholders and, at any such meeting, the holder of a permanent Global Note shall be treated as having one vote in respect of the minimum Specified Denomination of Notes for which such Global Note may be exchanged. All holders of Registered Notes are entitled to one vote in respect of each Note comprising such Noteholder’s holding, whether or not represented by a Global Certificate.

4. Cancellation

Cancellation of any Note represented by a permanent Global Note that is required by the Conditions to be cancelled (other than upon its redemption) will be effected by reduction in the principal amount of the relevant permanent Global Note.

5. Purchase

Notes represented by a permanent Global Note may only be purchased by the Issuer or any of its Subsidiaries (as defined in the Terms and Conditions of the Notes) if they are purchased together with

the rights to receive all future payments of interest and Instalment Amounts (if any) set out in Part A of the relevant Final Terms.

6. Issuer's Option

Any option of the Issuer provided for in the Conditions of any Notes while such Notes are represented by a Global Note or Global Certificate shall be exercised by the Issuer giving notice to the Noteholders within the time limits set out in and containing the information required by the Conditions, except that the notice shall not be required to contain the certificate numbers of Notes drawn in the case of a partial exercise of an option and accordingly no drawing of Notes shall be required. In the event that any option of the Issuer is exercised in respect of some but not all of the Notes of any Series, the rights of accountholders with a clearing system in respect of the Notes will be governed by the standard procedures of Euroclear, Clearstream, Luxembourg, or the relevant Alternative Clearing System (as the case may be).

7. Noteholders' Options

Any option of the Noteholders provided for in the Conditions of any Notes while such Notes are represented by a Global Note or Global Certificate may be exercised by the holder of the Global Note or Global Certificate giving notice to the Fiscal Agent within the time limits relating to the deposit of Notes with a Paying Agent, except that the notice shall not be required to contain the certificate numbers of the Notes in respect of which the option has been exercised, and stating the principal amount of Notes in respect of which the option is exercised and at the same time presenting the Global Note or Global Certificate to the Fiscal Agent, or to a Paying Agent acting on behalf of the Fiscal Agent for notation.

8. Events of Default

Each Global Note provides that the holder may cause such Global Note, or a portion of it, to become due and repayable in the circumstances described in Condition 10 by stating in the notice to the Issuer the nominal amount of such Global Note that is becoming due and repayable. If principal in respect of any Note is not paid when due, the holder of a Global Note or Registered Notes represented by a Global Certificate may elect for direct enforcement rights against the Issuer under the terms of a Deed of Covenant executed by the Issuer and the Fiscal Agent on 9th November 2005 to come into effect in relation to the whole or any part of such Global Note or one or more Registered Notes in favour of the persons entitled to such part of such Global Certificate, as the case may be, as accountholders with a clearing system. Following any such acquisition of direct rights, the Global Note or, as the case may be, the Global Certificate and the corresponding entry in the register kept by the Registrar will become void as to the specified portion of Registered Notes, as the case may be. However, no such election may be made in respect of Notes represented by a Global Certificate unless the transfer of the whole or a part of the holding of Notes represented by that Global Certificate shall have been improperly withheld or refused.

9. Notices

So long as any Notes are represented by a Global Note or a Global Certificate and such Global Note or Global Certificate is held on behalf of Euroclear or Clearstream Luxembourg, notices to the holders of Notes of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Conditions or by delivery of the relevant notice to the holder of the Global Note or Global Certificate, provided that whilst the Austrian Stock Exchange Act requires, notices as to early redemption shall be published in a daily newspaper with general circulation in Austria (which is expected to be the *Amtsblatt zur Wiener Zeitung*).

10. Partly-paid Notes

The provisions relating to partly-paid Notes are not set out in this Prospectus but will be contained in the relevant Final Terms and thereby in the Global Notes and/or Global Certificates. While any instalments of the subscription moneys due from the holder of partly-paid Notes are overdue, no interest in a Global Note or Global Certificate representing such Notes may be exchanged for an interest in a permanent Global Note, for Definitive Notes (as the case may be) or Certificates. If any Noteholder fails to pay any instalment due on any partly-paid Notes within the time specified, the Issuer may forfeit such Notes and shall have no further obligation to their holder in respect of them.

The following discussion applies only to Notes which are governed by Austrian law:

Exchange

1. Temporary Global Notes

As regards the exchange of temporary Global Notes governed by Austrian law, the same description as for English law governed Global Notes applies (see above "Exchange – Temporary Global Notes"), save that no exchange for Definitive Notes shall be made.

2. Permanent Global Notes and Global Certificates

Permanent Global Notes and Global Certificates are not exchangeable for Definitive Notes or Registered Notes.

Amendment to Conditions

1. Payments

No payment falling due after the Exchange Date will be made on any temporary Global Note unless exchange for an interest in a permanent Global Note or Registered Notes is improperly withheld or refused. Payments on any temporary Global Note issued in compliance with the D Rules before the Exchange Date will only be made against presentation of certification as to non-US beneficial ownership in the form set out in the Agency Agreement. All payments in respect of Notes represented by a Global Note will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Notes, surrender of that Global Note to or to the order of the Fiscal Agent or such other Paying Agent as shall have been notified to the Noteholders for such purpose. A record of each payment so made will be endorsed on each Global Note. Global Notes will not bear interest coupons.

2. Partly-paid Notes

The provisions relating to partly-paid Notes are not set out in this Prospectus but will be contained in the relevant Final Terms and thereby in the Global Notes and/or Global Certificates. While any instalments of the subscription moneys due from the holder of partly-paid Notes are overdue, no interest in a Global Note or Global Certificate representing such Notes may be exchanged for an interest in a permanent Global Note, for Definitive Notes (as the case may be) or Certificates. If any Noteholder fails to pay any instalment due on any partly-paid Note within the time specified, the Issuer may forfeit such Note and shall have no further obligation to its holder in respect of it.

Erste Bank der oesterreichischen Sparkassen AG

Introduction

Erste Bank is registered as a stock corporation (*Aktiengesellschaft*) in the Austrian Companies Register (*Firmenbuch*) at Vienna Commercial Court (*Handelsgericht Wien*) and has the registration number 33209 m. The registered office of Erste Bank der oesterreichischen Sparkassen AG is Graben 21, 1010 Vienna, Austria and its telephone number is +4350100-0.

Erste Bank was established under Austrian law and registered as an *Aktiengesellschaft* (joint-stock company) under the *Aktiengesetz* 1965 as amended (Stock Corporation Act). DIE ERSTE österreichische Spar-Casse Bank *Aktiengesellschaft* ("Die Erste") changed its name to "Erste Bank der oesterreichischen Sparkassen AG" on 4th October 1997, following the merger (the "Merger") of GiroCredit Bank *Aktiengesellschaft* der Sparkassen ("GiroCredit"), the third largest Austrian bank, with Die Erste, the fifth largest Austrian banking group, thus creating the second largest banking group in Austria. Die Erste was established in 1819 as a *Vereinssparkasse* (association savings bank) and, as the name suggests, was the first savings bank in Austria ("erste" means "first" in German). GiroCredit traces its history to 1937, when it was established by the savings bank sector to serve as their central institution and as a clearing bank for payments between savings banks.

The Merger was effected pursuant to a merger agreement dated 27th June 1997 and was approved by the shareholders of both GiroCredit and Die Erste at extraordinary general meetings held on 21st August 1997. The Merger was formally completed when it was entered into the Companies Register kept at the Commercial Court, Vienna on 4th October 1997.

Background

Erste Bank is a leading retail bank in Central Europe. As a leading bank in the Austrian savings bank sector, Erste Bank, together with other Austrian savings banks, has a strong presence in its extended home market, which covers Austria and adjacent Central Europe, where it serves more than 12 million customers. In addition to its geographic focus, Erste Bank's strengths lie above all in the quality of its products and services and the commitment of its employees.

In terms of total assets, the Group is the largest banking group in Austria with assets of EUR 139.7 billion at 31st December 2004. The Group carries on a full range of banking and financial services, including deposit taking, lending, mortgage lending, investment banking, securities trading and derivatives business (on its own account and for its customers), portfolio management, project finance, international trade finance, corporate finance, capital and money market services, foreign exchange, leasing, factoring and bank assurance.

The Group consists of Erste Bank, together with its majority owned financial and non-financial subsidiaries and participations, including Česká spořitelna, a.s. (in the Czech Republic), Slovenská sporiteľňa, a.s. (in the Slovak Republic), Salzburger Sparkasse Bank AG ("Salzburger Sparkasse"), Tiroler Sparkasse Bankaktiengesellschaft Innsbruck ("Tiroler Sparkasse"), ERSTE Bank Hungary Rt. ("Erste Bank Hungary"), Erste & Steiermärkische Bank d.d. (in Croatia), Novosadska banka d.d. (in Serbia), ERSTE-SPARINVEST Kapitalanlagegesellschaft m.b.H. ("Erste SparInvest"), Bausparkasse der österreichischen Sparkassen Aktiengesellschaft ("S-Bausparkasse"), Sparkassen Versicherung AG, EBV-Leasing Gesellschaft mbH & Co KG ("EBV-Leasing"), IMMORENT AG ("IMMORENT"), S-Wohnbaubank AG ("S-Wohnbaubank") and others. As of 1st January 2002, the term "Group" includes the savings banks consolidated by the Group under the *Haftungsverbund* agreement.

Comprising some 2,260 branches, the Group employed approximately 35,860 people worldwide as of 31st December 2004 and is represented in many countries, with a particular focus on its extended home market in Central Europe, and operates in the major financial centres of the world, such as New York, London and Hong Kong.

On 21st January 2002, the Managing Board of Erste Bank (the "Managing Board") passed a resolution authorising a conditional capital increase in the nominal amount of EUR 18,168,208.54, approved by the Supervisory Board of Erste Bank (the "Supervisory Board") on 30th January 2002, by issuing 2,500,000 shares against cash contributions and by excluding the subscription rights of the current shareholders of Erste Bank in order to satisfy share options granted to employees, senior employees and members of the Managing Board of Erste Bank or the Group.

The AGM of Erste Bank held on 4th May 2004 approved a four-for-one stock split (which became effective on 8th July 2004) and a capital increase, which resulted in the accounting par value of the resulting shares being a round number. This increase was funded from reserves and raised Erste

Bank's called up share capital from EUR 435,628,641.82 to EUR 479,550,464 with a corresponding decrease in capital reserves. As no new shares were issued in this capital increase, there was no dilution to the value of existing holdings.

The Managing Board, therefore, was further authorised to effect a conditional capital increase with the consent of the Supervisory Board by issuing up to 6,848,928 shares with an issue price of at least EUR 8 per share against cash contributions and by excluding the subscription rights of the current shareholders of Erste Bank. As a result of the capital increase, the amount of Erste Bank's share capital represented by each share rose from EUR 7.27 to EUR 8.00. This permitted a four-for-one stock split, with each resulting share representing EUR 2 of the share capital of Erste Bank.

Under the Employee Stock Ownership Programme ("ESOP") in May 2005 a total of 332,640 shares were subscribed for. During the window of exercise in April 2005, a total of 352,017 share options of the Management Stock Option Plan 2002 ("MSOP") were exercised. Due to the adjusted exchange ratio following the stock split in 2004, 1,408,068 shares were acquired. Thus, under the ESOP 2005 and MSOP 2002, a total of 1,740,708 shares representing share capital amounting to EUR 3,481,416 were subscribed as a result of such capital increase. The capital increase became effective upon the issue of the shares, and the registration of the increased share capital in the Companies Register took place in July 2005.

As of 31st July 2005, Erste Bank's issued capital stood at EUR 486,367,200 (divided into 243,183,600 ordinary shares).

Erste Bank's major shareholder, Die Erste österreichische Spar-Casse Privatstiftung, a private foundation since 19th December 2003, held 32.2 per cent. of the voting stock of Erste Bank as of 30th June 2005. Before its transformation into a private foundation, Die Erste österreichische Spar-Casse Anteilsverwaltungssparkasse was a special form of savings bank holding company (*Anteilsverwaltungssparkasse*) which held 100 per cent. of the voting stock of Die Erste prior to the Merger. This transformation did not result in a change in the shareholding of Die Erste österreichische Spar-Casse Privatstiftung in Erste Bank. As at 30th September 2005, Austria Versicherungsverein auf Gegenseitigkeit ("*Austria Verein*") held 6.0 per cent. of the voting stock of Erste Bank and the balance held by the public was 61.8 per cent. (of which all Savings Banks together held 7.1 per cent. as of 30th September 2005).

Erste Bank's shares are listed and officially traded (*amtlicher Handel*) on the Vienna Stock Exchange and on the Prague Stock Exchange.

Business Overview

Strategy

Erste Bank has the following core strategies: (i) focusing on and exploiting core business potentials in Austria, (ii) building a strong retail franchise with the Austrian savings banks, (iii) targeting a home market of 40 million people in Central Europe, and (iv) transferring the multi-channel distribution model throughout Central Europe.

Relationship with Austrian Savings Banks

The Austrian savings banks sector comprises all savings banks in Austria including Bank Austria Creditanstalt AG ("*Bank Austria*"). In October 2004 Bank Austria, legally organised as a savings bank, left the privately organised Sparkassenverband which represents all savings banks, including in collective bargaining. Consequently, Bank Austria has, from December 2004, not been included in the statistics of the Austrian Central bank as a savings bank. However, Bank Austria still participates in the savings banks deposit insurance system and the Sparkassen-Prüfungsverband is its statutory auditor.

The savings banks group accounted for 17.9 per cent. of the total assets of the Austrian banking system at 31st December 2004. At the same date, the savings banks group comprised 59 legally independent savings banks with a branch network of approximately 1,130 outlets. As at 30th June 2005, the savings bank group accounted for 18.0 per cent. of the total assets of the Austrian banking system and comprised 58 legally independent savings banks. References in this Prospectus to the "savings banks group" or the "savings banks" refer to the Austrian savings banks excluding Bank Austria unless indicated otherwise. For further information, see also "The Austrian Banking System – Savings Banks".

Erste Bank has continued to provide a wide range of services and products to the savings bank group and its customers. These services and products include syndication services, risk management advice, legal advice, retail mortgage, life insurance and investment fund products and portfolio and asset

management services as well as securities-related services which enable independent savings banks to reduce costs while providing full service to their clients.

The relationship with the savings banks has advantages for both parties (e.g. cost efficiency due to common marketing and controlling schemes). With a network of some 980 branches it offers Erste Bank a large additional distribution network for its products without the operational costs of additional branches.

The Austrian Banking Act requires savings banks to maintain with Erste Bank, as the central financial institution of the savings bank group, a specified amount of their savings deposits and other Euro deposits (the "Liquidity Reserve"). Although a legal change has recently been required by the European Commission, which would enable the savings banks to keep the Liquidity Reserve with banks other than the relevant central financial institution, Erste Bank believes that such change would not affect the savings banks group as the central institution function of Erste Bank is part of the *Haftungsverbund* agreement. The Liquidity Reserve is intended to ensure that the savings banks have sufficient liquidity available to meet their commitments, in particular to customers for repayments of deposits while meeting their own cash flow needs. As at 31st December 2004, the Liquidity Reserve at Erste Bank amounted to EUR 3.9 billion, of which EUR 478.6 million was held with the Austrian Central Bank at the interest rate set by the European Central Bank. As at 30th June 2005, the Liquidity Reserve at Erste Bank amounted to EUR 4.0 billion, of which EUR 485.3 million was held with the Austrian Central Bank at the interest rates set by the European Central Bank.

The savings banks group co-operates in five main areas:

- the common development of products and services;
- the projection of a unified identity through a one-brand strategy;
- the standardisation of business and marketing strategies for retail and corporate banking;
- the development of common management information and control systems and integration of central functions; and
- the introduction of a common performance-related remuneration scheme for management.

Haftungsverbund

On 26th September 2001, the majority of the Austrian savings banks signed an agreement called the *Haftungsverbund*. The *Haftungsverbund* came into force on 1st January 2002. Following this, under IFRS, all of the savings banks which signed the *Haftungsverbund* are consolidated into the Group's financial statements.

The *Haftungsverbund*, as an integral part of the joint-marketing strategy and co-operation between the savings banks, is based on three pillars:

- the joint product development and centralisation of processing functions, a uniform risk policy (including standardised credit risk classification), co-ordinated liquidity management and common standards of control;
- a joint early-warning system, designed to identify financial difficulties at member savings banks which provide support mechanisms, including intervention in management to avoid such members becoming bankrupt; and
- a cross-guarantee of certain liabilities of member savings banks.

Pursuant to the *Haftungsverbund*, s Haftungs- und Kundenabsicherungs GmbH (the "Steering Company"), an entity of which Erste Bank is required to hold at least 51 per cent. (both as at 31st December 2004 and 30th June 2005, Erste Bank held 55.6 per cent.) of the share capital leaving the other savings banks with a maximum of 49 per cent. (both as at 31st December 2004 and 30th June 2005, 44.4 per cent.) of the share capital, was vested with the power to set the common risk policies of its members and to monitor adherence to these policies. In addition, if a member encounters serious difficulties (which may be discerned from the information that is required to be continually generated by members and provided to the Steering Company), the Steering Company has the authority to provide assistance and/or intervene accordingly in the management (by appointing or removing the members of the managing board) of the affected member savings bank and to require other member savings banks to support and contribute to such assistance as the Steering Company determines.

Assistance may be in the form of injections of liquidity, the granting of loans, assumption of guarantees or claims, the assignment of claims and injections of equity. To support the Steering

Company, member savings banks each consent to contribute funds up to a maximum cumulative amount of 1.5 per cent. of the member's risk-weighted assets from time to time determined on a non-consolidated basis plus 75 per cent. of the member's anticipated pre-tax profits for the current financial year.

Once a member becomes bankrupt, members guarantee, through the Steering Company, the payment of all amounts owed to customers by the bankrupt member. Such amounts include:

- (a) all deposits (as defined by Section 1(1.1) Austrian Banking Act);
- (b) all monetary claims based on credit balances from banking transactions; and
- (c) all monetary claims from the issuance of securities,

except to the extent that the relevant amounts are owed to a credit institution. Such guarantee is also subject to the cumulative limit on members' obligations referred to above.

The "New Group Architecture" Programme

Following the Merger, Erste Bank formulated and began to implement the four core strategies mentioned above.

The Austrian core business saw steady improvement in a consistently adverse market environment, and Erste Bank's customer base remained stable (source: FMDS Survey 2004 and the interim financial statements as at and for the nine months ended 30th September 2005). Erste Bank has developed close co-operation in the savings bank sector, including the common group-wide offering of products and services, the unified IT system platform and the *Haftungsverbund*. In Central Europe, Erste Bank has become a leading retail bank through a series of acquisitions and the subsequent restructuring of these banks. The Group's multi-channel approach provides customers in all markets with significant access to the brand at all times.

In 2004, Erste Bank decided to further develop and modernise its strategy, in order to exploit the full potential of existing business activities and synergies within the Group and further optimise the product and service portfolio for the Group's customers, based on specific strengths in the home market. This initiative required Erste Bank to integrate the banking group more closely, and in order to achieve this, a group-wide programme was developed with the working name "New Group Architecture".

Goals of the programme

The "New Group Architecture" programme aims to:

- fully utilise the business potential of the Central European growth markets across customer segments, and develop growth initiatives for the short and medium term on a Group-wide basis;
- utilise economies of scale accruing from having a customer base of 12 million. These customers are located in five markets which, although at very different stages of development, Erste Bank believes are moving towards convergence;
- realise cost synergies in the Group by concentrating its market position, creating a Group-wide procurement organisation, and optimising management of demand and of purchasing standards; and
- bundle support functions across the Group, especially in information technology.

The key prerequisites of such initiatives are comparability and transparency of recording and allocating costs and income, and the institution of uniform methods of performance measurement and controlling throughout the Group.

In 2004 the project was centred on four main projects, (out of a total 15 Group-wide initiatives):

- (i) Group Performance Model;
- (ii) Group Procurement;
- (iii) Group Large Corporates; and
- (iv) Retail 2008 (including Card Strategy, Consumer Finance, and Structured Products Initiative).

Group Performance Model

The Group Performance Model project aims to standardise processes and performance benchmarks by (a) creating uniform standards for the recognition and allocation of costs and income, (b) organising major performance indicators and controlling tools into a cohesive system and benchmarking them, (c)

identifying savings potential in major infrastructure and support functions (including IT, facility management and marketing), (d) identifying additional revenue potential, with greater precision, at the level of product development, pricing, regional sales performance, and joint marketing initiatives, and (e) adjusting Management Information System ("MIS") tools accordingly.

Group Procurement

A savings target of 10 per cent. of controllable costs was set for the Group Procurement project. The project team identified specific potential cost reductions of EUR 80 million that are to be achieved during the period from 2005/2006 to 2008. Three-quarters of these target savings relate to cash expenses for products and services purchased outside the Group and are expressed directly in the consolidated income statement. The other one-quarter of target savings pertains to investments and will be realised through reduced amortisation charges.

The main objectives of this project comprise (a) group-wide pooling of information on non-staff administrative expenses and investment, (b) bundling the Group's procurement volumes, (c) identifying potential savings achievable through improved demand management and standardised specifications, and (d) creating a single procurement organisation with uniform procurement processes (lead buyer structure).

Group Large Corporates

Erste Bank views its group wide operations with its large corporate customers as an important activity that, among other benefits, can help to enhance performance in the Group's core SME business. The target group consists of approximately 650 companies with annual revenues of more than EUR 175 million, which operate in one or more of the Group's core markets. As at 31st December 2004, approximately 300 of these entities had a business relationship with Erste Bank.

The main objectives comprise (a) development of a comprehensive portfolio of services and products for the target group of this project, building on Erste Bank's specific strengths in the region, and (b) improvement of the return on equity in this segment from the current 9 per cent. to a sustainable level of at least 15 per cent. Core elements of the business model are the improvement of the product offering, better integration with Treasury and Capital Markets/Investment Banking and capital allocation, supported by active portfolio management. As at 1st January 2005, a Group-wide business unit with full profit and loss responsibility was created for this customer segment.

Retail 2008

"Retail 2008" represents a package of initiatives under a single umbrella, the aim of which is to use the experience of the Group in its Retail core business. The strategic direction of this programme is provided by the Group Retail Board, which consists of the heads of retail banking at the Central European banks within the Group. The guiding principle is to ensure, through the continuous exchange of knowledge, that the best practices prevail in the Group at all times. The programme also involves developing Group-wide business and product initiatives – for example, in the area of structured investment products, producing a card strategy for the whole Group, and an enterprise-wide consumer finance strategy complementary to the traditional retail business. These projects are intended partly to address existing clients and partly to target new customer groups and additional revenue potential over the next one to three years.

Further projects

At approximately EUR 430 million (in 2004), IT infrastructure is the largest single cost item in the Group, making it a natural focus of efforts to save costs and generate Group synergies. In 2005, information technology has, therefore, been an area of emphasis for these endeavours.

Efficiency improvements will mainly be driven by the introduction of a new Group-wide IT structure that consists of four integral building blocks (each with significant savings targets to be realised in a separate implementation project): (a) *Group Organisation* will function as the interface between business and the other three units and will be responsible for demand management, the IT masterplan and oversight of day-to-day IT activities, (b) *IT Solutions* will integrate the five software development units of the Group into a single focused development unit, (c) *Group IT Operations* will bundle decentralised operational units and will seek to develop increased transparency, availability and performance, and (d) *Decentralised Computing* will unify management of desktop and decentralised equipment throughout the Group.

This approach is fully aligned and supported by the results and implementation proposals developed by the Group Performance Model project, which earlier in 2005 analysed the Group's overall IT costs in order to benchmark processes and systems, identify synergies, and launch appropriate initiatives.

Austria

Savings Banks Segment

The Savings Banks segment encompasses a current total of 46 Austrian savings banks that are consolidated as a result of their membership in the *Haftungsverbund* whether Erste Bank holds a minority share or no equity. Those savings banks majority-owned by Erste Bank (Salzburger Sparkasse, Tiroler Sparkasse and Sparkasse Hainburg-Bruck-Neusiedl) fall under the Retail and Mortgage segment.

Key financial indicators of the Savings Banks segment

(Source: Annual Report 2004)

	As at and for the year ended 31st December	
	2004	2003
	(in EUR million)	
Pre-tax profit for the year	189.1	151.3
Net profit after minority interests	8.7	3.1
Cost-income ratio (in %).....	67.5	68.8
ROE based on net profit after minority interests (in %)	3.6	1.6

Net profit after minority interests rose from EUR 3.1 million to EUR 8.7 million during 2004. As at 31st December 2004, risk provisions amounted to EUR 184.5 million, down on the previous year. As a result of strict cost discipline, not just in the *Haftungsverbund* savings banks themselves but also in the service costs assigned to this segment, general administrative expenses decreased by EUR 18.8 million (-2.3 per cent.) for 2004 compared with 2003. Against this, results for net commission income and trading revenues were lower in 2004 than in the previous year. It should, however, be noted that the decrease of commission income was attributable to changes in billing methods for bank support services, and commissions in core business areas also showed an increase. The increase in other operating results was due in part to the fact that goodwill amortisation is no longer applied and in part to higher measurement gains on investments available for sale. The cost-income ratio improved slightly to 67.5 per cent. for 2004, while return on equity for 2004 rose to 3.6 per cent.

Strategy

In keeping with Erste Bank's core strategy of profitability-driven co-operation in the savings bank group, the Savings Banks segment strives to increase Erste Bank's co-operation with the Austrian savings banks by expanding the division of labour within this group. Under the common umbrella of the "Sparkasse" brand, the savings banks each concentrate on their particular strengths in order to maximise market shares and earnings. The overarching aim of the co-operation between Erste Bank and the savings banks is to bring about a continuous improvement in service quality for customers and to achieve joint success in the market.

Erste Bank's ownership in Savings Banks as at 31st December 2004

(Source: Annual Report 2004 – figures replaced by audited IFRS figures)

	Ownership in %	Total assets
	(in EUR million)	
Salzburger Sparkasse*	98.7	3,902.9
Sparkasse Hainburg-Bruck-Neusiedl*	75.0	704.3
Tiroler Sparkasse*	74.7	3,546.0
Sparkasse Mühlviertel-West.....	40.0	408.7
Allgemeine Sparkasse Oberösterreich	26.9	8,132.6
Steiermärkische Bank und Sparkasse	25.0	9,867.7
Sparkasse Kremstal-Pyhrn.....	24.1	483.7
Kärntner Sparkasse	25.0	3,050.7
Sparkasse Voitsberg-Köflach.....	6.3	441.1

* These three savings banks are shown in the retail and mortgage segment

Retail and Mortgage

The Retail and Mortgage segment (which was named Retail and Real Estate Segment until 2004) comprises all of the activities of the Group in the Retail, Mortgage Business and Small and Medium-Sized Corporate Customers business units. Those savings banks of which Erste Bank is the majority owner are also included in this segment. Given the high proportion of individuals in the customer base, the investment fund business, private banking and portfolio management are also largely included in this segment. A smaller component, institutional customers, is included in the Large Corporate Customers segment. Erste Bank considers these business units key to its core strategies.

Key financial indicators of the Retail and Mortgage segment

(Source: Annual Report 2004)

	As at and for the year ended 31st December	
	2004	2003
	<i>(in EUR million)</i>	
Pre-tax profit for the year	74.2	40.5
Net profit after minority interests	43.7	19.8
Cost-income ratio (in %).....	76.2	78.8
ROE based on net profit after minority interests (in %)	5.4	2.7

In 2004, net profit in this segment more than doubled from EUR 19.8 million in 2003 to EUR 43.7 million. This was due in part to savings made by the implementation of cost-cutting measures announced, as a result of which general administrative expenses were cut by EUR 18.2 million (from EUR 653.0 million in 2003 to 634.8 million in 2004). In part this development was also due to a reduction in risk costs (from EUR 132.4 million to EUR 118.9 million in 2004), mostly at Tiroler Sparkasse and in the SME business. The decline in net interest income was a result of legally required interest rate adjustments in the building society business for the year ended 31st December 2004. Operating profit was up 13.2 per cent. at EUR 198.6 million (EUR 175.5 million), the cost-income ratio improved to 76.2 per cent. (from 78.8 per cent. in 2003), while return on equity stood at 5.4 per cent.

Retail Strategy

Erste Bank's strategic objective is to become acknowledged as the best retail bank in all of its geographic markets. Erste Bank believes that the needs of the individual customer and provision of personalised service are at the heart of the comprehensive retail banking business model and, in addition, the full range of modern distribution channels gives clients access to tailored financial products and services at all times. The target groups of this business segment are retail customers, professionals and small businesses.

In Austria the retail model is delivered by Erste Bank and the savings banks; in Central Europe it is implemented by the Group's local subsidiaries.

Private Banking and Asset Management

Erste Bank's portfolio of private banking services includes a range of private banking services, in particular portfolio management and custom-tailored investment advice. In addition to the advantages already mentioned, Erste Bank's Private Banking includes areas such as business succession, estate planning, and low-tax investing. One strategic aim for Erste Bank's Asset Management is to expand its activities in the extended home market of Central Europe, where Erste Bank believes that the demand for portfolio management and life insurance is steadily rising.

Private Banking

Personal and individually tailored services for high net worth private and institutional clients are central to the private banking activities of the Group. In addition to a variety of international mutual funds and other Erste Bank products, Erste Bank offers these customers solutions for private foundations, made-to-measure investment concepts, special-fund structures, and individual discretionary portfolio management. In 2004, the private banking business was reorganised into three new units. Through its unit "Private Banking – Individual Clients" unit, Erste Bank services customers with investable assets of at least EUR 500,000. "Private Banking & Wealth Management" targets clients with more than EUR 1 million to invest, and the "Institutional Large Investors" unit continues to target primarily pension

funds, insurance companies and associations. In the first half of 2005, the total client assets rose by 42 per cent. to EUR 22.1 billion, the assets under management by 26 per cent. to more than EUR 11.1 billion, and the number of clients by 24.8 per cent. to 1,677. Five savings banks in the provincial capital cities (Innsbruck, Klagenfurt, Linz, Salzburg, and Graz) also pursue a strategy of full service for private banking clients. In 2005, the establishment of separate private banking units in some of the Group's Eastern European countries (Czech Republic, Slovakia, Hungary, Croatia) has continued. This business is, so far, focussed mainly on domestic asset management and is targeted on customers with assets in the range of more than EUR 100,000.

Asset management

Erste Bank considers 2004 to have been characterised by strong customer demand for products with guaranteed capital preservation. A resulting slight decline in volume in structured asset management was more than off-set by growth in investment solutions made to measure for individual customers. Total portfolio assets under management grew by 8 per cent. from EUR 1.2 billion in 2003 to about EUR 1.3 billion. Using the PORTIA portfolio management and reporting system, the Salzburg, Carinthia, Tyrol, and Dornbirn savings banks last year already offered a complete range of portfolio management products and services.

ERSTE-SPARINVEST KAG

ERSTE-SPARINVEST KAG is the investment fund entity of Erste Bank and the savings banks. With a market share of 17.5 per cent. in Austria as at 30th June 2005 (source: Oesterreichische Kontrollbank AG) it has been the second largest fund manager for more than 4 years. In 2004, assets under management in the company's 242 funds grew by 13.6 per cent. to EUR 21.5 billion (up EUR 2,575 million) as compared to 2003, and in the first 6 months 2005 assets under management in the company's current 256 funds grew by 15.0 per cent. to EUR 24.8 billion. In retail mutual funds, assets under management rose by EUR 1,535 million as compared to 2003 to EUR 13.3 billion as at 31st December 2004 and as at 30th June 2005 retail mutual funds amounted to EUR 15.8 billion. The market share in retail funds rose slightly to 20.5 per cent. compared to 2004. Assets in institutional funds grew by EUR 1,031 million (8.7 per cent. as compared to 2003) to EUR 8.2 billion as at 31st December 2004 and amounted to EUR 8.9 billion as at 30th June 2005.

In 2004, ERSTE-SPARINVEST KAG continued to improve the overall performance of its funds and has more four- and five-star funds than its Austrian competitors, as rated by Standard & Poor's and according to the ratings assigned by other international fund rating agencies, such as Morningstar. In Germany, Morningstar recognised ERSTE-SPARINVEST KAG as "Best Bond Fund Company over a Three-Year Period".

Assets under management by ERSTE-SPARINVEST KAG

(Source: Annual Report 2004)

	Retail funds	Institutional funds
	<i>(in EUR billion)</i>	
2001.....	10.65	4.68
2002.....	10.16	6.00
2003.....	11.80	7.17
2004.....	13.30	8.20

*Market share of Erste Bank by assets under management in 2004**

(Source: Annual Report 2004)

Country	Market size in EUR million	Market share in%
Austria.....	124,800	17.26%
Czech Republic.....	3,568	54.28%
Slovak Republic.....	1,590	31.82%
Hungary.....	4,299	9.47%
Croatia.....	590	8.23%

* Based on local investment funds (source: Oesterreichische Kontrollbank AG)

Sparkassen Versicherung AG (“Sparkassen Versicherung”)

Sparkassen Versicherung is the exclusive life insurance partner to Erste Bank, the savings banks and their building society, Bausparkasse der österreichischen Sparkassen (“Bausparkasse”) and the Group now intends to replicate the approach of Sparkassen Versicherung taken in Austria in its expansion into the Central European markets. Through its local banking subsidiaries, Erste Bank believes that it can attain a leading position in life insurance in this region.

According to Austria’s Insurance Industry Association, life insurance premium volume in Austria rose by 8.5 per cent. in 2004, as compared to 2003 levels. In particular, 2004 saw an increase of 9.5 per cent. in the regular-premium segment of the market. The company saw especially strong growth in regular-premium life insurance. Premium income from government-subsidised retirement savings products and the traditional “*s Privat-Pension*” reached EUR 335.1 million, an increase of 20.1 per cent. compared to 2003. Notwithstanding continued low interest rates, the single-premium policy volume in 2004 as a whole grew 14.8 per cent. to EUR 552.5 million (in 2003 it fell 2.1 per cent.). On this basis, the Issuer considers Sparkassen Versicherung to have performed significantly better than the industry, with a market share of about 35 per cent. in single-premium life insurance as at 31st December 2004.

In the accident insurance business, Sparkassen Versicherung’s premium income was EUR 13.3 million for 2004, up 7.8 per cent. on 2003. The total number of insurance contracts grew by 9.8 per cent. in 2004 to a year-end level of 972,351 policies in both life and accident lines.

In 2004 Sparkassen Versicherung signed a total of approximately 30,000 contracts known as “Private-Pension with Premiums Plus”, a new retirement savings product with a government incentive component, thus taking a leading position in this part of the market.

Mortgages

The Mortgage business unit serves non-profit and commercial housing developers, property management companies, real estate brokers, real estate trusts and retail mortgage customers. A major component of the Mortgage unit’s business is commercial housing finance, which in Austria represents approximately one-third of the entire residential construction finance market. Amongst non-profit housing developers, Erste Bank holds a market share of 30 per cent. in Austria as a whole and more than 50 per cent. in Vienna and the province of Lower Austria. In order to better prepare itself to meet the challenges of the market, and to utilise available synergies, all of the departments of Erste Bank and Bausparkasse which directly or indirectly serve this target group, together with the associated activities in Central Europe, were combined into a single organisational unit with effect from 1 July 2004 and strategic responsibility for overseeing equity interests in residential construction – both in housing developers and in Wohnbaubank – was transferred to Bausparkasse. In addition to the retail customers served, as before, in Erste Bank’s branches and at the specialised “*wohnquadrat*” centres for mortgage and other home-related needs, the Group’s business with housing developers – predominantly engaged in providing subsidised housing for lower-income families – is now handled, organised, and directed by Bausparkasse, in the name, and on behalf, of Erste Bank.

Within the business unit, great importance is attached to the transfer of expertise to and from the Group’s subsidiaries in Central Europe, in order to encourage the best possible customer service in cross-border business in the extended home market of the Group.

Commercial housing finance

Erste Bank considers the market environment in 2004 to have continued to be defined by a sluggish construction cycle and a persistent low level of approvals for public sector funding. New construction activity, consistent with forecasts, remained at approximately 40,000 housing units in 2004. Erste Bank believes that this constant low level of new construction since 2002 is having an increasingly positive effect on housing developers’ ability to find buyers and tenants. Deposits in commercial housing finance grew by 26 per cent. in 2004 to EUR 503 million and notwithstanding such levels of new residential construction, commercial housing credit reached EUR 2,300 million (including EUR 480 million at Bausparkasse), representing overall growth of 6 per cent. compared to 2003. The contribution made by Bausparkasse, in particular, rose by 22.8 per cent. in 2004, year on year. As a result of the locking and capping of interest rates by the Housing Construction Subsidy Acts at levels outside the range that can be directly funded, the expiration of higher-margin existing business and the steadily rising intensity of competition, the Group’s interest margin declined in 2004. In addition, the economic environment led to a change in the structure of financing involving the assistance of

specialised finance providers Wohnbaubank and Bausparkasse, whose revenues saw a shift away from interest income towards more fee and commission income.

By issuing bonds with dual tax advantages, Wohnbaubank raises low-cost capital at stable long-term interest rates for social welfare housing and other municipal residential construction. New bond issues reached EUR 333 million in 2004, the highest level in the ten-year history of Wohnbaubank and an increase of EUR 189 million, or 175 per cent, as compared to 2003. Erste Bank's lendings in 2004 rose by 26 per cent. in 2004 to EUR 1,032 million, due in some part to the distribution activities of the savings banks.

Retail housing finance

The centres of excellence for private home finance operated by Erste Bank and the savings banks, known as "wohnquadrat" outlets, further strengthened their market presence – in part through co-operation with real estate brokers, developers and other partners in the real estate industry – and expanded their financing volume in 2004. Total retail housing loans in 2004 grew by 17.4 per cent. to EUR 3,483 million. The primary reason for this gain was increased investment activity on the part of private real estate investors and the resulting take-up of financing opportunities. Owing to demand from households and low levels of risk regarding mortgages, an increasing number of market participants are making retail housing finance a key element of their business mix. In 2004, this led to increased competition over lending terms and thus to narrower margins.

Bausparkasse realised growth both in deposits and lending. Total home savings deposits increased by 2.4 per cent. in 2004 to EUR 5,404 million and total loans rose by 3.6 per cent. in 2004 to EUR 4,990 million.

Other activities

Together with its partners in the savings banks group, Erste Bank's specialist real estate brokerage and appraisal firm, REAL, whose 84 outlets in Austria include 40 located in "wohnquadrat" centres, has a nationwide presence. Collectively, Erste Bank, the savings banks and REAL thus offer complete real estate solutions based on a common service model. In 2004 REAL brokered real estate transactions worth EUR 330 million, an increase of 13.0 per cent. compared to 2003 (EUR 292 million).

Bonds issued by Wohnbaubank (in EUR million)

(Source: Annual Report 2004)

Year	Bonds issued by Wohnbaubank
	<i>(in EUR million)</i>
2001.....	90
2002.....	194
2003.....	189
2004.....	333

Small & Medium-Sized Corporates

The Small & Medium-Sized Corporates business unit offers complete advisory and all other services for small and medium-sized enterprises (SME) from its regional SME centres in Vienna and the provinces of Lower Austria and Burgenland. The SME business in the other Austrian regions is handled by the regional savings banks, with support from Erste Bank's syndicated-lending department.

As more and more Austrian SME customers enter the markets in the newest EU Member States, Erste Bank believes that it has become increasingly important to offer a full range of services and products through the Central European subsidiaries of the Group. For instance, the services of EBV-Leasing, an automotive leasing firm, are available to the customers of Erste Bank and the savings banks via the Group's extensive distribution network.

The bankruptcy rate among Austrian SME customers remained high in 2004 (source: KSV – "Kreditschutzverband 1870"). As a result, Erste Bank continued to follow the strategy introduced in 2003, adjusting its SME customer portfolio to reduce exposure to investments with a high risk of default or inadequate returns as compared to the associated risk level.

In the course of stabilising its portfolio, total outstanding loans to SME customers fell to approximately EUR 1,520 million as at the end of 2004 (EUR 1,550 million in 2003). In Erste Bank's Austrian SME

business, the margins on short- and long-term lendings improved in 2004: for long-term loans, the average margin improved by 12 basis points to 163 basis points; in short-term loans, the increase was 14 basis points to a new margin of 130 basis points. Costs in the Small and Medium-Sized Corporates unit fell by approximately 15 per cent. in 2004 while operating income remained relatively constant. As a part of these cost savings, a SME banking centre was closed in the third quarter of 2004 and during the year, the cost-income ratio in the unit improved from 73 to 64 per cent. Notwithstanding a contained high bankruptcy rate in Austria (source: KSV – “Kreditschutzverband 1870”), net additions to provisions for loans and advances fell by more than 30 per cent. compared to 2003.

Alongside the traditional fee and commission income from guarantees, foreign exchange operations, payments services and the securities operations, the leasing business is providing growing proportion of the unit’s income. While the market as measured by new vehicle registrations grew by 3.7 per cent. in 2004, the volume of new leases increased by 19.5 per cent. to EUR 317.2 million. A total of 15,246 new lease agreements were signed (2003: 13,422). EBV-Leasing acts as an adviser to the Group’s auto leasing companies in the Czech Republic, the Slovak Republic, and Hungary.

Large Corporate Customers Segment

The Large Corporate Customers segment serves companies in Austria and abroad with sales of EUR 70 million and above, with an additional focus on project finance for tourism development projects, tourist facilities, and commercial real estate in Austria and internationally. Customers receive service from the various Group centres of excellence for structured finance, trade and export finance, subsidised financing and processing of letters of credit and guarantees, which are all concentrated in this segment.

Key financial indicators of the Large Corporate Customers segment

(Source: Annual Report 2004)

	As at and for the year ended 31st December	
	2004	2003
	<i>(in EUR million)</i>	
Pre-tax profit for the year	83.7	86.1
Net profit after minority interests	55.8	54.6
Cost-income ratio (in %).....	39.1	40.2
ROE based on net profit after minority interests (in %)	12.8	13.1

Operating profit in this segment was EUR 129.3 million in 2004, 6.8 per cent. above the figure for 2003. This growth was largely attributable to an increase in net commission income, particularly in real estate leasing operations (up 34 per cent. at EUR 71.2 million). Risk provisions showed a year-on-year reduction of more than 14.1 per cent. Consequently, profit from the segment after tax and minority interests was roughly 2 per cent. higher for 2004 than in 2003. The cost-income ratio was further reduced to below 40 per cent., while return on equity remained broadly stable at 12.8 per cent.

Through the creation of the Large Corporate Customers unit, Erste Bank has increased its focus on the Central European markets and on serving project and corporate clients in the region. As a result, Erste Bank’s strategy includes the growth of net commission income, particularly in treasury and leasing products.

Erste Bank’s margins for its lending activities to large corporate clients were placed under pressure by lower credit demand from large businesses in Austria in 2004. At the same time, Erste Bank’s average margin across all assets remained stable in 2004 as compared to 2003. In response to this, Erste Bank reduced its exposure in very short-term lending, which did not affect its existing customer relationships. This resulted in a decline in assets from EUR 10.5 billion as at 31st December 2003 to EUR 10.1 billion as at 31st December 2004.

Through new business with international grocery chains and home improvement retailers, as well as takeovers by Austrian manufacturers in Central Europe, Erste Bank’s market share in the region increased during 2004. These projects were carried out in close co-operation with Immorent, the specialist leasing subsidiary of the Group. More than EUR 100 million of new financing backed by the European Investment Bank (EIB) was provided to Austrian industrial clients. Tourism finance increased in 2004 to approximately EUR 936 million from approximately EUR 900 million in 2003. The world-

wide recovery in the tourism sector and the consequent increase in investment activity produced additional business for Erste Bank in international project finance for hotels. These include a mandate for financing a five-star hotel in Munich and a four-star business hotel near Brussels Airport. Despite competition in project financing, the commercial real estate finance portfolio was expanded by approximately 5 per cent. to EUR 1.1 billion. As a result of investment activity, in particular by Austrian and international property funds, demand for structured project finance in the real estate sector was high. Erste Bank's activities in 2004 focused primarily on Central Europe. The highlights included lending for office real estate in Prague and the structuring of financing for two projects consisting of office and logistics properties in Warsaw.

Loan portfolio of Erste Bank in the Large Corporate Customers unit

(Source: Annual Report 2004)

	As at 31st December
	<i>(In EUR billion)</i>
2001	10.2
2002	10.4
2003	10.5
2004	10.1

IMMORENT

IMMORENT is the Group's leasing specialist for real estate and equipment and is a full-service provider of complete solutions in leasing, real-estate-related services and real estate investment products. As part of Erste Bank's strategy for the extended home market, IMMORENT has also expanded its activities to Central and Eastern Europe and currently has subsidiaries in the Czech Republic, Slovakia, Hungary, Slovenia, Croatia, Serbia, Bulgaria and Romania.

To better equip IMMORENT for future challenges, and due to the increasing significance of its subsidiaries in Central Europe, the domestic and international segments of the business were reorganised and given equal priority in the organisational structure. In an effort to assure optimum implementation of the brand strategy with regard to the "IMMORENT" and "s Leasing" brands, IMMORENT's businesses were divided into performance-differentiated real estate leasing and price-differentiated equipment leasing. Total new leases in 2004 (domestic, cross-border and international) reached EUR 1.3 billion compared to EUR 1.2 billion in 2003, a growth of 5.5 per cent. The overall volume of new real estate leases was EUR 665.2 million (2003: EUR 777.6 million). Of this total, Austria accounted for EUR 280 million (2003: EUR 330.0 million) and Central Europe for EUR 385 million (2003: EUR 447 million). The new business volume in real estate leases therefore remained at a very high absolute level. Its relative decrease, when compared to 2003 is attributable to two non-recurring items. First, the Austrian property leasing market, at about 450 new contracts per year, is relatively small and subject to fluctuation depending on the implementation of major projects. Second, in the Central European countries, the baseline figure from 2003 for new real estate leases was high due to large orders. The drop reflects a return to more characteristic levels of performance.

The equipment leasing operations were the main driver of growth in 2004. In Austria, the EUR 361 million of new business constituted a gain of more than 68 per cent. on the previous year. The international subsidiaries also saw growth, and new leases grew by 47.7 per cent. from EUR 127.9 million in 2003 to EUR 188.9 million in 2004. The volume of cross-border financing fell by 36.5 per cent. to EUR 50.7 million, as leases were increasingly handled by local subsidiaries. Supporting the equipment leasing activities, the "s Leasing" brand continued to be used in 2004 in co-operation with Erste Bank and the savings banks. In addition, through vendor leasing company F&S Leasing, the Group's presence in the equipment segment was reinforced.

As compared with 2003, the amount of new business in Central Europe (real estate and equipment, excluding cross-border business) was maintained in 2004 at EUR 575 million. In 2004, IMMORENT opened new subsidiaries in Sofia and Bucharest. Existing subsidiaries in the Czech Republic (with more than EUR 200 million of new business), and Croatia (new business of EUR 103 million) and the company specialising in equipment leasing in Serbia (new contracts totalling more than EUR 56 million) also showed increases on 2003 performance levels.

Trading and Investment Banking Segment

The Trading and Investment Banking segment of the Group consists of the Investment Banking and Treasury business units and Erste Bank's asset/liability management activities.

Key financial indicators of the Trading and Investment Banking segment

(Source: Annual Report 2004)

	As at and for the year ended 31st December	
	2004	2003
	<i>(in EUR million)</i>	
Pre-tax profit for the year	140.8	131.5
Net profit after minority interests	107.5	91.2
Cost-income ratio (in %).....	38.7	41.5
ROE based on net profit after minority interests (in %)	44.8	43.5

Compared to 2003, net profit climbed by 17.9 per cent. to EUR 107.5 million in 2004, whilst net interest income decreased from EUR 112.1 million to EUR 102.4 million. This was caused by general market trends and foreign currency hedging effects, and was partly offset by growth in other operating results due to valuation gains in the Group's Available for Sale (AfS) portfolio. The improvement in net commission income from EUR 41.5 million to EUR 51.7 million was a result of the success of Erste Bank's efforts to sell structured products to banks and institutional investors. Strict cost management led to a 7.3 per cent. reduction in general administrative expenses as compared to 2003. As a result, the cost-income ratio improved from 41.5 per cent. to 38.7 per cent. and return on equity rose from 43.5 per cent. to 44.8 per cent.

Treasury

The primary task of the Treasury business unit is the management of structural balance sheet risks (interest rate and liquidity risks). Treasury is also responsible for the further development of group-wide systems for controlling and managing liquidity, earnings and risk. Additionally, Treasury supports the Group (including the savings banks in the *Haftungsverbund*) in asset/liability management, i.e. with the analysis of interest-rate and currency risk, and in managing the Group's own financial investments. An important task of the Treasury team is to develop retail products and leverage the potential of the customers in the Central European growth markets. Groups that deal with Erste Bank in several countries of the extended home market are served centrally by the Treasury unit.

Trading and Sales

In 2004, effects of the environment in own-account trading, caused by low volatility and low correlation of asset classes, were off-set by improved results in foreign-currency and bond trading. In foreign exchange operations, Erste Bank benefited from its positioning in the Central European market as a market maker (especially for Czech and Slovak Koruna and Hungarian Forint). This was made possible principally due to contacts with the Group's local banking subsidiaries.

Due to significant volume growth in structured investment products (both interest and equity-based), Erste Bank's sales force exceeded budgeted targets. In addition, there was increased demand for alternative investments in 2004 both from the institutional and retail clientele and the Group's diversified, tailor-made product range was further developed. The increase in assets under management was driven by marketing to institutional clients in Germany and the Czech and Slovak Republics (with net inflows of EUR 120 million in Central Europe) as well as by distribution in the Austrian retail network.

The business unit also expanded its overall service to the Group's retail customer base (for example, through product training for the sales force and a wider range of secondary-market services for structured products) and broadened its product offering, including the launch of hedging products for borrowers to help guard against interest rate and currency risks. Erste Bank has thus become the first provider in the Austrian market to offer a hedging product in denominations suited to the needs of retail customers.

New issues

Erste Bank's EUR 275 million hybrid Tier 1 issue in March 2004 was the largest single hybrid Tier 1 transaction in Austria in 2004. In April 2004 Erste Bank's fixed-interest 10-year benchmark bond maturing in September 2013 was re-opened by issuing an additional tranche of EUR 250 million, bringing the total to EUR 1 billion.

Asset/liability management

The number of savings banks using Erste Bank's asset/liability management (ALM) service increased by four during 2004. As at 31st December 2004, the Group's ALM activities covered 96 per cent. of the total assets of *Haftungsverbund* savings banks. The liquidity management process was also further developed. The Group-wide liquidity rule book was approved by the Group's Boards and the procedures for regular analysis and reporting were refined and expanded.

Information Technology

In addition to the continued implementation of central, enterprise-wide IT systems for managing market risk, Erste Bank completed in 2004 the group-wide introduction of a central, uniform IT solution for asset/liability management. In the front, middle and back office areas of Treasury and Investment Banking, the "straight through processing" initiative for process optimisation was accelerated.

To improve the Group's IT and information cost structure, a new information platform was adopted during 2004, and enterprise-wide synergies were realised in the area of information services (Reuters, Bloomberg).

Investment Banking

The Group's investment banking strategy continues to aim towards the goal of becoming the leading service bank in the Central European capital markets. All investment banking services, from capital markets transactions to corporate finance and M&A advisory, to investment research, are to be offered as a single-source provider in all countries in the region. In line with the Group's strategy, the investment banking team believes that it will have a key role in serving small and medium-sized businesses that are especially active in the Central European region, and large corporations seeking to develop their market in such regions. In addition to distributing standardised investment banking products, Erste Bank plans to utilise the potential for cross-selling credit finance and derivative products. Erste Bank aims to continue to expand its position as specialist for investment banking, especially in the extended home market and to consolidate partnerships with customers in Central Europe.

Capital markets and corporate finance

2004 produced an upturn in the primary market for equities in Austria, although this was driven largely by capital increases and less by initial public offerings. While there were numerous successful capital increases, the Vienna stock market saw only one IPO in 2004. In addition to directing this offering and a number of smaller transactions, Erste Bank was joint lead manager last year for the largest capital increase ever conducted in Austria. In a combined transaction for OMV, new shares and a convertible bond were subscribed for by private investors and national and international institutions.

Equity sales and equity derivatives

In 2004 the Austrian blue-chip stock index, the ATX, sustained the trading volume of previous years. With a gain of 57 per cent., the ATX closed the year at 2,431.38 points. Erste Bank's equity cash and derivative sales generated profit growth of about 37 per cent., above budgeted levels. The performance in CEE sales more than off-set below-target earnings from the issuance business.

2004 market share in total trading volume of local securities exchanges per country (in %)

(Source: Annual Report 2004)

Institute	Market share	Position
EB Investment Hungary	20.84	1
Česká spořitelna.....	8.41	3
Erste Securities Zagreb	11.41	3
Slovenská sporiteľ'ňa.....	3.36	9
Erste Securities Polska	3.19	10

Investment Banking Central Europe

Stock market performance in Erste Bank's core markets in Central Europe benefited from the enlargement of the European Union with effect from 1 May 2004 as well as from Croatia's increasing proximity to EU membership. The investment banking units of the Group benefited from these developments, and market shares were maintained or further increased.

Central Europe

Initially, Erste Bank defined its extended home market as Austria's neighbouring countries in Central Europe, with a total population of more than 40 million people. In the next phase of its strategic development, Erste Bank is considering the extended market in the adjacent regions (including the second wave of countries aspiring to EU accession in Eastern and Southeastern Europe and any further potential EU candidates). Erste Bank believes that the foremost requirement for succeeding in retail banking in this region is achieving a strong market presence and accordingly Erste Bank's long term objective is to attain a market share of at least 20 per cent. in each such country. To achieve this market position, the Group expects to rely both on targeted acquisitions and organic growth.

Direct Holdings of Erste Bank in Central Europe (as at 31st December 2004)

(Source: Annual Report 2004 – amended by audited figures as of 31st December 2004 and including Novosadska banka)

Country	Erste Bank subsidiary	Ownership
Czech Republic.....	Česká spořitelna a.s.	98.0%
Slovak Republic	Slovenská sporiteľ'ňa a.s. ⁽¹⁾	80.0%
Hungary	Erste Bank Hungary	99.9%
Croatia.....	Erste & Steiermärkische banka ⁽²⁾	59.8%
Serbia-Montenegro.....	Novosadska banka ⁽³⁾	0%

(1) Increase in stake to 100 per cent. in January 2005

(2) After realignment of ownership structure of Erste Bank Croatia in January 2005, Erste Bank holds 51.0 per cent. (the stake of the Erste Bank Group amounted to 68.6 per cent. as of 31st December 2004 and amounts to 62.0 per cent. since January 2005).

(3) Acquisition closed at 9th August 2005, ownership of 83.3 per cent.

Česká spořitelna a.s.

Financials

(Source: Annual Report 2004)

	As at and for the year ended 31st December	
	2004	2003
	<i>(in EUR million)</i>	
Pre-tax profit for the year	314.1	212.9
Net profit after minority interests	209.4	122.5
Cost-income ratio (in %).....	60.5	62.3
ROE based on net profit after minority interests (in %)	43.2	32.4

Compared with 2003, net profit for 2004 rose EUR 86.9 million, or 70.9 per cent., at EUR 209.4 million. The 13.5 per cent. rise in operating profit was due to an 8.3 per cent. increase in operating income from EUR 761.4 million to EUR 824.6 million combined with a smaller increase (up 5.2 per cent.) in general administrative expenses. This item was also affected by changes to VAT regulations in the Czech Republic (following accession to the EU effective 1 May 2004). Net interest income increased due to the expansion in credit volume and an increase in commission income, especially in funds transfer operations and credit card business. Risk costs increased, due to the absence of further write-backs of general reserves (approx. EUR 60 million in 2003). Due to the positive earnings trend, the cost-income ratio improved from 62.3 per cent. to 60.5 per cent. and return on equity from 32.4 per cent. to 43.2 per cent.

The total credit portfolio grew by 9.3 per cent. in 2004 to CZK 214.4 billion. Retail loans expanded by 33.6 per cent. to CZK 97.1 billion, including growth of 66 per cent. in mortgage loans to CZK 44.5 billion. Corporate loans increased by 9.9 per cent. to CZK 95.2 billion as at 31st December 2004. In 2004 a significant campaign was mounted in mortgage lending, with the opening of 14 home and real estate resource centres, an intense focus on specialised advice for and selling of the complete spectrum of mortgage loan and housing finance products, and the expansion of the segment-specific product range. The market share in mortgages rose from 30.1 to 33.7 per cent. as at 31st December 2004; the market share in retail mortgage loans was increased from 29.1 to 32.4 per cent. as of 31st December 2004. Alternative distribution paths also continued to be expanded and access to innovative Internet banking was additionally extended to corporate customers. In the Golden Crown Contest, "Servis 24" (telebanking and online banking) was recognised as the best online financial product of 2004 in the Czech Republic. The number of users rose by 19.9 per cent. in 2004 to 813,000. As of the end of 2004, a total of 1,121,000 customers were using alternative distribution channels. This represented a growth of 43 per cent. compared with 2003. Last year Česká spořitelna received several awards from independent organisations for its service to approximately 5.4 million customers. Notably, it was voted the most trusted bank in the Czech Republic for the fourth consecutive year in a pan-European survey conducted by Readers Digest. Likewise, Česká spořitelna retained the "Mortgage of the Year" award. For the third consecutive year, the bank was also chosen as MasterCard Bank of the Year.

To enhance efficiency, the number of employees was reduced further and the branch network optimised. The number of employees fell by 6.3 per cent. to 11,639 by the end of 2004. The number of branches at the year-end was 647 (2003:667); the number of Commercial Centres remained constant at 16. The strategy for subsidiaries and equity interests, which called for the introduction of standards for managing holdings and the implementation of existing corporate governance rules, continued to be carried out in 2004. With a market share of 12.8 per cent., Česká spořitelna's pension fund maintained its top-four position in the Czech market and its factoring business succeeded in attaining the number-one market share of 27.4 per cent. in the factoring market.

In 2004 Autoleasing, a subsidiary of Česká spořitelna entered the Czech market. Founded in October 2003, the company started operations in 2004 and focused on the financing of automobile leases via the distribution channels of Česká spořitelna. In accordance with the Group's strategy, a 34.5 per cent. interest in the Czech building society, Stavební spořitelna Česká spořitelna a.s., with a book value of EUR 27.5 million was transferred from Erste Bank to Česká spořitelna as the building society's main distribution partner. Česká spořitelna therefore holds 95 per cent. of the shares. In order to concentrate on life insurance, Pojišť'ovna ČS, a 55 per cent.-owned subsidiary of Česká spořitelna (45 per cent. are held by Sparkassen Versicherung AG) sold its property insurance business to Kooperativa pojišť'ovna, the Czech subsidiary of Wiener Städtische Versicherung; and accordingly, in January 2004 640,000 customers were transferred to Kooperativa. The sale proceeds of CZK 2.9 billion were recognised in 2004. In 2004, Česká spořitelna also won the mandate to manage the accounts of the European Commission for the Czech Republic and the Czech institution began co-operation with the European Investment Bank (EIB) to support infrastructure projects.

ČS Asset Management, Investiční společnost České spořitelny, a.s., maintained a leading market position in domestic investment funds. Fund assets grew by CZK 10.6 billion to CZK 58.9 billion by the end of 2004.

Slovenská sporiteľňa a.s.

Financials

(Source: Annual Report 2004)

	As at and for the year ended 31st December	
	2004	2003
	<i>(in EUR million)</i>	
Pre-tax profit for the year	85.6	61.3
Net profit after minority interests	59.6	32.7
Cost-income ratio (in %).....	59.0	52.9
ROE based on net profit after minority interests (in %)	48.8	36.5

Interest income at Slovenská sporiteľňa (down from EUR 234.7 million in 2003 to EUR 185.8 million in 2004) was affected by the one-off effect at the Slovakian building society Prvá stavebná sporiteľňa (PSS) in 2003 (resulting in an extraordinary inflow of EUR 36 million). In addition to higher refinancing costs for the acquisition by Erste Bank of a 10 per cent. stake in Slovenská sporiteľňa, the general interest climate in Slovakia (in particular with regard to the large securities holdings which Slovenská sporiteľňa was required to adopt as part of the privatisation process) was unfavourable. The decrease could only partially be off-set by growth in lending business. As a result of gains in commissions from payment transfer operations (EUR 9.4 million or up 28.0 per cent. in 2004) and lending business (EUR 4.8 million or up 41.0 per cent. in 2004), net commission income was 28.7 per cent. higher in 2004 than in 2003 at EUR 66.4 million. Trading income, particularly from foreign exchange and securities business, also grew, increasing by 52.8 per cent. in 2004 to EUR 16.5 million. Despite high inflation and negative exchange rate effects, general administrative expenses remained relatively stable at 2003 levels. The fall in operating profit from EUR 139.8 million to EUR 110.2 million was mainly a result of the positive impact of the PSS transaction. Excluding this item (EUR 36 million), there would be a slight increase in the operating result. The improvement under other operating result is attributable to one-off valuation adjustments and provisions made in 2003. Minority interests decreased as a result of the increase of the Erste Bank shareholding in Slovenská sporiteľňa from 70 per cent. to 80 per cent. in the second quarter of 2004.

In April 2004 Erste Bank raised its interest in Slovenská sporiteľňa to a total of 80.01 per cent. by purchasing another 10 per cent. stake from Slovakia's national property fund. In January 2005, it exercised a call option to buy the remaining 19.99 per cent. from the European Bank for Reconstruction and Development (EBRD). Erste Bank therefore now owns 100 per cent. of the shares of Slovenská sporiteľňa.

In 2004, loans and advances to customers rose by 10.8 per cent. to SKK 60.5 billion, with the retail portion of this portfolio in local currency increasing 39 per cent. to SKK 27.1 billion. Retail mortgage loans expanded by 41 per cent. to SKK 8.7 billion. Total customer deposits remained stable as compared to 2003, at SKK 172.7 billion. In 2004, the total number of electronic banking users grew by 21.3 per cent. from 320,000 to more than 406,000. To increase efficiency, the staff count was reduced and the restructuring and redimensioning of the branch network were completed, bringing the new total to 333 branches as at 31st December 2004. The number of employees at Slovenská sporiteľňa as at 31st December 2004 fell 3.8 per cent. to 5,083 (2003: 5,283). In March 2004, Leasing Slovenskej sporitelne, owned by Slovenská sporiteľňa and EBV-Leasing, opened and concluded 337 lease agreements in 2004. Slovenská sporiteľňa expanded its share of the factoring market from 22 per cent. in 2003 to more than 50 per cent. in 2004, making it the market leader in Slovakia. Three years after its establishment, the asset management subsidiary of Slovenská sporiteľňa (whose SPORO Money Market Fund became the first investment fund in Slovakia to reach a size of more than SKK 10 billion) had a market share of 31.8 per cent. The life insurance firm Pojistovna slovenskej sporitel'ne, a.s., at the end of 2004 the fifth largest in the market with a share of 5.3 per cent., and second largest in new business, where its market share reached 19.5 per cent.

Erste Bank Hungary Rt.

Financials

(Source: Annual Report 2004)

	As at and for the year ended 31st December	
	2004	2003
	<i>(in EUR million)</i>	
Pre-tax profit for the year	31.3	14.7
Net profit after minority interests	31.5	13.2
Cost-income ratio (in %).....	68.1	70.0
ROE based on net profit after minority interests (in %)	24.0	23.8

Due to the inclusion of Postabank (acquired in December 2003) in the financial statements from the end of 2003, it is not possible to make a meaningful comparison with EBH's previous figures. The integration of Postabank into EBH was concluded, and IT was connected, in the fourth quarter of 2004. The Group results show that, in 2004, performance was above budgeted levels.

The merger of Erste Bank Hungary with Postabank to form Erste Bank Hungary Rt. created the second largest retail bank in Hungary. The progress of integration, combined with earlier than expected approvals by the supervisory authorities and the court of commercial registration, permitted the merger of the two banks to acquire legal validity on 1st September 2004. Erste Bank's ownership interest in Erste Bank Hungary Rt. is 99.9 per cent. The integration programme launched in January 2004, consisting of 24 projects, was completed at the end of November 2004, less than a year after the acquisition of Postabank.

As part of the integration, resources at the head office and in the distribution organisation were streamlined. The number of employees was reduced by nearly 23 per cent. to 2,435 as at 31st December 2004. In addition, due to overlaps in the branch networks of Postabank and Erste Bank, Hungary, the number of branches was cut by 53 through mergers and closures to a new total of 142 outlets as at the end of 2004. The strategic partnership with the Hungarian postal service provides various cross-selling opportunities. In this context, partnership agreements regarding the distribution of important standard banking products (deposits, account management, and retail loans) and investment funds were revised and newly concluded. Through strong growth in lending, the bank achieved market shares both in the retail segment, where outstanding loans grew from HUF268 billion at the end of 2003 to HUF351 billion one year later, and with corporates, where the loan book expanded from HUF367 billion to HUF435 billion. The market share at the end of 2004 was 8.0 per cent. in retail credit and 8.5 per cent. in business lending. While consumer deposits fell, net inflows into investment funds grew. Due to a pronounced increase in sales of proprietary funds, the market share increased from 2.6 per cent. to 9.5 per cent. The merging of the leasing activities of Erste Bank Hungary and Postabank, as well as growth in financing volumes, enhanced the market position in auto leasing from 9.2 per cent. to 10.4 per cent.

Erste & Steiermärkische banka, d.d.

Financials

(Source: Annual Report 2004)

	As at and for the year ended 31st December	
	2004	2003
	<i>(in EUR million)</i>	
Pre-tax profit for the year	42.2	23.7
Net profit after minority interests	21.6	21.3
Cost-income ratio (in %).....	56.6	67.1
ROE based on net profit after minority interests (in %)	17.6	24.2

Pre-tax profits increased 78.1 per cent. in 2004 to EUR 42.2 million. As a result of increased business volume, interest income grew 12.1 per cent. to EUR 84.5 million. Commissions, in particular in the

bank's payment transfer business, rose 33.6 per cent. to EUR 16.7 million, while trading income increased 17.8 per cent. up to EUR 12.6 million. Strict cost management enabled Erste & Steiermärkische banka to improve on its third-quarter forecast that general administrative expenses would be unchanged on the previous year and such expenses fell 2.7 per cent. to EUR 64.3 million in 2004. Group profit at Erste & Steiermärkische banka increased by 1.4 per cent. to EUR 21.6 million, notwithstanding no loss carry-forwards appearing in the accounts, unlike 2003, and higher minority interests owing to the transfer of shares to Steiermärkische Bank and Sparkassen AG. Return on equity fell to 17.6 per cent. as a result of the increase in capital, while the cost/income ratio fell from 67.1 per cent. to 56.6 per cent.

With approximately 550,000 retail customers served by 120 branches throughout the country, Erste & Steiermärkische banka is Croatia's third largest retail bank. In 2004, the bank concentrated on mortgage loans, the acquisition of new customers, its card business and complementary financial services. Other new products and services consisted of co-branded credit cards with associated marketing campaigns, the continual refinement and expansion of new functionalities delivered via the alternative distribution channels, and further credit and savings products. Erste & Steiermärkische banka was able to cross-sell and thus increase the number of complementary financial services products in its offering (life and property insurance, investment funds and building society savings) and achieve unit sales growth of more than 150 per cent. compared to the corresponding period in 2003. As a result of these activities, Erste & Steiermärkische banka increased its market shares in retail lending and in deposits by 1 percentage point and currently has approximately 10 per cent. of the Croatian retail loan market and 9.5 per cent. of the nation's retail deposits. Loans to business clients grew by 40 per cent. compared to 2003. Erste & Steiermärkische banka is one of Croatia's leading banks in the delivery of government-subsidised credit programmes created specifically to support and develop the SME and export sectors. Due to its distribution facilities, in 2004 Erste & Steiermärkische banka increased its market share in corporate lending from 9.2 per cent. at the beginning of the year to about 11.5 per cent. at the end of December 2004. The bank's Croatian market share of corporate deposits rose by approximately 0.5 percentage points to approximately 10.3 per cent. in 2004.

Despite the strong growth in lending to corporate and retail customers, the quality of the Erste & Steiermärkische banka portfolio continued to improve as the share of non-performing loans was reduced. At the same time, the degree to which provisions covered non-performing loans was increased to more than 90 per cent. As part of the continuous efforts to heighten service quality, the bank completed a number of initiatives to enhance market recognition and optimise internal processes, and was able to reduce operating costs. Erste & Steiermärkische banka opened retail branches in Dubrovnik, Virovitica, and Zadar and three SME banking centres in Pozega, Koprivnica, and Dubrovnik. Erste & Steiermärkische banka also improved the data network for additional services such as Internet banking and telephone banking and to support the ATM network, and implemented processes for new, market-focused improvements and development of the bank's core system.

Novosadska banka, a.d.

On 15th July 2005 Erste Bank signed a share purchase agreement to acquire an 83.3 per cent. stake in the share capital of Novosadska banka a.d., Novi Sad (Novosadska banka) from the Republic of Serbia. The acquisition process was completed on 9th August 2005.

Novosadska banka had total assets of EUR 132.3 million as of 31st December 2004. With a market share of 10 per cent., the bank is the second largest bank by market share in Vojvodina, one of Serbia's most prospering regions, with close economic and cultural ties to Austria and other Central European countries. Overall, Novosadska banka has a market share of 2 per cent. in Serbia in terms of total assets. It has 873 employees in 71 branches, serving around 260,000 customers.

Following Erste Bank's acquisition of an 83.3 per cent. stake in Novosadska banka a.d., the tender offer for the remaining 16.7 per cent., or 67,045 shares, owned by more than 2,000 minority shareholders was submitted in accordance with the terms of the share purchase agreement. The offer price is identical to that submitted during the privatisation process. The offer period commenced on 18th October and expired on 7th November 2005.

Erste Bank's strategic aim is to strengthen Novosadska banka's position in the Vojvodina region and in Serbia as a whole, aiming to increase its market share (by assets) from 2 per cent. to 10 per cent. by 2010. Erste Bank intends to invest a further EUR 35 million in Novosadska banka until 2009.

Further acquisitions

Erste Bank is interested in the Romanian market and, at present, is participating in the highly competitive privatisation processes of both Banca Comerciala Romana S.A. (Romanian Commercial Bank – BCR) and Casa de Economii și Consemnațiuni (The Romanian Savings Bank – CEC). On 26th October 2005, the Romanian Privatisation Agency (AVAS) announced that Erste Bank and Banca Comerciala Português (CBR) had been short-listed for the second stage of the acquisition process of BCR. In the event that Erste Bank were to be elected a winner in this process it would consider strengthening its capital base. In addition, Erste Bank continues to observe and assess acquisition opportunities in the entire CEE region.

International Business

The International Business unit comprises the small and medium-sized corporate business of the branches in London, New York and Hong Kong and also encompasses the foreign business of Erste Bank Vienna, including the inter-bank transactions not handled by the Treasury unit.

Key financial indicators of the International Business segment

(Source: Annual Report 2004)

	As at and for the year ended 31st December	
	2004	2003
	<i>(in EUR million)</i>	
Pre-tax profit for the year	120.4	94.1
Net profit after minority interests	93.6	70.1
Cost-income ratio (in %).....	19.1	20.2
ROE based on net profit after minority interests (in %)	23.1	18.3

Profits were enhanced by the reduced risk provision requirements at the New York branch, and stable costs. This resulted in an increase in earnings from EUR 70.1 million in 2003 to EUR 93.6 million in 2004. The cost-income ratio improved from 20.2 per cent. to 19.1 per cent., while return on equity rose from 18.3 per cent. to 23.1 per cent.

The aim of the International Business unit is to increase risk-return diversification over and above that of the credit portfolios in the Group's home market. The unit is focused on the syndication market and not on direct lending to customers. To ensure a stable long-term contribution to the Group's net earnings, all profit centres actively manage their credit portfolios by risk-return criteria.

New York profit centre

The New York branch focuses on corporate, trade and project finance. Approximately two-thirds of all lending by the New York office consists of syndicated senior secured loans to corporate clients.

As a result of a high volume of early redemptions in December and the development of US Dollar/Euro currency rates, the loan portfolio reduced as of the end of 2004 as compared to 2003. Despite the fact that 65 per cent. of new loans in the US market carry single-B ratings and thus do not meet Erste Bank's quality standards and the pressure on margins amid strong competition for lending from investment funds, banks and specialised investors (CLOs), net profit in New York continued to increase in 2004. Assuming the current economic environment is maintained as well as low or declining default rates, credit demand is expected to remain vigorous in 2005.

London profit centre

The activities of the London branch comprise asset-backed securities, acquisition financing, and trade, real estate and aircraft finance. In parallel with growth in the asset-backed securities market, margins fell. Erste Bank's new business in this market segment was therefore unable to meet its budgeted levels.

Further expansion of the Group's acquisition financing portfolio was restricted by the need for risk-return profiles to meet internal requirements. In trade finance, the branch specialised in crude oil and petroleum derivatives in the former Soviet Union, the Middle East and Africa. However, after Russia received investment grade credit ratings last year, margins there also declined. As a result of redemptions and active portfolio management, the share of higher risk categories in the portfolio was reduced from 16 to 11 per cent.

Hong Kong profit centre

The Hong Kong branch lends to financial institutions, national governments and top companies in the Asia-Pacific region and is also active in asset-backed securities. Despite the general deterioration in the risk-return ratio caused by the rising supply of capital to the market in 2004, new business (resulting especially from exposure in Australia, India and Korea) was 20 per cent. above target. The portfolio's credit quality improved compared to the previous year; the share of assets rated investment grade rose from 85 to 87 per cent. Governments, banks and multilateral organisations accounted for 73 per cent. of portfolio exposure at the end of the year.

Vienna profit centre

International Business in Vienna concentrates on lending to national governments and to banks. The strategic focus is placed on maximum net profit while aiming for the greatest possible diversification of country risks (taking account of different credit ratings and maturities). In accordance with Erste Bank's strategy, the unit maintained considerable exposure in Central Europe, as well as supporting the activities of the banking subsidiaries in this region. The portfolio quality remained high in 2004, with investment grade assets accounting for 87.1 per cent. of the total. Exposure to banks and sovereigns made up 94 per cent. of the portfolio. Despite high redemptions, the portfolio was expanded by EUR 810 million to EUR 7.2 billion. Lending to EU accession countries by the Vienna profit centre was also marked by declining margins as a result of high liquidity. The profit centre is increasingly focusing on arranging syndicated loans in order to partially offset the lower margins with higher commission income.

Corporate Centre

The Corporate Centre segment supports the pursuit of Erste Bank's strategic goals by providing marketing, organisation, and information technology services. Erste Bank's growing e-business was also assigned to this segment in 2004. In addition, the Corporate Centre segment encompasses accounting, controlling, settlement, participations management, non-banking subsidiaries and subsidiaries that support the banking activities.

E-Business

Erste Bank's E-business unit supports the Group's core strategy of providing customers with the choice of how and when to use its services. E-business has progressed from the electronic delivery of standard services to an emerging channel for the distribution of simple financial products. The development and roll-out of Erste Bank's electronic banking products continues in collaboration with the Austrian savings banks. In Central Europe, Erste Bank offers e-business services through its subsidiaries and is aiming to develop these channels in the region rapidly.

The number of retail customers of the Group using netbanking, the Group's Internet-banking product, rose by 15.3 per cent. in 2004 to 570,000. By the end of 2004, one-quarter of all domestic payments transactions were conducted via netbanking. Online account statement transactions increased by 29 per cent. in 2004 to approximately 2.2 million, and the number of online requests to customer service representatives rose by 90,000, or 44 per cent., to just under 130,000 for 2004. In 2004 a total of 22 million customer contacts were registered across all electronic transaction channels (2003:16 million). The approximately 2,200 higher-interest "ProfitKonto" current accounts and more than 500 building society contracts that were added via net-banking in 2004 illustrate the sale of standard banking products online. Similarly, the customer base of net trading and brokerjet, the two securities trading platforms designed for clients with different investment horizons, expanded by over 15 per cent. in 2004 to 23,029 customers. The move in payment services away from conventional, physical settlement (using paper or physical storage media) towards electronic delivery for corporates, real estate clients and institutional customers, advanced markedly in 2004 due to a strong focus on converting potential new users. More than 65 per cent. of all domestic payment orders for the whole of Erste Bank's corporate customers were placed electronically (for medium-sized and large companies, the figure was 85 per cent. in 2004). In 2003, such levels of use were 55 per cent. and 76 per cent., respectively. Paper-based domestic payments accounted for less than 4 per cent. of domestic payments while physical storage media (including diskettes and tape cartridges among others) make up 30 per cent. for 2004. Telebanking, the electronic payment platform for businesses, saw growth of approximately 7 per cent. in its customer base during 2004. The more than 8 million payments transacted through this product in 2004 represent an increase of some 28 per cent. as compared to 2003. The volume of funds transferred through telebanking grew 15 per cent. in 2004 to approximately EUR 22 billion and a new version of telebanking was released featuring a new database

for processing large amounts of data, fully integrated use of telebanking on networks, and digital-signature capability. Net pay, the online payment system created by Erste Bank and the savings banks for convenient and secure payment for Internet purchases also grew in 2004, with growth in the number of participating online store operators from a wide range of industries (90 merchants at the end of 2004) as well as the number of users and transactions. By December 2004, the number of transactions per month had grown sevenfold compared to December 2003. The Group's e-business activities in Central Europe continued to expand in 2004. At the end of 2004, Česká spořitelna had over 931,000 users of non-traditional channels, 16.2 per cent. more than 2003. At Slovenská spořitelna over the same period, the number of electronic banking users rose 21.3 per cent. from 320,000 to more than 406,000.

Credit Risk

Erste Bank's credit exposure corresponds to the total of loans and advances to credit institutions and loans and advances to customers, all fixed-income securities (held in the trading book or as investments available for sale for financial investments), off-balance sheet credit risks in the form of guarantees and letters of credit, and the investment portfolio of insurance company s Versicherung.

The total credit exposure of the Group as of 31st December 2004 rose 9.5 per cent. (by EUR 11.4 billion) as compared to 2003 to EUR 131.8 billion. Of this increase, EUR 3.0 billion was recorded at Erste Bank (largely representing inter-bank business and securities investments of the Treasury unit as well as International Business), EUR 5.1 billion was accounted for by the subsidiaries in the Central European core markets (with growth in outstanding loans, especially retail credit), EUR 1.7 billion represented the *Haftungsverbund* savings banks (in particular increases in retail lending and housing finance), EUR 0.9 billion was generated by s Versicherung, EUR 0.5 billion was generated both by IMMORENT and EBV-Leasing, and the rest was generated both by S-Bausparkasse and S-Wohnbaubank.

Credit exposure by risk class

(Source: Annual Report 2004)

	Low risk	Management attention	Substandard	Non-performing	Total exposure
	<i>(in EUR million)</i>				
Total exposure at 31st Dec. 2004	112,055	12,406	3,473	3,879	131,814
as a percentage of total	85.0%	9.4%	2.6%	2.9%	100.0%
Risk provisions at 31st Dec. 2004	93	107	484	2,130	2,814
as a percentage of exposure	0.1%	0.9%	14.0%	54.9%	2.1%
Total exposure at 31st Dec. 2003	99,825	12,498	4,070	4,038	120,431
as a percentage of total	82.9%	10.4%	3.4%	3.4%	100.0%
Risk provisions at 31st Dec. 2003	177	118	504	2,030	2,829
as a percentage of exposure	0.2%	0.9%	12.4%	50.3%	2.3%
Change in total exposure in 2004	12,230	(91)	(598)	(159)	11,382
as a percentage	12.3%	(0.7%)	(14.7%)	(3.9%)	9.5%
Change in risk provisions in 2004	(84)	(11)	(19)	100	(15)
as a percentage	(47.6%)	(9.5%)	(3.9%)	4.9%	(0.5%)

Total credit risk by sector as at and for the year ended 31st December 2004

(Source: Annual Report 2004)

	Low risk	Management attention	Substandard	Non-performing	Total exposure
	<i>(in EUR million)</i>				
Agriculture and forestry	795	274	61	91	1,221
Mining	363	403	18	33	818
Manufacturing	5,427	1,421	712	405	7,966
Energy and water supply	1,085	411	46	26	1,569
Construction	2,610	882	274	343	4,108
Trade	5,207	1,564	618	566	7,955
Hotels and restaurants	1,062	973	441	409	2,884
Transport and communication	1,609	862	110	164	2,745
Banking and insurance	42,268	682	64	42	43,056
Real estate and other business activities	8,481	2,620	525	550	12,176
Public administration	19,837	206	9	24	20,076
Healthcare and social services	889	134	38	36	1,096
Other service activities	1,080	377	107	148	1,712
Private households	20,445	1,553	443	1,013	23,454
Other	897	46	6	28	977
Total	112,055	12,406	3,473	3,879	131,814

Administrative, Managing and Supervisory Bodies

MANAGING BOARD

Andreas TREICHL

Chairman

SB ¹ chairman	Bausparkasse der österreichischen Sparkassen Aktiengesellschaft
SB chairman	Česka spořitelna, a.s.
MB ² chairman.....	DIE ERSTE österreichische Spar-Casse Privatstiftung
SB deputy chairman.....	Donau Allgemeine Versicherungs-Aktiengesellschaft
SB member	Erste Bank Hungary Rt
SB member	Kärntner Sparkasse Aktiengesellschaft
MB member	Österreichischer Sparkassenverband
Advisory Board member.....	s Haftungs- und Kundenabsicherungs GmbH
SB deputy chairman.....	Slovenská spořitel'ňa, a.s.
SB chairman	Sparkassen Versicherung Aktiengesellschaft
SB member.....	Sparkassenbeteiligungs und Service AG für Oberösterreich und Salzburg
SB member.....	Steiermärkische Bank und Sparkassen Aktiengesellschaft
SB chairman	Tiroler Sparkasse Bankaktiengesellschaft Innsbruck

Elisabeth BLEYLEBEN-KOREN

Vice Chairman

SB member	Allgemeine Sparkasse Oberösterreich Bankaktiengesellschaft
SB member.....	AVS Beteiligungsgesellschaft m.b.H.
Advisory Board deputy chairman.	CSSC Customer Sales Service Center GmbH
Advisory Board member.....	EBV – Leasing Gesellschaft m.b.H. & Co. KG.
SB member.....	Oesterreichische Kontrollbank Aktiengesellschaft
SB member.....	Österreichische Hotel- und Tourismusbank Gesellschaft m.b.H.
MB member	Österreichischer Sparkassenverband
Advisory Board deputy chairman.	s Immobilienfinanzierungsberatung GmbH
Advisory Board chairman	S Tourismus Services GmbH
SB chairman	s Wohnbaubank AG
SB chairman	Salzburger Sparkasse Bank Aktiengesellschaft
SB chairman	S-Tourismusfonds Management Aktiengesellschaft
SB member.....	Tiroler Sparkasse Bankaktiengesellschaft Innsbruck

Reinhard ORTNER

Member

SB deputy chairman	Česka spořitelna, a.s.
SB chairman	Erste & Steiermärkische banka d.d., Rijeka
SB chairman	Erste Bank Hungary Rt
MB chairman	Novosadska Banka a.d.
SB deputy chairman.....	Oesterreichische Kontrollbank Aktiengesellschaft
SB member.....	Österreichische Lotterien Gesellschaft m.b.H.
SB chairman	Slovenská spořitel'ňa, a.s.
SB chairman	VBV-Pensionskasse Aktiengesellschaft

Franz HOCHSTRASSER

Member

SB member.....	CDI Beteiligungsberatung GmbH
SB chairman	ecetra Central European e-Finance AG
SB chairman	ecetra Internet Services AG
MB chairman	Erste Financial Products Ltd.
SB chairman	Erste Securities Polska S.A.
Advisory Board chairman	Erste Securities Zagreb d.o.o.
SB chairman	IMMORENT Aktiengesellschaft
MB member	Österreichischer Sparkassenverband

SB member	Steiermärkische Bank und Sparkassen Aktiengesellschaft
SB chairman	VBV – Mitarbeitervorsorgekasse Aktiengesellschaft
SB member	Wiener Börse AG

Erwin ERASIM

Member

SB member	Austrian Payment Systems Services (APSS) GmbH
Advisory Board chairman	BMG-Warenbeschaffungsmanagement GmbH
Advisory Board chairman	Dezentrale IT-Infrastruktur Service GmbH (vorm. EB-IT)
SB deputy chairman	ecetra Central European e-Finance AG
SB deputy chairman	ecetra Internet Services AG
SB chairman	Europay Austria Zahlungsverkehrssysteme GmbH
SB deputy chairman	Informations-Technologie Austria GmbH
Advisory Board chairman	OM Objektmanagement GmbH
SB chairman	SPARDAT Sparkassen-Datendienst Gesellschaft m.b.H.
SB chairman	Sparkassen Zahlungsverkehrabwicklungs GmbH

Christian CORETH

Member

SB member	Česka spořitelna, a.s.
Advisory Board member	Erste Private Equity Limited
MB chairman	Erste Reinsurance S.A.
SB member	Oesterreichische Kontrollbank Aktiengesellschaft
SB member	Slovenská spořitel'ňa, a.s.

SUPERVISORY BOARD

Members of the Supervisory Board

Chairman

Heinz KESSLER
c/o Graben 21
1010 Vienna

Other supervisory board memberships:

Chairman	Nettingsdorfer Papierfabrik Management AG
Chairman	Reform-Werke Bauer & Co Holding Aktiengesellschaft
Deputy Chairman	Duropack Aktiengesellschaft
Third Deputy Chairman	Uniqa Versicherungen AG
Member	DIE ERSTE österreichische Spar-Casse Privatstiftung
Deputy Chairman	Austria Versicherungsverein auf Gegenseitigkeit
Member	Rath Aktiengesellschaft

Additional supervisory board memberships within the savings banks group

First Deputy Chairman:

Georg WINCKLER
Rector of the University of Vienna
Dr. Karl Lueger-Ring 1
1010 Vienna

Other supervisory board memberships:

Deputy Chairman	INITS Universitäres Gründerservice GmbH
Member	Austria Versicherungsverein auf Gegenseitigkeit
Member	Uniqa Versicherungen AG
Member	Innovationszentrum Universität Wien GmbH

Additional supervisory board memberships within the savings banks group

Second Deputy Chairman:

Theresa JORDIS
Attorney at law
Dorda Brugger Jordis
Rechtsanwälte GmbH
Dr. Karl Lueger-Ring 12
1010 Vienna

Other supervisory board memberships:

Chairman..... Wolford Aktiengesellschaft
Member..... Generali Holding Vienna AG
Chairman..... Miba Aktiengesellschaft
Chairman..... Mitterbauer Beteiligungs – Aktiengesellschaft

Bettina BREITENEDER
Businesswoman
Breiteneder Immobilien-Parking
Walfischgasse 5
1010 Vienna

Other supervisory board memberships:

Member..... ZS Einkaufszentren Errichtungs- und Vermietungs Aktiengesellschaft

Elisabeth GÜRTLER
Minority Shareholders' Representative
Businesswoman
Hotel Sacher
Philharmonikerstraße 4
1010 Vienna

Jan HOMAN
CEO of Teich AG
Mühlhofen 4
3200 Obergrafendorf

Other supervisory board memberships:

Member..... Allianz Elementar Versicherungs-Aktiengesellschaft

Additional supervisory board memberships within the Teich group

Werner HUTSCHINSKI
General Manager of A. Sochor & Co GmbH
Brucknerstraße 8
1040 Vienna

Other supervisory board memberships:

Deputy Chairman..... VAV Versicherungs – Aktiengesellschaft

Josef KASSLER
Retired CEO of Steiermärkische Sparkasse
c/o Graben 21
1010 Vienna

Other supervisory board memberships:

Member..... DONAU Allgemeine Versicherungs – Aktiengesellschaft
Member..... ÖWGES Gemeinnützige Wohnbaugesellschaft m.b.H.
Member..... "MesseCenterGraz" Betriebsgesellschaft m.b.H.

Additional supervisory board memberships within the savings banks group

Lars-Olof ÖDLUND
Chief Advisor of FöreningsSparbanken AB
Lokevägen 26
S-182 61 Djursholm

Other supervisory board memberships:

Chairman.....	EntreprenadMaskinSpecialisten i Sthlm AB
Chairman.....	Litorina Capital Management AB
Chairman.....	Swedbank (Luxembourg) SA
Member.....	Skandrenting AB
Member.....	B&B Soft AB
Member.....	Baltic Rim Fund

Wilhelm RASINGER
Minority Shareholders Representative
Feldmühlgasse 22
1130 Vienna

Other supervisory board memberships:

Member.....	Böhler-Uddeholm Aktiengesellschaft
Member.....	Steirerobst Aktiengesellschaft

Friedrich RÖDLER
Public Accountant and Tax Consultant
PwC PricewaterhouseCoopers GmbH
Erdbergstraße 200
1030 Vienna

Hubert SINGER
CEO of Dornbirner Sparkasse AG
Bahnhofstraße 2
6850 Dornbirn

Other supervisory board memberships:

Deputy Chairman.....	Sparkasse Bregenz Bank Aktiengesellschaft
Deputy Chairman.....	Dornbirner Seilbahn Gesellschaft m.b.H.

Additional supervisory board memberships within the savings banks group

REPRESENTATIVES OF THE STAFF COUNCIL:

Günter BENISCHEK
Chairman of the Central Staff Council

Erika HEGMALA
Vice Chairwoman of the Central Staff Council

Ilse FETIK
Member of the Central Staff Council

Joachim HÄRTEL
Member of the Central Staff Council

Christian HAVELKA
Member of the Central Staff Council

Anton JANKU
Member of the Central Staff Council

REPRESENTATIVES OF THE SUPERVISORY AUTHORITIES:

Robert SPACEK
Chief Senate Councillor
State Commissioner

Dietmar GRIEBLER
Senate Councillor
Vice State Commissioner

Sabine KANDUTH-KRISTEN
Councillor
Commissioner for Covered Bonds

Erhard MOSER
Councillor
Vice-Commissioner for Covered Bonds

Irene KIENZL
Councillor
Trustee for *Pfandbriefe* and *Kommunalschuldverschreibungen (Öffentliche Pfandbriefe)*

Anton RAINER
Councillor
Deputy Trustee for *Pfandbriefe* and *Kommunalschuldverschreibungen (Öffentliche Pfandbriefe)*

Erste Bank is not aware of any conflicts of interests between any duties to Erste Bank of members of the Supervisory Board or Managing Board and their private interests and/or other interests.

Shareholders of Erste Bank

The major shareholders of Erste Bank are DIE ERSTE österreichische Spar-Casse Privatstiftung (32.2 per cent.) and Austria Versicherungsverein auf Gegenseitigkeit (6.0 per cent.). The balance held by the public was 61.8 per cent. (of which all Savings Banks together held 7.1 per cent. and Erste Bank's employees held 1.8 per cent. as of 30th September 2005).

¹ "SB" means Supervisory Board

² "MB" means Managing Board

Historical Financial Information

The audited consolidated annual financial statements of Erste Bank for the financial years ended 31st December 2004 and 2003, together in each case with the audit report thereon, are incorporated by reference in this Prospectus.

Extracts from the audited consolidated annual financial statements and the audit reports of 2004 and 2003 are included below.

Consolidated Balance Sheet of Erste Bank (for 2004 and 2003 according to IFRS)

	As at 31st December	
	2004	2003
	<i>(In EUR thousand)</i>	
Assets		
1. Cash and balances with central banks	2,722,931	2,548,758
2. Loans and advances to credit institutions	15,513,265	13,140,025
3. Loans and advances to customers	72,721,800	67,766,224
4. Risk provisions for loans and advances	(2,748,775)	(2,771,653)
5. Trading assets	4,628,261	5,259,294
6. Investments available for sale	9,140,806	7,379,239
7. Financial investments	28,866,928	26,454,438
8. Intangible assets	1,823,409	1,868,201
9. Tangible assets	1,722,576	1,814,078
10. Other assets	5,290,610	5,116,649
Total assets	139,681,811	128,575,253
Liabilities and shareholders' equity		
1. Amounts owed to credit institutions	28,551,355	25,703,928
2. Amounts owed to customers	68,212,546	64,838,840
3. Debts evidenced by certificates	19,886,962	16,944,124
4. Provisions	7,328,240	6,366,096
5. Other liabilities	6,178,548	5,514,814
6. Subordinated capital	3,048,309	3,537,729
7. Minority interests	3,128,790	2,878,953
8. Shareholders' equity	3,347,061	2,790,769
Total liabilities and shareholders' equity	139,681,811	128,575,253

Consolidated Income Statement of Erste Bank for the year ended 31st December 2004

	For the year ended 31st December	
	2004	2003
	<i>(In EUR thousand)</i>	
1. Interest and similar income.....	5,228,778	5,209,459
2. Interest paid and similar expenses	(2,533,270)	(2,622,618)
I. Net interest income	2,695,508	2,586,841
3. Risk provisions for loans and advances.....	(406,185)	(406,428)
4. Fee and commission income.....	1,358,449	1,181,614
5. Fee and commission expenses	(217,381)	(185,047)
<i>Net commission income (Net of 4 and 5)</i>	<i>1,141,068</i>	<i>996,567</i>
6. Net trading result	216,481	214,551
7. General administrative expenses	(2,592,923)	(2,460,755)
8. Income from insurance business	34,819	32,944
9. Other operating result	(27,737)	(202,132)
10. Extraordinary result.....	—	—
II. Pre-tax profit for the year.....	1,061,031	761,588
11. Taxes on income	(273,759)	(224,191)
III. Profit for the year	787,272	537,397
12. Minority interests.....	(242,751)	(184,094)
IV. Net profit after minority interests.....	544,521	353,303

The financial information provided above has been audited by Sparkassen-Prüfungsverband Prüfungsstelle and Deloitte Wirtschaftsprüfungs GmbH. The financial year of Erste Bank is the calendar year.

Auditors' Report

Auditors' Report on the consolidated financial statements as of 31st December 2004 and 2003 are incorporated by reference.

Interim and other Financial Information

The unaudited consolidated financial statements for the nine months ended 30th September 2005 of Erste Bank are incorporated by reference in this Prospectus. A summary of such statements is set out below.

As the revised IASB standards IAS 32 (Financial Instruments: Disclosure and Presentation) and IAS 39 (Financial Instruments: Recognition and Measurement) are compulsory as of 1st January 2005, they mainly affect the presentation of securities trading and the valuation of loans. Under these transition provisions, prior-year figures must be restated. The changes in per cent. indicated are based on the restated prior-year figures.

Group Balance Sheet of Erste Bank as at 30th September 2005

	30th September 2005	31st December 2004 (Restated)	Change in per cent.	31st December 2004 (published)
	<i>(in EUR million)</i>			
Assets				
1. Cash and balances with central banks	2,906	2,723	6.7	2,723
2. Loans and advances to credit institutions	20,058	15,684	27.9	15,513
3. Loans and advances to customers	79,946	72,843	9.8	72,722
4. Risk provisions for loans and advances	(2,902)	(2,804)	3.5	(2,749)
5. Trading assets	5,606	4,628	21.1	4,628
6. AfS and assets through profit and loss	18,511	15,967	15.9	9,141
7. Financial investments.....	23,561	21,926	7.5	28,867
8. Intangible assets.....	1,916	1,823	5.1	1,823
9. Tangible assets.....	1,695	1,723	(1.6)	1,723
10. Other assets.....	5,634	5,299	6.3	5,291
Total assets	156,931	139,812	12.2	139,682
Liabilities and shareholders' equity				
1. Amounts owed to credit institutions...	37,365	28,551	30.9	28,551
2. Amounts owed to customers.....	71,421	68,213	4.7	68,213
3. Debts evidenced by certificates.....	21,168	19,710	7.4	19,887
4. Provisions	8,403	7,500	12.0	7,328
5. Other liabilities	7,860	6,179	27.2	6,179
6. Subordinated capital	3,443	2,994	15.0	3,048
7. Total equity.....	7,271	6,665	9.1	6,476
thereof Shareholders' equity	3,871	3,424	13.1	3,347
thereof Minority interests.....	3,400	3,241	4.9	3,129
Total liabilities and shareholders' equity	156,931	139,812	12.2	139,682

Group Income Statement of Erste Bank for the nine months ended 30th September 2005

	As at and for the nine months ended 30th September			
	Jan-Sep 2005	Jan-Sep 2004 (Restated)	Change in per cent.	Jan-Sep 2004 (published)
	<i>(in EUR million)</i>			
1. Interest and similar income	4,242.9	4,018.4	5.6	4,016.2
2. Interest paid and similar expenses.....	(2,153.5)	(2,022.5)	6.5	(2,022.5)
I. Net interest income	2,089.4	1,995.9	4.7	1,993.7
3. Risk provisions for loans and advances	(329.1)	(306.9)	7.2	(306.9)
4. Fee and commission income	1,128.7	1,001.2	12.7	1,001.2
5. Fee and commission expenses	(206.8)	(152.3)	35.8	(149.4)
Net commission income (Net of 4 and 5)	921.9	848.9	8.6	851.8
6. Net trading result.....	171.6	156.2	9.9	156.2
7. General administrative expenses.....	(1,990.0)	(1,953.3)	1.9	(1,950.9)
8. Income from insurance business	36.9	25.8	43.0	24.6
9. Other operating results	(10.4)	(21.9)	52.5	1.1
II. Pre-tax profit for the period	890.3	744.7	19.6	769.6
10. Taxes on income.....	(209.1)	(198.6)	5.3	(197.0)
III. Profit for the period	681.2	546.1	24.7	572.6
11. Minority interests	(172.4)	(182.5)	(5.5)	(190.0)
IV. Net profit after minority interests	508.8	363.6	39.9	382.6

Legal and Arbitration Proceedings

Erste Bank is party to a number of legal disputes which have arisen in the course of its ordinary banking business. These proceedings are not unusual for banks and are not expected to have a significant impact on the financial position of the Group. Erste Bank is also subject to the following ongoing proceedings:

Haftungsverbund

An Austrian competitor of the Group alleged, at the end of 2003, to the Austrian Financial Markets Authority and to the Austrian Federal Competition Authority that the formation of the *Haftungsverbund* between Erste Bank and a number of the other Austrian savings banks does not comply with European and/or national legislation.

At present, the Cartel Court (at the request of the Federal Competition Authority and the competitor) is reviewing the question of the applicability of European competition law to the co-operation under the *Haftungsverbund* between Erste Bank and the member savings banks. While under national competition law, groups under sec 30 (2a) of the Austrian Banking Act are explicitly exempt from competition rules, the plaintiffs argue that the *Haftungsverbund* has an effect on interstate commerce between Austria and other EU member states and therefore also falls under Art 81 of the EC Treaty, although no explicit ruling on co-operations of this kind exists. The Cartel Court could decide that Art 81 (1) of the EC Treaty is applicable to the *Haftungsverbund*, and that an exemption for the *Haftungsverbund* under Art 81 (3) of the EC Treaty would require certain amendments to the co-operation agreement.

The co-operation under the *Haftungsverbund* existing between Erste Bank and the other members qualify as a credit institute group within the meaning of sec 30 (2a) of the Austrian Banking Act. The credit institute group forms the basis for Erste Bank's consolidation of qualifying capital (required

under sec 24 of the Austrian Banking Act) and of risk-weighted assets (required under sec 22 of the Austrian Banking Act) of the members of the *Haftungsverbund*.

An examination by the Austrian Financial Markets Authority of the validity of the competitor's allegations has already concluded that the Financial Markets Authority shall continue to apply sec 30 (2a) of the Austrian Banking Act and confirmed that the *Haftungsverbund* existing between Erste Bank and the other members qualifies as a credit institute group.

The consolidation of *Haftungsverbund* members' qualifying capital and risk-weighted assets resulted in a 55 basis points (0.55 per cent.) improvement in the Tier 1 ratio of the Group in September 2002. Without the qualifying capital of the other *Haftungsverbund* member savings banks, Erste Bank would comply with the statutory minimum levels of regulatory capital.

In the opinion of Erste Bank, the *Haftungsverbund* is in full compliance with all applicable laws and regulations, and Erste Bank's co-operation with the participating savings banks does not breach any laws and any regulations.

In December 2004, Erste Bank, together with some other members of the *Haftungsverbund*, filed an application with the Cartel Court for a declaratory decision that the co-operation of the applicants under the *Haftungsverbund* qualifies as a "*Zusammenschluss*" (merger) within the meaning of the cartel merger rules. This procedure does not alter in any way the principles on which the *Haftungsverbund* is based.

Česká spořitelna a.s.

In May 2005 the Czech Office for the Protection of Competition started an administrative procedure against the three largest Czech banks, Komerční banka, ČSOB and Česká spořitelna. The Office is alleging that the three banks are acting in concert with regard to certain fees for accounts for retail clients and the offering of banking products with embedded services and that they are abusing their dominant position regarding these products. Česká spořitelna has denied these allegations.

State Aid

The European Commission is currently reviewing past state aid granted by the governments of the newly acceded EU Member States with respect to their conformity with European Union standards for the period after the accession date of 1st May 2004. The European Commission's examinations of the restructuring of Česká spořitelna, a.s. in the Czech Republic and of Slovenská sporiteľňa a.s. in the Slovak Republic were completed in 2004 and the European Commission found that the restructuring measures have no effect on the period after the accession date.

With respect to the Republic of Hungary's Postabank, the European Commission completed its examination under the Interim Procedure in October 2004. The European Commission found that all but one of 18 measures in favour of Postabank, including an "indemnity for threatened litigation claims", have no effect on the period after the accession date. With regard to one particular measure notified by the Hungarian Government and reviewed by the European Commission, an "indemnity for unknown claims" granted by the Republic of Hungary to Erste Bank in the share purchase agreement on the sale of 99.9 per cent. of Postabank (in the course of the privatisation of Postabank, following a public two-round tender process), the European Commission has informed the Republic of Hungary that it has serious doubts about the compatibility of this particular indemnity with the *acquis communautaire* and that it has therefore decided to object to that measure. The European Commission has subsequently initiated the formal investigation procedure laid down in Article 88 (2) of the Treaty of the European Community. This investigation is still pending and no decision has yet been taken.

Salzburger Sparkasse

In 2003, in connection with the financial collapse at the end of the 1980s of the WEB-IMMAG group, a conglomerate of real estate and finance companies in Salzburg, Austria, a trial court passed criminal judgments against three former managers of Salzburg Sparkasse. The three retired managers were charged with being accessories to acts of embezzlement committed by the individuals responsible at the WEB-IMMAG conglomerate, previously convicted by the court of last instance. From the beginning of 2004, with reference to these sentences and the alleged liability of Salzburger Sparkasse for the acts of its former managers, some three thousand former WEB-IMMAG investors, with the support of the *Verein für Konsumentenschutz*, an Austrian consumer protection association, have brought civil suits against Salzburger Sparkasse claiming alleged damages in an amount of EUR 61 million plus interest in an amount of EUR 66 million. The hearings at the court of first instance were scheduled to

start in February 2005. Immediately before the beginning of the hearings the claimants considerably reduced their claims and are currently claiming damages in the total amount of EUR 44 million plus interest/loss of profit in the amount of EUR 10 million. Salzburger Sparkasse is contesting these claims. On 7 November 2005 Salzburger Sparkasse reached an agreement in principle in court with all major plaintiff attorneys to settle this WEB-IMMAG case and all related cases. Salzburger Sparkasse undertook to pay an amount of about EUR 19 Mio to the plaintiffs and the plaintiffs' attorneys in turn undertook to not represent any more clients against Salzburger Sparkasse in relation to the WEB-IMMAG issue. It is a condition of the settlement that the plaintiffs consent to it.

Austrian Cartel Court ruling on CEE acquisitions

During November 2004, Erste Bank applied to the Austrian Cartel Court for a declaration that the acquisitions of majority interest in Česká spořitelna, in Slovenska spořitelňa, Postabank and in Rijecka Banka between 2000 and 2003 were not subject to merger control requirements. Such court subsequently decided that the acquisitions of Postabank and Rijecka Banka were not subject to domestic merger control, but that the acquisitions of Česká spořitelňa, and Slovenska spořitelňa were not exempt from the notification requirements of Section 41 seq. of the Austrian Cartel Act. This decision is not final and Erste Bank has filed an appeal to the Supreme Court (the appellate court in cartel matters). A final decision by the Supreme Court is unlikely to be made before the end of 2005.

As a precautionary measure, Erste Bank formally applied in 2005 for acquisition approval. On 14th October 2005, the Cartel Court approved the acquisitions of Česká spořitelňa, and Slovenska spořitelňa and these decisions are final.

Consequently, the decision of the Supreme Court will have no effect on Erste Bank in relation to its past CEE acquisitions, but will however provide a guideline for notification requirements for future acquisitions.

Material contracts

There are no material contracts not entered into in the ordinary course of Erste Bank's business, which could result in any member of the Group being under an obligation or entitlement that is material to Erste Bank's ability to meet its obligations to security holders in respect of the securities being issued.

The Austrian Banking System

Overview

In common with other continental European countries, Austria's banking system comprises a diverse array of financial institutions. The Austrian banking system is divided into seven "sectors" according to the legal status of a bank and classification in a sector association: (i) *Sparkassen* (savings banks), (ii) *Raiffeisenbanken* (agricultural credit co-operatives), (iii) *Landes-Hypothekenbanken* (provincial mortgage banks), (iv) *Volksbanken* (trade credit co-operative bank(s)), (v) *Aktienbanken und Bankiers* (commercial banks), (vi) *Sonderbanken* (specialist banks), and (vii) *Bausparkassen* (building societies). Erste Bank is a member of the savings bank sector.

Changes in banking practice generally, and in Austrian banking law specifically, have contributed to an erosion of the original distinctions between the sectors. Today, commercial banks, savings banks and co-operative banks all engage in substantially similar business; however, each may have different business policies.

As at 30th November 2004, the Austrian banking system consisted of 894 independent banks with a total of 4,359 branches and estimated total assets of EUR 651 billion. The structure of Austria's banking system is characterised by a large number of small banks, a smaller number of medium to large banks and the absence of any banks of international scale other than Bank Austria Creditanstalt AG ("Bank Austria"), a subsidiary of HVB Group and Erste Bank.

Savings Banks

Of the seven sectors, the savings banks sector is the largest, accounting for EUR 232 billion of total assets. The savings bank sector comprises of 63 independent savings banks (including Bank Austria) with Erste Bank operating as the central financial institution of the savings bank sector (excluding Bank Austria). Erste Bank is not only the central financial institution of the savings bank group, but also the second largest savings bank by total assets in Austria (first is Bank Austria), accounting for some 30 per cent. of the savings banks sector.

Savings banks were historically subject to geographical restrictions in their operations, which contributed to the development of a savings bank sector characterised by a large number of small, local savings banks. Savings banks were established either by a benevolent association (*Verein*), or by the community (*Gemeinde*) itself. The historical role of both the *Verein* and the *Gemeinde* with respect to *Vereinssparkassen* and *Gemeindesparkassen* was to provide the foundation capital for the savings bank and to act in a supervisory capacity. The primary difference between a *Vereinssparkasse* and a *Gemeindesparkasse* is the fact that creditors of a *Gemeindesparkasse* and of its operating savings bank stock corporation have the benefit of a municipal deficiency guarantee and, to an extent, a *Gemeindesparkasse* and its operating savings bank stock corporation are influenced by their municipality.

Following an agreement reached between the EU and Austria, deficiency guarantees were abolished. Liabilities existing as at 2nd April 2003 will continue to be covered until their maturity. Liabilities entered into between 2nd April 2003 and 1st April 2007 will be covered until the end of September 2017. As the savings banks traditionally did not expressly use this guarantee for cheaper financing, no major impact will result from the loss of this guarantee. Only some 16 smaller savings banks will be affected by the loss of the guarantee.

In 1986, an amendment to the Banking Act 1979 (*Kreditwesengesetz*) permitted a savings bank to reorganise as a joint-stock company in order to enable transfers of shares or to raise capital. Such reorganisation involved the creation of an *Anteilsverwaltungssparkasse* (special savings bank holding company) which holds the shares in the respective operating savings bank stock corporation. In 1993, Die Erste changed its structure accordingly.

Such an *Anteilsverwaltungssparkasse* may opt to transform into privately organised foundations. Accordingly, on 19th December 2003, Die Erste österreichische Spar-Casse-Anteilsverwaltungssparkasse (AVS) was transformed into a private law foundation named DIE ERSTE österreichische Spar-Casse-Privatstiftung.

Anteilsverwaltungssparkassen or such privately organised foundations may sell their shares in the savings bank; however, Erste Bank as the savings bank sector's lead bank has the statutory right of first refusal once 51 per cent. of the shares are offered. This right expires on 31st December 2005.

Regulation and Supervision

The structure of the regulation and supervision of the Austrian banking system is set forth in a number of statutes, including the Financial Markets Supervision Act (*Finanzmarktaufsichtsgesetz*), the Banking Act (*Bankwesengesetz*), the National Bank Act 1984 (*Nationalbankgesetz*), the Savings Bank Act 1979 (*Sparkassengesetz*) and the Mortgage Bank Act 1899 (*Hypothekenbankgesetz*), each as amended.

The Financial Markets Supervision Act 2001 puts the responsibility for the supervision of the banks, insurance companies, securities exchanges, investment and pension funds on the Financial Markets Authority. Most supervisory tasks previously assigned to the Austrian Ministry of Finance and the Austrian Securities Authority (*Bundes-Wertpapieraufsicht*) were transferred to the FMA as of 1st April 2002. Under the Banking Act, regulation and supervision of Austrian banks and of the branches of foreign banks in Austria are the responsibility of the FMA assisted by the Oesterreichische Nationalbank (Austrian National Bank, the central bank of Austria). The FMA may take a variety of actions under the Banking Act to supervise banks on a comprehensive and consolidated basis. In order to enable the FMA and the National Bank to fulfil their obligations, banks must, amongst other requirements, prepare monthly interim balance sheets and quarterly profit and loss statements, and submit annual audit reports.

The FMA is subject to supervision by the Minister of Finance and is headed by a two-member management board. The board members are nominated by the Minister of Finance and Oesterreichische Nationalbank and are appointed by the Austrian Government. A supervisory board consisting of eight members, two of which are non-voting, approves the FMA's budget, financial statements, top employees and other important matters. The expenses of the FMA are borne primarily by the supervised banks, companies and funds, whilst the Federal Government bears a minor portion thereof.

The FMA is afforded an array of powers to regulate and supervise the Austrian banking system. These powers include the power to require the delivery of certain reports, to inspect banks, to require audits, and to appoint certain officers and advisers to assist in the discharge of regulatory and supervisory duties. The FMA may use its own auditors or Oesterreichische Nationalbank may be requested by the FMA to perform an audit of a bank, including its branches and representative offices outside Austria. Any bank operating in Austria which is subject to regulation and supervision by the FMA and which is found not to be in compliance with Austrian legal requirements, may be subject to an order by the FMA if there is reason to doubt such bank's ability to fulfil its obligations to its customers. Through such an order, which may be effective for up to 18 months, the FMA may (i) prohibit withdrawals of capital or profits from the bank (in whole or in part), (ii) appoint a government commissioner authorised to prohibit all business which could be prejudicial to the safety of the interests of customers of the bank, (iii) prohibit further management of the bank by such bank's existing management board or (iv) prohibit (in whole or part) further business of the bank.

State Commissioners

The Austrian Banking Act requires the Minister of Finance to appoint a State Commissioner and a Deputy State Commissioner to assist in the supervision and regulation of Austrian banks which have a balance sheet sum of more than EUR 375 million in total assets (at balance sheet value). The role of the State Commissioner is to ensure that these banks do not make decisions at shareholders' and Supervisory Board meetings which, in their view, violate federal laws, regulations or decisions (*Bescheide*). If a State Commissioner objects to any resolution proposed at a shareholder meeting or a meeting of the supervisory board, then the Commissioner has to notify the FMA immediately. The effectiveness of such resolution is suspended until the FMA makes a determination as to its validity (within one week after application by the bank).

Banks are subject to inspection by Trustees and Deputy Trustees appointed by the Minister of Finance in accordance with the Mortgage Bank Act 1899. The Trustees and the Deputy Trustees are charged with the responsibility for determining compliance with legal requirements for the registration of certain assets covering obligations of the Issuer under *Pfandbriefe* and *Kommunalschuldverschreibungen* (*Öffentliche Pfandbriefe*). Commissioners, who are also appointed by the Minister of Finance, are also responsible for monitoring compliance by Erste Bank with the legal requirements for segregation and security provided for Covered Bonds.

Oesterreichische Nationalbank and the European System of Central Banks

Oesterreichische Nationalbank is the central bank of Austria and is mandated by law to assist the European Central Bank. Whereas the European Central Bank decides on the principal monetary issues of the European Monetary Union, Oesterreichische Nationalbank, as a member of the European System of Central Banks, executes the directives and regulations of the European Central Bank. Moreover, it co-operates with the FMA in supervising Austrian banks.

In addition to its functions as the central bank and as an institution within the European System of Central Banks, Oesterreichische Nationalbank reviews reports filed by banks and makes recommendations to the Ministry of Finance and the FMA. Detailed foreign currency statistics concerning the foreign currency position of all Austrian banks are compiled by Oesterreichische Nationalbank and provide it with an indication of the business volume of all large Austrian banks.

Minimum reserves

In accordance with EU Regulations, the European Central Bank prescribes by decree minimum reserves to be maintained by banks with Oesterreichische Nationalbank. These minimum reserve requirements apply to the following liabilities: (i) deposits, (ii) debt securities and (iii) money markets paper. Certain exemptions apply. Required reserve ratios are generally 2 per cent., except for deposits with agreed maturity over two years, deposits redeemable at notice over two years, repos and debt securities issued with an agreed maturity over two years, for which the reserve is in repo. Failure by a bank to meet the minimum reserve requirements exposes the bank to fines or interest penalties.

Statutory deposit insurance scheme

Austrian law requires that any bank which receives deposits must join the insurance scheme of its sector within the banking system. Failure of a bank to join the relevant insurance scheme results in the lapse of the bank's licence to conduct a deposit-taking business in Austria. Payments made by an insurance scheme to restore insured deposits are met by contributions from each member bank in the relevant sector. Each bank's contribution is determined in proportion to the aggregate amount of such bank's deposits, subject to a maximum contribution amount equal to 0.83 per cent. of the risk-weighted basis of such bank pursuant to Section 22(2) of the Austrian Banking Act per business year.

In the event that the aggregate maximum amount that a sector's members can be called upon to contribute is less than the payment liability under the insurance scheme, each deposit insurance scheme of the other banking sectors will contribute a *pro rata* portion of the amount then remaining unpaid, subject to a maximum amount equal to 0.83 per cent. of their risk-weighted basis. If the amount contributed by all insurance schemes is insufficient to make the required payment, then the insurance scheme that is primarily obligated to repay such protected deposits must issue bonds to cover any amount then remaining unpaid. The Republic of Austria may accept liability for such bonds.

The insurance scheme insures deposits of private individuals up to EUR 20,000 or equivalent per private person depositor. Deposits of legal entities are insured up to 90 per cent. of this amount or are to a certain extent excluded from the scope of the scheme. Deposits not exceeding EUR 2,000 will receive treatment by repayment in preference to any major deposits.

Haftungsverbund

In autumn 2001, the majority of the Austrian savings banks excluding Bank Austria signed an agreement which unites them under a common risk management system, early warning system and customer deposit insurance scheme. The customer deposit insurance scheme is materially expanded beyond the legally prescribed amount limited to EUR 20,000 per depositor. This agreement, called the *Haftungsverbund* (literally translated "cross-guarantee system"), ensures enforcement of payments by transferring control of the system under the leadership of Haftungs- und Kundenabsicherungs GmbH. The right to determine risk policies and, in case of serious difficulties of a member, the right to intervene in management was also transferred to Haftungs- und Kundenabsicherungs GmbH, an entity of which Erste Bank owns at least 51 per cent. and the other savings banks own the remainder. This agreement became effective on 1st January 2002.

Financial statements and audits

Generally, Austrian auditing regulations are consistent with EU standards. Austrian banks, and banks operating in Austria, are required to submit audited financial statements, including the audit reports thereon, to the FMA and Oesterreichische Nationalbank requires that data of the financial statements be transmitted electronically in standardised formats.

Austrian listed banks must prepare consolidated financial statements in accordance with International Accounting Standards ("IAS" or "IFRS"). IFRS differs from Austrian bank accounting standards mainly in respect of a greater use of fair values, more comprehensive tax deferrals and the consolidation of all subsidiaries while Austrian standards exclude those with different activities.

All financial statements of banks must be audited by a bank auditor, who is either a certified public accountant or the auditing office of one of the specialised auditing institutions of the respective sector. As a savings bank stock corporation, Erste Bank's consolidated and separate financial statements have been audited by Sparkassen-Prüfungsverband Prüfungsstelle (the Savings Banks' Auditing Agency) as statutory bank auditor. This audit was performed jointly with a member of Deloitte & Touche, which has been appointed by the shareholders' meeting of Erste Bank to act as additional auditors. The audited financial statements, the contents of which are prescribed by law, must be published in the official gazette of the Wiener Zeitung ("*Amstblatt zur Wiener Zeitung*"), the official publication medium in the Republic of Austria.

Bank auditors are also required to examine the timely and complete compliance by the bank with all relevant banking regulations. The result of this audit is included in a separate bank supervision audit report.

Capital adequacy requirements

Under Austrian risk-based capital adequacy rules, each bank must maintain a ratio (the "Solvency Ratio") of at least 8 per cent. The Solvency Ratio is the ratio of Qualifying Capital (as explained below) to risk-adjusted assets and certain off-balance sheet items (as explained below).

For purposes of calculation of the Solvency Ratio, the Austrian Banking Act defines "Qualifying Capital" as consisting principally of (i) paid-in capital, (ii) disclosed reserves, (iii) funds for general bank risks, (iv) supplementary capital, (v) hidden reserves, (vi) participation capital, (vii) subordinated debt, (viii) revaluation reserves, (ix) the commitments of members of co-operative banks to make additional contributions quantified in relation to their shareholdings, (x) short-term subordinated capital and (xi) only for the purpose of supervision on a consolidated basis, hybrid capital. Certain losses, certain intangible assets and certain investments in other banks or financial institutions are required to be deducted in computing Qualifying Capital.

"Core Capital", as applied to Erste Bank, consists of (i) paid-in capital, (ii) disclosed reserves and (iii) funds for general bank risks, less losses and intangible assets. The Austrian Banking Act requires that the aggregate amount of the elements comprising Qualifying Capital, other than those elements which are part of Core Capital, must not exceed the Core Capital. In addition, the sum of subordinated debt may not exceed 50 per cent. of the Core Capital. Core Capital reflects the same concept as "Tier 1 Capital" and Qualifying Capital other than Core Capital reflects a concept similar to "Tier 2 Capital" (as such terms are used in the United Kingdom and the United States capital adequacy rules).

Risk-weighted assets and certain off-balance sheet items, together the risk-weighted basis, are computed by assigning the assets to four broad categories of relative credit risk: 0, 20, 50 or 100 per cent. The varying value of each asset is multiplied by the percentage weight applicable to its risk category to arrive at the risk-weighted value. Off-balance sheet items such as financial guarantees, letters of credit, swaps and other financial derivatives are included (swaps and other derivatives at their fair value). The value is adjusted according to the risk classification of the type of instrument, either by 20, 50 or 100 per cent. As with on-balance sheet assets, each off-balance sheet item is assigned to a credit risk category depending upon the type of counterparty or the debtor and multiplied by the applicable percentage weight.

Capital adequacy rules must be met not only by a bank on its own, but also by the Bank together with all other subsidiary banks, financial institutions, investment firms and ancillary financial services companies. Savings banks, that are members of the *Haftungsverbund*, are included in the group for capital adequacy purposes.

A bank is required to meet the capital requirements regarding position risk as well as settlement and counterparty risk according to a trading book approach. As a complementary measure, short-term subordinated capital is being accepted as part of a Qualifying Capital (short-term subordinated capital is commonly referred to as "Tier 3 Capital", as such term is used in the United Kingdom and the United States capital adequacy rules). The Capital Adequacy Directive has been incorporated into the Austrian Banking Act permitting the use of "internal models" for banking supervision purposes to a greater extent.

In June 1999, the Basle Committee set out proposals for a new capital adequacy framework to replace the 1988 Basle Capital Accord which set down the agreement among the G-10 central banks to apply common minimum capital standards. The objective of the proposals is to improve the way in which regulatory capital requirements reflect underlying risks. The European Commission commenced a consultation process on changes to the capital adequacy framework for banks and investment firms taking into account the Basle Committee's proposals. The new framework is intended to result in legislation covering both EU banks operating internationally and also domestic banks, building societies and investment firms. On the basis of the proposals as developed to date, it is expected that the new capital adequacy framework will not have a material adverse impact on the business of Erste Bank Group.

The Austrian Banking Act

In addition to specifying the capital adequacy rules, the Austrian Banking Act, as amended, imposes other requirements and restrictions on Austrian Banks, including reporting requirements, liquidity requirements, open foreign currency positions, large exposures and restrictions on participations.

Periodical reports. Austrian banks are required to file a number of reports with the FMA, including periodical monthly and quarterly reports. In addition, reports on hidden reserves and credit in excess of certain amounts, if in existence, must also be filed. The form of all reports is established by the implementing ordinance. All reports are delivered to Oesterreichische Nationalbank which reviews them and provides to the FMA an opinion as to whether the regulations on solvency, qualifying capital, liquidity, open foreign currency positions, large exposures and participations have been observed.

Liquidity. The Austrian Banking Act requires each bank to establish a financial results and liquidity cash flow/position plan. The liquidity plan must generally set forth the programme that enables the bank to react to possible disparities between incoming and outgoing payments and to changes in market conditions. The terms of claims and obligations of each bank must be structured to provide for changing interest rates and maturity trends. In addition to these general regulations, the Austrian Banking Act requires banks to retain minimum liquid resources of both first degree and second degree and to submit a detailed calculation plan for the foregoing.

“Open positions” are defined as the difference between assets and liabilities, including forward and options, in foreign currencies and gold. The total of all open positions which fall due within each quarter (except the current and the next two quarters) may not exceed 50 per cent. of the bank's qualifying capital at the close of business of any day. Additional qualifying capital is required. Similar restrictions apply to open positions on items that become due within a specific half year except during the current and the following half year.

Large exposures. If the assets and off-balance sheet items with regard to a single client or group of connected clients exceed 10 per cent. of a bank's Qualifying Capital, then a large exposure exists, within the meaning of the Austrian Banking Act. A large exposure may not exceed 25 per cent. of the Qualifying Capital of a bank on a risk-rated basis. Moreover, no large exposure may exceed 20 per cent. on a risk-related basis if it is made to the parent company or a subsidiary of the parent or the bank. A bank's aggregate large exposures may not exceed 800 per cent. of its Qualifying Capital on a risk-rated basis.

Participations. A qualified participation is a holding by a bank, whether direct or indirect, of at least 10 per cent. of the capital or voting rights of a company. The possibility of exercising a significant influence over the management of a company may also cause the company to constitute a qualified participation of the bank. Qualified participations in non-banks may not be held by banks or a group of banks if the value of the qualified participation exceeds 15 per cent. of the Qualifying Capital of such bank or group. Moreover, the total varying value of qualified participations may not exceed 60 per cent. of the Qualifying Capital of a bank or a group of banks. In certain circumstances, these limitations may be exceeded.

Taxation

Austria

1. Residents

Under Austrian tax law currently in effect, payments of interest on the Notes in accordance with their terms and conditions to a resident individual or corporation (within the meaning of the relevant Austrian tax laws) will generally be subject to Austrian income tax (at a flat rate of 25% levied by way of withholding or by way of assessment) and Austrian corporate income tax (at a flat rate of 25%), respectively.

Capital gains derived from the sale of the Notes by a resident individual or corporation will generally be subject to Austrian income tax (at a progressive rate of up to 50%) or Austrian corporate income tax (at a flat rate of 25%), respectively, with an exemption applying in the case of individuals holding the Notes as a non-business asset and selling/redeeming them after the expiry of a minimum one-year holding period.

Resident individuals and corporations are subject to Austrian inheritance and gift tax in the case of a transfer of the Notes *inter mortuos* or *inter vivos*, the rate of such tax depending upon the value of the assets transferred and upon the relationship between the deceased/the donor on the one hand and the heir/the donee on the other hand. Certain exemptions exist.

No stamp, issue, registration or similar tax or duty will, under present Austrian law, be payable in Austria by resident Noteholders in connection with the issue of the Notes.

2. Non-residents

Under Austrian tax law currently in effect, payments of interest on the Notes in accordance with their terms and conditions to a non-resident individual or corporation (within the meaning of the relevant Austrian tax laws) having no other connection to Austria except for the mere holding of the Notes are not subject to Austrian taxation of income. If interest payments are made by a paying agent in Austria, a non-resident individual or corporation can - according to the practice of the Austrian tax authorities - prevent the Austrian withholding tax (currently 25%) from being deducted if proof of non-residency is furnished (e.g. by disclosing his identity and non-Austrian address). Such exemption will, however, only be effective if the Notes have been deposited with an Austrian bank.

Pursuant to the EU Withholding Tax Act, paying agents in Austria are obliged to levy a withholding tax on interest payments to beneficial owners who are individuals resident for tax purposes in another member state of the EU or in Aruba, the Netherlands Antilles, Guernsey, the Isle of Man, Jersey, the British Virgin Islands or Montserrat. The withholding tax to be levied by the paying agent amounts to 15% in the three years beginning on July 1, 2005, 20% in the following three years and 35% thereafter until the end of a transitional period. The withholding tax can be avoided if the beneficial owner provides a certificate issued by his/her local tax office containing certain personal details as well as details relating to the interest. The certificate is valid for three years.

Capital gains derived from the sale of the Notes by a non-resident individual or corporation having no other relation to Austria except for the mere holding of the Notes are not subject to Austrian income or corporation tax.

Non-resident individuals and corporations are not subject to Austrian inheritance or gift tax provided that neither the deceased/the donor nor the heir/the donee qualify as Austrians, within the meaning of the relevant statute, and that the Notes are not attributable to a permanent establishment in Austria. Even in such a case, certain exemptions exist.

No stamp, issue, registration or similar tax or duty will, under present Austrian law, be payable in Austria by non-resident Noteholders in connection with the issue of the Notes.

This summary of Austrian taxation issues is for general information purposes only. Prospective holders of the Notes are advised to consult their tax and legal advisers with regard to the tax effects of their holding of the Notes.

Luxembourg

The statements herein regarding withholding tax in Luxembourg are based on the laws in force in the Grand Duchy of Luxembourg as of the date of this Prospectus and are subject to any changes in law. The following summary does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to purchase, own or dispose of Notes. Prospective

holders of Notes should consult their tax advisers as to the Luxembourg tax consequences of the ownership and disposition of Notes.

Under Luxembourg tax law currently in effect and subject to both the application of the Directive 2003/48/EC regarding the taxation of savings income (the "Savings Directive") and the several agreements concluded between Luxembourg and certain dependant territories, there is no withholding tax on payments of interest (including accrued but unpaid interest) made to Luxembourg residents and non-residents under the Notes. There is also no Luxembourg withholding tax upon repayment of the principal or upon redemption or exchange of Notes. Luxembourg withholding tax may in the future be introduced for interest payments made to Luxembourg individual residents.

Under the Savings Directive, which was implemented in Luxembourg by a Law dated 21st June 2005, a Luxembourg based paying agent (within the meaning of the Savings Directive) is required since 1st July 2005 to withhold tax on interest and other similar income paid by it to (or under certain circumstances, to the benefit of) an individual resident in another Member State of the EU, unless the beneficiary of the interest payments elects for an exchange of information. The same regime applies to payments made to individuals resident in any of the following territories: Netherlands Antilles, Aruba, Guernsey, Jersey, the Isle of Man, Montserrat and the British Virgin Islands.

The withholding tax rate is initially 15 per cent., increasing steadily to 20 per cent. and to 35 per cent. The withholding tax system will only apply during a transitional period, the ending of which depends on the conclusion of certain agreements relating to information exchange with certain other countries.

EU Directive on the Taxation of Savings Income

The EU has adopted a Directive regarding the taxation of savings income. The Directive requires Member States to provide to the tax authorities of other Member States details of payments of interest and other similar income paid by a person to an individual in another Member State, except that Austria, Belgium and Luxembourg will instead impose a withholding system for a transitional period unless during such period they elect otherwise.

Subscription and Sale

Subject to the terms and on the conditions contained in a Programme Agreement dated 30th June 1998, as amended and restated on 9th November 2005 (the "Programme Agreement") between the Issuer the Permanent Dealers, the International Notes will be offered from time to time by the Issuer to the Permanent Dealers. However, the Issuer has reserved the right to sell International Notes directly on its own behalf to Dealers that are not Permanent Dealers. The International Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The International Notes may also be sold by the Issuer through the Dealers, acting as agents of the Issuer. The Programme Agreement also provides for International Notes to be issued in syndicated Tranches that are jointly and severally underwritten by two or more Dealers. The Issuer will act as sole Arranger and Dealer in respect of Domestic Notes.

The Issuer will pay each relevant Dealer a commission as agreed between the Issuer and the Dealer, which commission may be deducted from the net proceeds payable to the Issuer on the closing of any series of Notes. The Issuer has agreed to reimburse the Arranger for certain of their expenses incurred in connection with the establishment of the Programme and the Dealers for certain of their activities in connection with the Programme. The commissions in respect of an issue of Notes on a syndicated basis will be stated in Part A of the relevant Final Terms.

The Issuer has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Programme Agreement entitles the Dealers to terminate any agreement that they make to subscribe Notes in certain circumstances prior to payment for such Notes being made to the Issuer.

United States

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, US persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Notes in bearer form having a maturity of more than one year are subject to US tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by US tax regulations. Terms used in this paragraph have the meanings given to them by the US Internal Revenue Code and regulations thereunder.

Each Dealer has represented and agreed that, except as permitted by the Programme Agreement, it has not offered or sold and will not offer or sell the Notes of any identifiable Tranche, (i) as part of its distribution at any time or (ii) otherwise until 40 days after completion of the distribution of such Tranche as determined, and certified to the relevant Dealer and the Issuer, by the Fiscal Agent, or in the case of Notes issued on a syndicated basis, the Lead Manager, within the United States or to, or for the account or benefit of, US persons, and it will have sent to each dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, US persons.

In addition, until 40 days after the commencement of the offering, an offer or sale of Notes within the United States by any Dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Each issuance of index-, commodity- or currency-linked Notes may be subject to such additional US selling restrictions as the relevant Dealer(s) may agree with the Issuer as a term of the issuance and purchase or, as the case may be, subscription of such Notes. Each Dealer agrees that it shall offer, sell and deliver such Notes only in compliance with such additional US selling restrictions.

EEA (European Economic Area)

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State"), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Member State (the "Relevant Implementation Date") it has not made and will not make an offer of Notes to the public in that Relevant Member State, except that it may, with effect from and including

the Relevant Implementation Date, make an offer of Notes to the public in that Relevant Member State:

- (a) in (or in Germany, where the offer starts within) the period beginning on the date of publication of a prospectus in relation to those Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive and ending on the date which is 12 months after the date of such publication;
- (b) at any time to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (c) at any time to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than EUR 43,000,000 and (3) an annual net turnover of more than EUR 50,000,000, as shown in its last annual or consolidated accounts; or
- (d) at any time in any other circumstances which do not require the publication by the Issuer of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an “offer of Notes to the public” in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe to the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression “Prospectus Directive” means Directive 2003/71/EC and includes any relevant implementing measures in each Relevant Member State.

United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA would not, if the Issuer was not an authorised person, apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Japan

The Notes have not been and will not be registered under the Securities and Exchange Law of Japan (the “Securities and Exchange Law”). Accordingly, each of the Dealers has represented and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to a resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Securities and Exchange Law and other relevant laws and regulations of Japan. As used in this paragraph, “resident of Japan” means any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

General

These selling restrictions may be modified by the agreement of the Issuer and the Dealers following a change in a relevant law, regulation or directive. Any such modification will be set out in Part A of the relevant Final Terms issued in respect of the issue of Notes to which it relates or in a supplement to this Prospectus.

No action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of the Prospectus or any other offering material or any Final Terms, in any country or jurisdiction where action for that purpose is required.

Each Dealer has agreed that it will, to the best of its knowledge, comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes the Prospectus, any other offering material or any Final Terms and none of the Issuer nor any other Dealer shall have responsibility therefor.

General Information

1. Application has been made to admit the Programme to the Markets.
2. The Issuer has obtained all necessary consents, approvals and authorisations in Austria in connection with the issue and performance of Notes. The establishment of the Programme was authorised by a resolution of the Management Board of the Issuer passed on 9th June 1998 and by a resolution of the Planning and Strategy Committee of the Supervisory Board of the Issuer passed on 17th June 1998.

The update and the increase of the Programme Limit to EUR 20,000,000,000 was authorised by a resolution of the Management Board of the Issuer passed on 15th November 2004, by a resolution of the Strategy Committee of the Supervisory Board of the Issuer passed on 29th November 2004 and by a resolution of the Supervisory Board of the Issuer passed on 15th December 2004.

3. Except as disclosed in this Prospectus, there has been no significant change in the financial or trading position of the Group since 30th September 2005 and no material adverse change in the prospects of the Issuer since 31st December 2004.

4. Save as disclosed in "Legal and Arbitration Proceedings" on pages 124 to 126 of this Prospectus, neither the Issuer nor any of its subsidiaries is or has been involved in any legal or arbitration proceedings that may have, or have had during the twelve months preceding the date of this document, a significant effect on the financial position of the Group or the Issuer, nor is the Issuer aware that any such proceedings are pending or threatened.

5. Each Bearer Note, Receipt, Coupon and Talon with a maturity of over one year will bear the following legend: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Section 165(j) and 1287(a) of the Internal Revenue Code of the United States".

6. Notes have been accepted for clearance through the Euroclear, Clearstream, Luxembourg and OeKB Systems. The Common Code and the International Securities Identification Number (ISIN) and (where applicable) the identification number for any other relevant clearing system for each Series of Notes will be set out in Part B of the relevant Final Terms.

7. The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium, the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy L-1855 Luxembourg and the address of OeKB is Am Hof 4, A-1011 Vienna. The address of any alternative clearing system will be specified in the applicable Final Terms.

8. The issue price and the amount of the relevant Notes will be determined before filing of the relevant Final Terms of each Tranche, based on then prevailing market conditions. Where for a particular tranche of Domestic Notes the issue price or aggregate principal amount are not fixed at the time of issue, the Final Terms shall describe the procedures for calculation and publication of such information. Save in this instance, the Issuer does not intend to provide any post-issuance information in relation to any issues of Notes.

9. Copies of the latest Financial Statements and quarterly interim accounts of the Issuer may be obtained, and copies of the Prospectus (including any Supplemental Prospectus), any Final Terms and the Agency Agreement will be available for inspection at the registered office of the Issuer and at the specified offices of each of the Paying Agents during normal business hours, so long as any of the Notes are outstanding.

10. Sparkassen-Prüfungsverband Prüfungsstelle (statutory auditor, two current directors of which are members of the Austrian Institute of Auditors) of Grimmelshausengasse 1, A-1030 Vienna, and Deloitte Wirtschaftsprüfungs GmbH (a member of "Kammer der Wirtschaftstreuhänder Österreich") of Renngasse 1/Freyung, A-1013 Vienna, have audited and rendered unqualified audit reports on the consolidated financial statements of the Issuer for the two years ended 31st December 2004 and 31st December 2003 (dated 18th March 2005 and 22nd March 2004).

11. For so long as Notes may be issued pursuant to this Prospectus, the following documents will be available, during usual business hours on any weekday (Saturdays and public holidays excepted), for inspection at the registered office of the Issuer and the specified offices of the Paying Agents:

- (i) the Agency Agreement (which includes the form of the Global Notes, the definitive Bearer Notes, the Certificates, the Coupons, the receipts and talons);
- (ii) the Programme Agreement;

- (iii) the Deed of Covenant;
- (iv) the articles of association of the Issuer;
- (v) the published consolidated annual report and audited financial statements of the Issuer for the two most recent financial years ended prior to the date of this Prospectus and any subsequent interim financial statements of the Issuer;
- (vi) each set of Final Terms for Notes that are admitted to trading on the Markets or on any other market or stock exchange;
- (vii) a copy of this Prospectus together with any supplement to this Prospectus or further Prospectus; and
- (viii) a copy of the subscription agreement for Notes issued on a syndicated basis that are admitted to trading on the Markets.

Form of Final Terms

Erste Bank der oesterreichischen Sparkassen AG

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]ⁱ

under the **EUR 20,000,000,000 Debt Issuance Programme**

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Prospectus dated ● [and the supplemental Prospectus dated ●]ⁱⁱ which [together] constitute[s] 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/Offer 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. [The Prospectus [and the supplemental Prospectus] [is] [are] available for viewing at [address] [and] [website] and copies may be obtained from [address] and/or [website].]ⁱⁱⁱ

The following alternative language applies if the first tranche of an issue which is being increased was issued under a Prospectus with an earlier date.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the Conditions) set forth in the [Prospectus/Offering Circular] dated [original date] [and the supplemental Prospectus dated ●]. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the prospectus directive (Directive 2003/71/EC) (the “Prospectus Directive”) and must be read in conjunction with the [Prospectus/Offering Circular] dated [current date] [and the supplemental Prospectus dated ●], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions which are extracted from the [Prospectus/Offering Circular] dated [original date] [and the supplemental Prospectus dated ●] and are attached hereto. 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 Prospectuses dated [original date] and [current date] [and the supplemental Prospectuses dated ● and ●]. [The Prospectuses [and the supplemental Prospectuses] are available for viewing at [address] [and] [website] and copies may be obtained from [address] and/or [website].]

[Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Final Terms.]

[When completing any final terms, or adding any other final terms or information, consideration should be given as to whether such terms or information constitute “significant new factors” and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.]

1. [(i)] Issuer: []
2. [(i)] Series Number: []
[(ii)] Tranche Number: []
(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible.)
3. Specified Currency or Currencies: []
4. Aggregate Nominal Amount: []
[(i)] Series: []
[(ii)] Tranche: []
5. Issue Price: [] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (if applicable)

6. Specified Denominations: []
[]
7. [(i)] Issue Date: []
[(ii)] Interest Commencement Date: []
8. Maturity Date: [*specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year*]
9. Interest Basis: [● per cent. Fixed Rate]
[[*specify reference rate*] +/- ● per cent. Floating Rate]
[Zero Coupon]
[Index-Linked Interest]
[Other (*specify*)]
(further particulars specified below)
10. Redemption/Payment Basis: [Redemption at par]
[Index-Linked Redemption]
[Dual Currency]
[Partly Paid]
[Instalment]
[Reverse Convertible]
[Other (*specify*)]
11. Change of Interest or Redemption/Payment Basis: [*Specify details of any provision for convertibility of Notes into another interest or redemption/payment basis*]
12. Put/Call Options: [Investor Put]
[Issuer Call]
[(further particulars specified below)]
13. (i) Status of the Notes: [Senior/[Dated/Perpetual]/Supplementary Capital/
Subordinated Capital/
Subordinated Supplementary Capital/Short-term
Subordinated Capital/Pfandbrief/
*Kommunalschuldverschreibung (Öffentlicher
Pfandbrief)/Covered Bond (Fundierte
Bankschuldverschreibung)*]
- (ii) [Date Board approval for issuance of Notes obtained: [] [and [], respectively]]
(N.B Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes)
14. Method of distribution: [Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15. Fixed Rate Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Rate[(s)] of Interest: [] per cent. per annum [payable [annually/semi-annually/quarterly/monthly] [cumulative/non-cumulative] in arrear]
- (ii) Interest Payment Date(s): [] in each year [adjusted in accordance with [*specify Business Day Convention and any applicable Business Centre(s) for the definition of "Business Day"*]/not adjusted]
[In the event that interest is not payable [or

the payment of interest is deferred] pursuant to Condition [3(b)(i)][3(b)(iii)], the Issuer shall notify the Agent no later than [[10] Business Days] [other period] following the day on which the annual accounts for the financial year relating to the relevant Interest Accrual Period have been determined or, if earlier, the day on which the Management Board (Vorstand) of the Issuer has resolved that no interest is payable [or that the payment of interest has been deferred, as the case may be,] and the Agent shall, without undue delay, notify the Noteholders of the same not later than [[20] Business Days][other period] prior to the relevant Interest Payment Date. Following such notification to Noteholders, no interest or instalment amounts may be paid, until the Noteholders are notified otherwise by the Agent.]

(iii) Fixed Coupon Amount[(s)]:

[] per [] in Nominal Amount

(iv) Broken Amount(s):

[Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount(s)]

(v) Day Count Fraction:

[30/360 / Actual/Actual (ICMA/ISDA) / other]

(vi) Determination Dates:

[] in each year *(insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. N.B. only relevant where Day Count Fraction is Actual/Actual (ICMA))*

(vii) Other terms relating to the method of calculating interest for Fixed Rate Notes:

[Not Applicable/give details]

16. Floating Rate Note Provisions

[Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)

(i) Interest Period(s):

[]

(ii) Specified Interest Payment Dates:

[] [In the event that interest is not payable [or the payment of interest is deferred] pursuant to Condition [3(b)(i)][3(b)(iii)], the Issuer shall notify the Agent no later than [[10] Business Days] [other period] following the day on which the annual accounts for the financial year relating to the relevant Interest Accrual Period have been determined or, if earlier, the day on which the Management Board (Vorstand) of the Issuer has resolved that no interest is payable [or that the payment of interest has been deferred, as the case may be,] and the Agent shall, without undue delay, notify the Noteholders of the same not later than [[20] Business Days][other period] prior to the relevant Interest Payment Date. Following such notification to Noteholders, no interest or instalment amounts may be paid, until the Noteholders are notified otherwise by the Agent.]

(iii) Business Day Convention:	[Floating Rate Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention/ other (<i>give details</i>)]
(iv) Business Centre(s):	[]
(v) Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/ISDA Determination/other (<i>give details</i>)] [cumulative/non-cumulative]
(vi) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Agent):	[]
(vii) Screen Rate Determination:	
– Reference Rate:	[]
– Interest Determination Date(s):	[]
– Relevant Screen Page:	[]
(viii) ISDA Determination:	
– Floating Rate Option:	[]
– Designated Maturity:	[]
– Reset Date:	[]
(ix) Margin(s):	[+/-][] per cent. per annum
(x) Minimum Rate of Interest:	[] per cent. per annum
(xi) Maximum Rate of Interest:	[] per cent. per annum
(xii) Day Count Fraction:	[]
(xiii) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:	[]
17. Zero Coupon Note Provisions	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
(i) Amortisation Yield:	[] per cent. per annum
(ii) Reference Price:	[]
(iii) Any other formula/basis of determining amount payable:	[]
18. Index-linked Interest Note/other Variable-linked Interest Note Provisions	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
(i) Index/Formula/other variable:	<i>[give or annex details]</i> [cumulative/non-cumulative]
(ii) Calculation Agent responsible for calculating the interest due:	
(iii) Provisions for determining Coupon where calculated by reference to Index and/or Formula and/or other variable:	[] [] []
(iv) Determination Date(s):	[]

- (v) Provisions for determining Coupon where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted: []
- (vi) Interest or calculation period(s): []
- (vii) Specified Interest Payment Dates: []
- (viii) Business Day Convention: [Floating Rate Convention/ Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/ other (*give details*)]
- (ix) Business Centre(s): []
- (x) Minimum Rate/Amount of Interest: [] per cent. per annum
- (xi) Maximum Rate/Amount of Interest: [] per cent. per annum
- (xii) Day Count Fraction: []
19. **Dual Currency Note Provisions** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Rate of Exchange/method of calculating Rate of Exchange: [*give details*]
- (ii) Calculation Agent, if any, responsible for calculating the principal and/or interest due: []
- (iii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: []
- (iv) Person at whose option Specified Currency(ies) is/are payable: []

PROVISIONS RELATING TO REDEMPTION

20. **Call Option** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Optional Redemption Date(s): []
- (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [] per Note of [] Specified Denomination
- (iii) If redeemable in part:
- (a) Minimum Redemption Amount: []
- (b) Maximum Redemption Amount: []
- (iv) Notice period: []^{iv}
21. **Put Option** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Optional Redemption Date(s): []
- (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [] per Note of [] specified denomination
- (iii) Notice period: []^{iv}

22. Final Redemption Amount of each Note

In cases where the Final Redemption Amount is Index-Linked or other variable-linked or for reverse convertible Notes:

- (i) Index/Formula/variable/ Conversion Equity: []
- (ii) Calculation Agent responsible for calculating the Final Redemption Amount: [[] per Note of [] Specified Denomination / other/see Appendix]
- (iii) Provisions for determining Final Redemption Amount where calculated by reference to Index and/or Formula and/or other variable or for reverse convertible Notes: [*give or annex details*] []
- (iv) Provisions for determining Final Redemption Amount where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted: []
- (v) Minimum Final Redemption Amount: []
- (vi) Maximum Final Redemption Amount: []

23. 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): [] per Note of [] Specified Denomination

GENERAL PROVISIONS APPLICABLE TO THE NOTES

24. Form of Notes: Notes governed by English law:
- [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes at any time/in the limited circumstances specified in the Permanent Global Note]
 - [Temporary Global Note exchangeable for Definitive Notes]
 - [Permanent Global Note exchangeable for Definitive Notes at any time/in the limited circumstances specified in the Permanent Global Note]
 - [Registered Notes]
- Notes governed by Austrian law:
- [Temporary Global Note exchangeable for a Permanent Global Note which is not exchangeable for Definitive Notes]
 - [Permanent Global Note not exchangeable for Definitive Notes]
 - [Global Certificate not exchangeable for Registered Notes]
 - [Registered Notes][to the order of the Registered Holder (*Order-Klausel*)]

25. Financial Centre(s) or other special provisions relating to Payment Dates: [Not Applicable/give details. Note that this item relates to the date and place of payment, and not interest period end dates, to which items 16(iv) and 18(ix) relate]
26. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No. If yes, give details]
27. 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/give details]
28. Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made: [Not Applicable/give details]
29. Redenomination, renominatisation and reconventioning provisions: [Not Applicable/The provisions apply]
30. Consolidation provisions: [Not Applicable/The provisions apply]
31. Other final terms: [Not Applicable/give details]
(When adding any other final terms consideration should be given as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)

DISTRIBUTION

32. (i) If syndicated, names and addresses of Managers and underwriting commitments: [Not Applicable/give names, addresses and underwriting commitments]
(Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers.)
- (ii) Date of Subscription Agreement: []
- (iii) Stabilising Manager(s) (if any): [Not Applicable/give name]
33. If non-syndicated, name and address of Dealer: [Not Applicable/give name and address]
34. Total commission and concession: [] per cent. of the Aggregate Nominal Amount
35. Additional selling restrictions: [Not Applicable/give details]
36. Jurisdiction and Governing Law: [Austrian/English]
37. Binding language [German/English]
[Alternative language translation, if any is for convenience purposes only/(delete, if not applicable)]
38. Domestic or International Notes: [Domestic][International]

[Listing and Admission to Trading Application

These Final Terms comprise the final terms required to list and have admitted to trading the issue of Notes described herein pursuant to the EUR 20,000,000,000 Debt Issuance Programme of Erste Bank der oesterreichischen Sparkassen AG.]

Responsibility

The Issuer accepts responsibility for the information contained in these Final Terms [[●] has been extracted from [●]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [●], no facts have been omitted which would render the reproduced information inaccurate or misleading].

Erste Bank der oesterreichischen Sparkassen AG
as the Issuer:

By:
Authorised Officer

By:
Authorised Officer

PART B – OTHER INFORMATION

1. LISTING

- (i) Listing: [Vienna/other (*specify*)/None] [Specify market]
- (ii) Admission to trading: [Application has been made for the Notes to be admitted to trading on the Vienna Stock Exchange [with effect from []].] [Not Applicable.] [Specify market]
- (Where documenting a fungible issue need to indicate that original securities are already admitted to trading.)*

2. RATINGS

- Ratings: [Specify whether rating for specific tranche of Notes or general category]
- [S & P: []]
- [Moody's: []]
- [[Other]: []]
- [Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.]*
- (The above disclosure should reflect the rating allocated to Notes, where the issue has been specifically rated.)*

3. [NOTIFICATION]^v

The Finanzmarktaufsichtbehörde [has been requested to provide/has provided – include first alternative for an issue which is contemporaneous with the establishment or update of the Programme and the second alternative for subsequent issues] the [*include names of competent authorities of host Member States*] 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]]^v

Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:

“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^v

- [(i) Reasons for the offer: ●
- (See “Use of Proceeds” wording in Prospectus – if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.)]*
- [(ii) Estimated net proceeds: ●
- (If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)*

[(iii)] Estimated total expenses:

● [Include breakdown of expenses.]

(If the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies it is only necessary to include disclosure of net proceeds and total expenses at (i) and (ii) above where disclosure is included at (i) above.)

6. [Fixed Rate Notes only – YIELD^v

Indication of yield:

●

Calculated as [include details of method of calculation in summary form] on the Issue Date.

As set out above, the yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

7. [Floating Rate Notes only – HISTORIC INTEREST RATES^v

Details of historic [LIBOR/EURIBOR/other] rates can be obtained from [Telerate].]

8. [Index-linked or other variable-linked Notes only – PERFORMANCE OF INDEX/FORMULA/OTHER VARIABLE, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING^v

Need to include details of where past and future performance and volatility of the index/formula/other variable can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident. [Where the underlying is an index need to include the name of the index and a description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where the information about the index can be obtained. Where the underlying is not an index need to include equivalent information.]]*

9. [Dual Currency Notes only – PERFORMANCE OF RATE[S] OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT^v

Need to include details of where past and future performance and volatility of the relevant rate[s] can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]

10. OPERATIONAL INFORMATION

ISIN Code: []

Common Code: []

Any clearing system(s) other than Euroclear Bank S.A./ N.V., Clearstream Banking, Société Anonymé and OeKB and the relevant identification number(s): [Not Applicable/give name(s) and number(s)]

Delivery: Delivery [against/free of] payment

Names and addresses of additional Paying Agent(s) (if any): []

11. GENERAL

Applicable TEFRA exemption: [C Rules/D Rules/ Not Applicable]

Notes

i Notes issued as Pfandbriefe, Kommunalschuldverschreibungen (Öffentliche Pfandbriefe) or Covered Bonds must be named as such.

ii Only include details of a supplemental Prospectus in which the Conditions have been amended for the purposes of all future issues under the Programme.

iii Article 14.2 of the Prospectus Directive provides that a Prospectus is deemed available to the public when, inter alia, made available (i) in printed form free of charge at the offices of the market on which securities are being admitted to trading; OR (ii) at the registered office of the Issuer and at the offices of the Paying Agents; OR (iii) in an electronic form on the Issuer's website. Article 16 of the Prospectus Directive requires that the same arrangements are applied to supplemental Prospectuses.

iv If setting notice periods which are different from those provided in the terms and conditions, consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the issuer and the fiscal agent.

v There is no obligation to complete part B of the Final Terms in its entirety in case of Notes with a Specified Denomination of at least EUR 50,000 or its equivalent in any other currency or, as the case may be, in case of Notes with a minimum transfer amount of at least EUR 50,000 or its equivalent in any other currency, provided that such Notes will not be listed on any regulated market within the European Economic Area. To be completed in consultation with the Issuer on a case by case basis.

German Translation of Form of Final Terms

FORMULAR FÜR ENDGÜLTIGE BEDINGUNGEN

Erste Bank der oesterreichischen Sparkassen AG

Emission von [Gesamtnominale der Tranche] [Name der Schuldverschreibungen]ⁱ

unter dem EUR 20,000,000,000 Debt Issuance Programme

TEIL A – VERTRAGLICHE BEDINGUNGEN

Hierin verwendete Ausdrücke gelten als definiert wie in den Bedingungen des Prospekts vom ● vorgesehen [und dem Nachtrag zum Prospekt vom ●] der [die] [gemeinsam]ⁱⁱ einen Basisprospekt in Übereinstimmung mit der Prospektrichtlinie (Richtlinie 2003/71/EC) darstellt (die "Prospektrichtlinie"). Dieses Dokument stellt die Endgültigen Bedingungen der Schuldverschreibungen in Übereinstimmung mit Punkt 5.4 der Prospektrichtlinie dar und muss in Verbindung mit diesem Prospekt [samt Nachtrag] gelesen werden. Eine vollständige Information über den Emittenten und das Angebot der Schuldverschreibungen ist nur durch Kombination dieser Final Terms und des Prospekts möglich. [Der Prospekt [und der Nachtrag] [ist] [sind] unter [Adresse] [und] [Website] einsehbar und Kopien können bei [Adresse] und/oder auf [Website]ⁱⁱⁱ bezogen werden.

Die folgende alternative Version des Textes ist anwendbar wenn die erste Tranche einer Emission, die unter einem Prospekt mit früherem Datum begeben wurde, aufgestockt wird.

Hierin verwendete Ausdrücke gelten als definiert wie in den Bedingungen (die Bedingungen) des Prospekts vom [Originaldatum] [und der Nachtrag vom ●] vorgesehen. Dieses Dokument stellt die endgültigen Bedingungen der Schuldverschreibungen in Übereinstimmung mit Punkt 5.4 der Prospektrichtlinie (Richtlinie 2003/71/EC) (die "Prospektrichtlinie") dar und muss in Verbindung mit dem Prospekt vom [aktuelles Datum] [und dem Nachtrag vom ●] gelesen werden, der [die] [gemeinsam] einen Basisprospekt in Übereinstimmung mit der Prospektrichtlinie darstellt, ausgenommen die Bedingungen, die dem Prospekt vom [Originaldatum] [und dem Nachtrag vom ●] entnommen wurden und hier angeschlossen sind. Eine vollständige Information über den Emittenten und das Angebot der Schuldverschreibungen ist nur durch Kombination dieser Final Terms und des Prospekts vom [Originaldatum] und vom [aktuelles Datum] [und dem Nachtrag vom ● und vom ●]. [Der Prospekt [und der Nachtrag] [ist] [sind] unter [Adresse] [und] [Website] einsehbar und Kopien können bei [Adresse] und/oder auf [Website] bezogen werden.

[Bitte einfügen was vom Folgenden anwendbar ist oder bitte als "Nicht Anwendbar" (N/A) spezifizieren. Bitte beachten, dass die Nummerierung wie unten dargestellt bestehen bleiben sollte, selbst wenn "Nicht Anwendbar" für einzelne Absätze oder Unterabsätze anwendbar ist. Kursive Schriftzüge kennzeichnen Anleitungen, um die Endgültigen Bedingungen fertigzustellen.]

[Wenn endgültige Bedingungen fertiggestellt werden, oder andere endgültige Bedingungen oder Informationen zusätzlich hinzugefügt werden, sollte erwogen werden ob solche neue Bedingungen oder Informationen "erhebliche neue Faktoren" darstellen und somit die Verpflichtung eines Nachtrags zum Prospekt gemäß Artikel 16 der Prospektrichtlinie begründen.]

1. [(i)] Emittentin: []
2. [(i)] Seriennummer: []
[(ii)] Tranchennummer:
(Falls zusammengefasst mit einer bereits bestehenden Serie, auch Details dieser Serie, einschließlich dem Datum an dem die Schuldverschreibungen zusammengefasst wurden)
3. Bestimmte Währung oder Währungen: []
4. Gesamtnominalbetrag: []
[(i)] Serie: []

- [(ii) Tranche: []]
5. Emissionspreis: [] Prozent des Gesamtnominalbetrages
[zuzüglich angefallenen Zinsen vom [Datum einsetzen] (falls anwendbar)]
6. Benannte Stückelung: []
7. [(i)] Ausgabetag: []
[(ii)] Zinsbeginnntag: []
8. Fälligkeitstag: [Datum spezifizieren oder (für variabel verzinsliche Schuldverschreibungen) Zinszahlungstag, der in den oder am nächsten zu dem relevanten Monat oder Jahr fällt]
9. Basis für die Zinsen: [● Prozent Fester Zinssatz]
[[Referenzsatz spezifizieren] +/- ● variabel]
[Nullkupon]
[Schuldverschreibung mit Indexabhängiger Verzinsung]
[Andere (spezifizieren)]
(weitere Besonderheiten unterhalb angeführt)
10. Rückzahlung/Zahlungsbasis: [Rückzahlung zum Nennbetrag]
[Indexabhängige Rückzahlung]
[Doppelwährung]
[Teileingezahlt]
[Teilzahlung]
[Reverse Convertible]
[Andere (spezifiziere)]
11. Änderung der Zins- oder der Rückzahlung/
Zahlungsbasis: [Details der Bestimmungen für Änderung der
Schuldverschreibungen in andere Zins- oder
Rückzahlung Zahlungsbasis]
12. Wahlrecht: [Gläubiger]
[Emittentin]
[weitere Besonderheiten unterhalb angeführt]
13. (i) Status der Schuldverschreibungen: [[Nicht-nachrangig [Datiert/Dauernd]/
Ergänzungskapital/Nachrangiges Kapital/
Nachrangiges Ergänzungskapital/Kurzfristiges
Nachrangiges Kapital/Pfandbrief/
Kommunalschuldverschreibung (Öffentlicher
Pfandbrief)/Fundierte Bankschuldverschreibung]
- [(ii)] [Datum Genehmigungsbeschluss des
Vorstands für die Begebung der
Schuldverschreibungen [und Garantie]: [] und []
[(N.B. Nur relevant, wo der ein
Genehmigungsbeschluss des Vorstands (oder
ähnliches) verpflichtend für die Begebung der
jeweiligen Tranche der Schuldverschreibungen ist)]
14. Vertriebsmethode: [Syndikat/kein Syndikat]

BESTIMMUNGEN BETREFFEND DEN ZINSSATZ (WENN ANWENDBAR)

15. Fest Verzinsliche Schuldverschreibungen [Anwendbar/Nicht anwendbar]
(Wenn nicht anwendbar, ist der verbleibende
Unterabsatz dieses Absatzes zu streichen)
- (i) Zinssatz / Zinssätze: [●] Prozent per annum [zahlbar [jährlich/
halbjährlich/quartalsweise/monatlich] [kumulativ/
nicht kumulativ] im nachhinein]

- (ii) Zinszahlungstag(e): [] in jedem Jahr [angepasst in Übereinstimmung mit *[Business Day Convention and anwendbare Geschäftszentren spezifizieren für die Definition von "Geschäftstag"]*/nicht angepasst]
[Für den Fall, dass Zinsen nicht zahlbar sind [oder die Zahlung von Zinsen verschoben wird] gemäß Bestimmung [3(b)(i)][3(b)(iii)] wird die Emittentin den Agenten nicht später als [[10] Geschäftstage] [anderer Zeitraum] nach dem Tag, an dem die Jahresabschlüsse für das Geschäftsjahr, welches sich auf die maßgebliche Zinslaufperiode bezieht, festgestellt wurden, oder, wenn früher, der Tag, an dem der Vorstand der Emittentin beschlossen hat, dass keine Zinsen zahlbar sind [oder dass die Zahlung von Zinsen verschoben wird, je nachdem], verständigen, und der Agent wird die Gläubiger der Schuldverschreibung, ohne unangemessenen Verzug, nicht später als [[20] Geschäftstage] [anderer Zeitraum] vor dem maßgeblichen Zinszahlungstag verständigen.]
- (iii) Festzinssatzbeträge: [] per [] im Nennbetrag
- (iv) Teilbeträge: [Angaben über einen ursprünglichen oder endgültigen Zinsteilbetrag, der nicht den Festzinssatzbeträgen entspricht]
- (v) Zinstagequotient: [30/360/ Actual/Actual (ICMS/ISMA) / andere]
- (vi) Feststellungstage: [] in jedem Jahr (*die regulären Zinszahlungstage einsetzen, wobei der Ausgabetag und der Fälligkeitstag im Fall eines langen oder kurzen ersten oder letzten Kupons außer Acht gelassen werden können. Beachte: nur relevant, wenn der Zinstagequotient Actual/Actual (ICMA) ist.*)
- (vii) Andere Bedingungen, die sich auf die Methode der Zinsberechnung für Festverzinsliche Schuldverschreibungen beziehen: [Nicht anwendbar / Einzelheiten anführen]
16. Variabel Verzinsliche Schuldverschreibungen [Anwendbar/Nicht anwendbar]
(*Wenn nicht anwendbar, ist der verbleibende Unterabsatz dieses Absatzes zu streichen*)
- (i) Zinsperiode(n): []
- (ii) Bestimmte Zinszahlungstage: []
[Für den Fall, dass Zinsen nicht zahlbar sind [oder die Zahlung von Zinsen verschoben wird] gemäß Bestimmung [3(b)(i)][3(b)(iii)] wird die Emittentin den Agenten nicht später als [[10] Geschäftstage] [anderer Zeitraum] nach dem Tag, an dem die Jahresabschlüsse für das Geschäftsjahr, welches sich auf die maßgebliche Zinslaufperiode bezieht, festgestellt wurden, oder, wenn früher, der Tag, an dem der Vorstand der Emittentin beschlossen hat, dass keine Zinsen zahlbar sind [oder dass die Zahlung von Zinsen verschoben wird, je nachdem], verständigen, und der Agent wird die Gläubiger der Schuldverschreibung, ohne unangemessenen Verzug, nicht später als [[20] Geschäftstage]

- [anderer Zeitraum] vor dem maßgeblichen Zinszahlungstag verständigen.]
- (iii) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention / andere (*Einzelheiten anführen*)]
- (iv) Geschäftszentren: []
- (v) Art und Weise, in der die Zinssätze festgesetzt werden: [Bildschirmseite Festsetzung / ISDA Festsetzung / andere (*Einzelheiten anführen*) kumulativ / nicht kumulativ]
- (vi) Für die Berechnung der Zinssätze und der Zinsbeträge zuständige Stelle (wenn nicht der Agent): []
- (vii) Bildschirmfestsetzung: []
- Referenzzinssatz: []
- Zinsfestsetzungstag(e): []
- Maßgebliche Bildschirmseite: []
- (viii) ISDA Festsetzung: []
- Floating Rate Option: []
- Bestimmte Fälligkeit: []
- Reset Date: []
- (ix) Margin(s): [+/-][] Prozent. per annum.
- (x) Minimum Zinssatz: [] Prozent. per annum.
- (xi) Maximum Zinssatz: [] Prozent. per annum.
- (xii) Zinstagequotient: []
- (xiii) Ausfallsbestimmungen, Rundungsbestimmungen, Denominator und andere Bestimmungen, die sich auf die Methode der Zinsberechnung der Variable Verzinslichen Schuldverschreibungen beziehen, wenn diese anders ist, als in den Bedingungen dargestellt: []
17. Nullkupon-Schuldverschreibungen [Anwendbar/Nicht anwendbar]
(Wenn nicht anwendbar, ist der verbleibende Unterabsatz dieses Absatzes zu streichen)
- (i) Amortisationsrendite: [] Prozent. per annum.
- (ii) Referenzpreis: []
- (iii) Andere Formel / Basis zur Festsetzung des zahlbaren Betrages: []
18. Schuldverschreibungen mit Index-abhängiger Verzinsung/Andere variabel-verzinsten Schuldverschreibungen [Anwendbar/Nicht anwendbar]
(Wenn nicht anwendbar, ist der verbleibende Unterabsatz dieses Absatzes zu streichen)
- (i) Index / Formel / andere Variable: [Einzelheiten angeben oder hinzufügen] [kumulativ / nicht-kumulativ]

- (ii) Berechnungsstelle zuständig für die Berechnung der fälligen Zinsen: []
 - (iii) Bestimmungen für die Festsetzung des Kupons, wenn diese durch Referenz auf einen Index und/oder eine Formel und/oder eine andere Variable berechnet werden: []
 - (iv) Feststellungstag(e): []
 - (v) Bestimmungen für die Festsetzung des Kupons, wenn die Berechnung durch Referenz auf einen Index und/oder eine Formel und/oder eine andere Variable unmöglich oder unpraktikabel oder auf andere Weise nicht möglich ist: []
 - (vi) Zins- oder Berechnungsperiod(e): []
 - (vii) Bestimmte Zinszahlungstage: []
 - (viii) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention / andere (*Einzelheiten anführen*)]
 - (ix) Geschäftszentren: []
 - (x) Minimalzinssatz / -zinsbetrag [] Prozent. per annum.
 - (xi) Maximalzinssatz / -zinsbetrag [] Prozent. per annum.
 - (xii) Zinstagequotient []
19. Doppelwährungs-Schuldverschreibungen [Anwendbar/Nicht anwendbar]
(Wenn nicht anwendbar, ist der verbleibende Unterabsatz dieses Absatzes zu streichen)
- (i) Wechselkurs / Methode der Berechnung des Wechselkurses: [*Einzelheiten anführen*]
 - (ii) Berechnungsstelle, wenn vorhanden, die für die Berechnung des Kapitals und/oder des Zinsbetrages zuständig ist: []
 - (iii) Bestimmungen, die anwendbar sind, wenn die Berechnung durch Referenz auf einen Wechselkurs unmöglich oder unpraktikabel ist: []
 - (iv) Person nach deren Wahlrecht die Bestimmte(n) Währung(en) zahlbar ist/ sind: []

BESTIMMUNGEN BETREFFEND DIE RÜCKZAHLUNG

20. Wahlmöglichkeit der Emittentin [Anwendbar/Nicht anwendbar]
(Wenn nicht anwendbar, ist der verbleibende Unterabsatz dieses Absatzes zu streichen)
- (i) Optionaler Rückzahlungstag: []
 - (ii) Optionaler Rückzahlungsbetrag jeder Schuldverschreibung und Methode, wenn überhaupt, der Berechnung solcher Beträge: [] je Schuldverschreibung von [] Bestimmter Stückelung
 - (iii) Wenn teilweise rückzahlbar: []

- (a) Minimaler Rückzahlungsbetrag: []
- (b) Maximaler Rückzahlungsbetrag: []
- (iv) Bekanntmachungszeitraum: []^{iv}
21. Wahlmöglichkeit der Gläubiger [Anwendbar/Nicht anwendbar]
(Wenn nicht anwendbar, ist der verbleibende Unterabsatz dieses Absatzes zu streichen)
- (i) Optionaler Rückzahlungstag: []
- (ii) Optionaler Rückzahlungsbetrag jeder Schuldverschreibung und Methode, wenn überhaupt, der Berechnung solcher Beträge: [] je Schuldverschreibung von [] festgesetzter Denomination
- (iii) Bekanntmachungszeitraum: []^{iv}
22. Endgültiger Rückzahlungsbetrag der Schuldverschreibung
- In Fällen, wenn der Endgültige Rückzahlungsbetrag Indexabhängig oder anders variabel-abhängig ist:
- (i) Index / Formel / variabel / Umtauschkapital []
- (ii) Berechnungsstelle, die für die Berechnung des Endgültigen Rückzahlungsbetrages zuständig ist: []
[[] je Schuldverschreibung von Bestimmter Stückelung / andere / siehe Anhang
- (iii) Bestimmungen für die Festsetzung des Endgültigen Rückzahlungsbetrages, wenn die Berechnung durch Referenz auf einen Index und/oder eine Formel und/oder eine andere Variable erfolgt: []
[Einzelheiten anführen oder beifügen.]
- (iv) Bestimmungen für die Festsetzung des Endgültigen Rückzahlungsbetrages, wenn die Berechnung durch Referenz auf einen Index und/oder eine Formel und/oder eine andere Variable unmöglich oder unpraktikabel oder auf andere Weise nicht möglich ist: []
- (v) Minimaler Endgültiger Rückzahlungsbetrag: []
- (vi) Maximaler Endgültiger Rückzahlungsbetrag: []
- 22a. Tilgung von Aktienanleihen
- Aktien: []
- Anzahl der Aktien: []
- Ausübungstag: []
- Maßgebliche Wertpapierbörse(n): []
- Maßgebliche Optionenbörse(n): []

23. Vorzeitiger Rückzahlungsbetrag

Der Vorzeitige Rückzahlungsbetrag einer Schuldverschreibung, der bei Rückzahlung aus steuerlichen Gründen oder bei einer Leistungsstörung oder bei anderer vorzeitiger Rückzahlung zahlbar ist, und/oder die Methode zur Berechnung des selben (wenn erforderlich oder wenn anders als in den Bedingungen dargestellt):

[] je Schuldverschreibung von Bestimmter Stückelung

ALLGEMEINE AUF DIE SCHULDVERSCHREIBUNGEN ANWENDBARE BESTIMMUNGEN

24. Form der Schuldverschreibungen:

Schuldverschreibungen, die englischem Recht unterliegen:

[Vorläufige Sammelurkunde, durch eine Endgültige Sammelurkunde austauschbar, die in Einzelurkunden zu jeder Zeit / unter beschränkten Umständen, die in der Endgültigen Sammelurkunde angeführt sind, austauschbar ist]

[Vorläufige Sammelurkunde austauschbar gegen Einzelurkunden]

[Endgültige Sammelurkunde austauschbar gegen Einzelurkunden zu jeder Zeit / unter beschränkten Umständen, die in der Endgültigen Sammelurkunde angeführt sind]

[Namensschuldverschreibungen]

Schuldverschreibungen, die österreichischem Recht unterliegen:

[Vorläufige Sammelurkunde ist durch eine Endgültige Sammelurkunde austauschbar, die nicht in Einzelurkunden ausgetauscht werden kann]

[Endgültige Sammelurkunde, nicht austauschbar gegen Einzelurkunden]

[Sammelzertifikat, nicht austauschbar gegen Zertifikate]

[Namensschuldverschreibungen] [mit Orderklausel an den registrierten Inhaber]

25. Finanzzentren oder andere besondere Bestimmungen betreffend die Zahlungstage:

[Nicht anwendbar / Einzelheiten anführen. Beachte, dass dieser Begriff sich auf das Datum und den Ort der Zahlung bezieht, und nicht auf die Zinsperiodenenddaten, auf welche sich die Punkte 16 (iv) und 18 (ix) beziehen]

26. Talonscheine für zukünftige Kuponscheine oder Ratenscheine für Einzelurkunden (und Zeitpunkte, an denen die Talonscheine abreifen)

[Ja/Nein. Wenn ja, Einzelheiten anführen.]

27. Einzelheiten in Bezug auf Teileingezahlte Schuldverschreibungen: Betrag jeder Zahlung inklusive des Ausgabepreises und des Zeitpunktes, an dem eine Zahlung erfolgen muss [und die Folgen (wenn es solche gibt) eines Zahlungsverzögerungs, einschließlich

[Nicht anwendbar / Einzelheiten anführen].

des Rechts der Emittentin, die Schuldverschreibungen und die fälligen Zinsen bei verspäteter Zahlung [verfallen zu lassen]:

28. Einzelheiten betreffend Teilzahlungsschuldverschreibungen: Betrag jeder Teilzahlung, Datum, an dem jede Zahlung erfolgen muss: [Nicht anwendbar / Einzelheiten anführen].
29. Änderung der Stückelung, der Währung und einer Konvention [Nicht anwendbar / Die Bestimmungen sind anwendbar].
30. Konsolidierungsbestimmungen: [Nicht anwendbar / Die Bestimmungen sind anwendbar].
31. Andere endgültige Bedingungen: [Nicht anwendbar / Die Bestimmungen sind anwendbar].
[Nicht anwendbar / Einzelheiten anführen].
(Wenn andere endgültige Bedingungen aufgenommen werden, sollte bedacht werden, ob solche Bestimmungen "wichtige neue Umstände" darstellen and daher die Notwendigkeit für die Ergänzung des Prospekts gemäß Art 16 der Prospektrichtlinie auslösen.)

VERTRIEB

32. (i) Wenn syndiziert, die Namen und Adressen der Manager und Übernahmeverpflichtungen: [Nicht anwendbar / Namen und Adressen und Übernahmeverpflichtungen angeben]
(Die Namen und Adressen jener Rechtsträger aufnehmen, die zustimmen, die Emission fest zu übernehmen und die Namen und Adressen jener Rechtsträger, die zustimmen, die Emission ohne feste Übernahme oder auf einer "Best Efforts"-Grundlage übernehmen, und nicht dieselben wie die Manager sind.)
- (ii) Datum des Subscription Agreements: []
- (iii) Stabilising Manager: [Nicht anwendbar / Namen angeben]
33. Wenn nicht syndiziert, Name und Adresse des Dealers: [Nicht anwendbar / Namen und Adresse angeben]
34. Gesamte Kommission und Konzessionen: [] Prozent des Gesamtnominalbetrages
35. Zusätzliche Verkaufsbeschränkungen: [Nicht anwendbar / Einzelheiten anführen]
36. Gerichtsstand und Anwendbares Recht: [Österreichisch/Englisch]
37. Verbindliche Sprache: [Deutsch/Englisch]
[(Alternative Sprachversion dient nur der Benutzerfreundlichkeit] [/streichen, wenn nicht anwendbar])
38. Inländische oder Internationale Schuldverschreibungen: [Inländische / Internationale]

[Antrag auf Notierung und Zulassung zum Handel

Diese Endgültigen Bedingungen beinhalten die endgültigen Bedingungen, die notwendig sind, um die Emission der Schuldverschreibungen zu notieren und die Zulassung zum Handel zu erhalten gemäß dem EUR 20.000.000.000 Debt Issuance Programme der Erste Bank der oesterreichischen Sparkassen AG.]

Verantwortlichkeit

Die Emittentin übernimmt die Verantwortung für die in diesen Endgültigen Bedingungen enthaltenen Angaben. [●] wurde aus [●] entnommen. Die Emittentin bestätigt, dass diese Information sorgfältig wiedergegeben wurde und dass, soweit ihr bekannt, und wie sie zu bestätigen in der Lage ist, und aufgrund der von [●] veröffentlichten Angaben, keine Tatsachen verschwiegen wurden, die die wiedergegebene Information unrichtig oder irreführend erscheinen lässt.

Erste Bank der oesterreichischen Sparkassen AG

Durch:

Durch:

TEIL B – ANDERE INFORMATIONEN

1. BÖRSENOTIERUNG

- (i) Börsenotierung [Wien/Andere (*spezifiziere*)/Keine]
[Spezifiziere Markt]
- (ii) Handelszulassung [Ein Antrag auf Handelszulassung der
Schuldverschreibungen an der Wiener Börse [mit
Wirkung vom] [] wurde gestellt.]] [Nicht
anwendbar.][Spezifiziere Markt]
- (Wenn Aufstockung dokumentiert wird,
Erläuterung, dass Originalwertpapiere bereits zum
Handel zugelassen sind.)*

2. RATINGS

- Ratings [Spezifiziere, ob Rating für spezielle Tranche oder
generelle Kategorie]
- [S&P: []]
[Moody's: []]
[[Andere]: []]
[Kurze Darstellung der Bedeutung des Ratings
muss eingefügt werden, wenn dies vorher durch
den Rating Provider veröffentlicht wurde.]
- (Obige Offenlegung soll das Rating bezüglich
Schuldverschreibungen darstellen, die eigens
gerated wurden.)*

3. [NOTIFIZIERUNG]

Die Finanzmarktaufsichtsbehörde [wurde aufgefordert zu übermitteln/hat übermittelt — Einfügen der
ersten Alternative bei einer Emission gleichzeitig mit Einrichtung oder Update des Programms und zweite
Alternative für darauffolgende Emissionen], an die [Einfügen von Namen der zuständigen Behörden der
Heimatmitgliedstaaten] eine Bescheinigung über die Billigung zur Verfügung zu stellen, dass der Prospekt in
Einklang mit der Prospektrichtlinie erstellt wurde.]

4. [INTERESSE VON NATÜRLICHEN UND JURISTISCHEN PERSONEN DIE [AN DER EMISSION/AM ANGEBOT] BETEILIGT WAREN]

Einfügen der Beschreibung von allen Interessen, einschließlich widerstreitender, die materiell für die
Emission/das Angebot sind, samt Aufzählung der beteiligten Personen und der Natur der Interessen. Kann
durch das Einfügen der folgenden Erklärung erfüllt werden:

“Ausgenommen wie unter “Zeichnung und Verkauf“ dargestellt, hat, soweit der Emittentin bekannt
ist, keine Person, die am Angebot der Schuldverschreibungen beteiligt war, ein materielles Interesse an
dem Angebot.”]

5. GRÜNDE FÜR DAS ANGEBOT, ERWARTETER NETTOERLÖS UND GESAMTKOSTEN

- [(i) Gründe für das Angebot:
- *(Siehe Formulierung “Verwendung des Erlöses“
im Prospekt — wenn Gründe für Angebot
andere als Gewinnerzielung und/oder
Absicherung gewisser Risiken, dann einfügen
solcher Gründe hier)*
- [(ii) Erwarteter Nettoerlös:
- *(Wenn Erlöse mehr als einer Verwendung
zukommen sollen, dann Auflistung nach Priorität.
Wenn Erlöse ungenügend, um alle
vorgeschlagenen Verwendungen zu finanzieren,*

Auflistung der Höhe und der Quellen der anderen Finanzierungen.)

[(iii)] Geschätzte Gesamtkosten:

- (Einfügen einer Aufgliederung aller Kosten)
(Wenn die Schuldverschreibungen derivative Wertpapiere sind, auf die Anhang XII der Prospektrichtlinie anwendbar ist, müssen nur alle Nettoerlöse und Gesamtkosten unter (i) und (ii) oben offengelegt werden, wenn Offenlegung unter (i) stattgefunden hat.)

6. [Nur Festverzinsliche Schuldverschreibungen — RENDITE^V

Angabe der Rendite:

- Berechnet [Einfügen von Berechnungsmethode als Zusammenfassung] am Ausgabetag.
Wie oben dargestellt, wird die Rendite am Ausgabetag auf Basis des Ausgabepreises berechnet. Es ist keine Angabe zukünftiger Rendite.]

7. [Nur Variabel Verzinsliche Schuldverschreibungen — HISTORISCHE ZINSSÄTZE^V

Einzelheiten historischer [LIBOR/EURIBOR/Andere] Zinssätze können von [Telerate] bezogen werden.]

8. [Nur Schuldverschreibungen mit Indexabhängiger Verzinsung oder andere Variabel-abhängige Schuldverschreibungen — PERFORMANCE VON INDEX/FORMEL/ANDEREN VARIABLEN, ERKLÄRUNG DER AUSWIRKUNGEN AUF DEN WERT DES INVESTMENTS UND VERBUNDENE RISIKEN UND ANDERE INFORMATIONEN DAS UNDERLYING BETREFFEND^V

Einfügen von Einzelheiten, wo vergangene und zukünftige Performance und Volatilität des Index/Formell/ anderer Variabeln bezogen werden können und eine klare und umfassende Erklärung, wie der Wert des Investments vom Underlying betroffen ist, und die Umstände, unter denen die Risiken am auffälligsten sind. [Wenn das Underlying ein Index ist, muss der Name des Index und eine Erklärung, ob der Index vom Emittenten zusammengesetzt wurde, eingefügt werden, und wenn der Index nicht vom Emittenten zusammengesetzt wurde, müssen Einzelheiten, von wo die Informationen über den Index bezogen werden können, eingefügt werden. Wenn das Underlying kein Index ist, müssen gleichwertige Informationen eingefügt werden.]]*

9. [Nur Doppelwährungs-Schuldverschreibungen — PERFORMANCE DER WECHSELKURSE UND ERKLÄRUNG DER AUSWIRKUNGEN AUF DEN WERT DES INVESTMENTS^V

Einfügen von Einzelheiten wo vergangene und zukünftige Performance und Volatilität des(r) relevanten Satzes (Sätze) bezogen werden kann (können) und eine klare und umfassende Erklärung wie der Wert des Investments vom Underlying betroffen ist und die Umstände, unter denen die Risiken am auffälligsten sind.]

10. OPERATIVE INFORMATIONEN

ISIN Code: []

Common Code: []

Andere(s) Clearing System(e) als Euroclear Bank S.A./N.V., Clearstream Banking, Société Anonyme und OeKB und die relevanten Identifikationsnummern: [Nicht Anwendbar/Name(n) und Nummer(n)]

Lieferung: Lieferung [gegen/ohne] Bezahlung

Namen und Adressen von zusätzlicher(n) Zahlstelle(n) (falls vorhanden) []

11. ALLGEMEIN

Anwendbare TEFRA Ausnahme

[C Bestimmungen/D Bestimmungen/Nicht
Anwendbar]

Fußnoten

- i Schuldverschreibungen, die als Pfandbriefe, Kommunalschuldverschreibungen (Öffentliche Pfandbriefe) oder Fundierte Bankschuldverschreibungen emittiert werden, müssen als solche bezeichnet werden.
- ii Nur Einzelheiten von Nachträgen einfügen, mit denen die Bedingungen für alle zukünftigen Emissionen unter dem Programm berichtigt wurden.
- iii Artikel 14.2 der Prospektrichtlinie bestimmt, dass ein Prospekt unter anderem dann als dem Publikum zur Verfügung gestellt gilt, wenn er (i) dem Publikum in gedruckter Form bei den zuständigen Stellen des Marktes, an dem die Wertpapiere zum Handel zugelassen werden sollen; ODER (ii) am Sitz der Emittentin oder den Zahlstellen; ODER (iii) in elektronischer Form auf der Website der Emittentin zur Verfügung gestellt wird. Artikel 16 der Prospektrichtlinie bestimmt, dass dieselben Bestimmungen auf Nachträge zutreffen.
- iv Wenn Fristen für Bekanntmachungen festgelegt werden, die verschieden von jenen sind, die in den Bedingungen festgesetzt sind, ist die Praktikabilität der Weitergabe von Informationen durch Intermediäre, zum Beispiel Clearing Systeme und Verwahrer, wie auch alle anderen Bekanntmachungsverpflichtungen, die anwendbar sind, so zum Beispiel zwischen der Emittentin und dem Fiskalagenten, in Betracht zu ziehen.
- v Es besteht keine Verpflichtung, Teil B der Endgültigen Bestimmungen bei Schuldverschreibungen mit einer bestimmten Stückelung von mindestens EUR 50.000 oder einem Äquivalent in einer anderen Währung, oder bei Schuldverschreibungen mit einer Mindestwerbssumme von zumindest EUR 50.000 oder einem Äquivalent in einer anderen Währung, vorausgesetzt dass solche Schuldverschreibungen nicht an einem geregelten Markt innerhalb des Europäischen Wirtschaftsraums zugelassen sind, in ihrer Gesamtheit zu vervollständigen. Die Vervollständigung hat in Absprache mit der Emittentin von Fall zu Fall zu erfolgen.

**Signature according to the
Austrian Capital Markets Act ("Kapitalmarktgesetz")**

Erste Bank der oesterreichischen Sparkassen AG hereby signs this Prospectus as Issuer pursuant to Sec 8 para 1 of the Austrian Capital Markets Act ("Kapitalmarktgesetz").

Erste Bank der oesterreichischen Sparkassen AG
(as Issuer)

By:

By:

Vienna, 9 November 2005

REGISTERED OFFICE OF THE ISSUER

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1 Great Winchester Street
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UBS Limited
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*To the International Dealers
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