

ERSTE GROUP BANK AG ANNOUNCES THE INVITATION TO TENDER NOTES FOR REPURCHASE FOR CASH

NOT FOR DISTRIBUTION IN THE UNITED STATES OF AMERICA OR TO PEOPLE WHO RESIDE AND/OR LIVE IN THE UNITED STATES OF AMERICA OR TO ANY U.S. PERSON

Erste Group Bank AG announces hereby:

Invitation to the Holders (the "Noteholders") of Notes (the "Notes") listed in the table below to tender for repurchase for cash (each an "Offer") according to the Tender Offer Memorandum and the Rückkauf-Memorandum, respectively (the "Invitation").

Issue Title	ISIN	Repurchase rate in %
7,71 % nachrangige Ergänzungskapital-Anleihe 2000-2015 der Erste Bank	AT0000273727	102.50
5,5 % nachrangige Ergänzungskapital Bankschuldverschreibungen 2003-2015/3	AT0000275862	99.50
Nachrangige Ergänzungskapital-Kapitalmarkt-Floater-Bankschuldverschreibungen 2003-2015/6	AT0000275953	99.20
4,5 % nachrangige Ergänzungskapital-Bankschuldverschreibungen 2003-2015/12	AT0000298260	100.40
Nachrangige Ergänzungskapital-Kapitalmarkt-Floater-Bankschuldverschreibungen 2003-2015/14	AT0000298286	99.20
Nachrangige Ergänzungskapital Bankschuldverschreibungen 2006-2016	AT000B000062	101.30
Nachrangige Ergänzungskapital Bankschuldverschreibungen 2006-2016	AT000B000195	100.90
Nachrangige Ergänzungskapital Stufenzins BSV 2006-2016	AT000B000450	100.90
Nachrangige Ergänzungskapital Stufenzins BSV 2006-2016	AT000B000518	101.00
Nachrangige Ergänzungskapital Fix/CMS Bankschuldverschreibungen 2007-2015	AT000B000658	99.10
Nachrangiger Ergänzungskapital Geldmarkt Floater 2007-2015	AT000B000708	100.70
Nachrangiger Ergänzungskapital Geldmarkt Floater 2007-2016	AT000B001078	100.20
Nachrangiger Ergänzungskapital Geldmarkt Floater 2008-2016	AT000B001466	102.40
EUR 10 M Erste Bank subordinated supplementary CMS-linked Notes due 2017	XS0143383148	94.30

The Notes listed in the above table carrying AT-ISINs are hereinafter referred to as the "**AT-NOTES**" and the Notes listed in the above table carrying a XS-ISIN are hereinafter referred to as the "**XS-NOTES**".

Noteholders whose tenders are accepted for repurchase will receive a purchase price (the "**Repurchase Price**") for each Note by the Issuer which corresponds to the product of a multiplication of (i) the nominal amount of such Note and (ii) the repurchase rate (as listed in the table above, the "**Repurchase Rate**"). Interest accrued and unpaid on the Notes from and including the immediately preceding interest payment date to but excluding the Settlement Date is paid for Notes which are repurchased.

It is expected that tender instructions may be delivered during the period from 1 October 2014 (the "**Commencement Date**") to 21 October 2014, 3.00 p.m. (CET) (the "**Expiration Date**").

Noteholders should consider that the relevant deadline to tender Notes via their depositary bank may terminate earlier than the Expiration Date.

Detailed terms and conditions of the Invitation are specified in the Tender Offer Memorandum and the Rückkauf-Memorandum, respectively. Terms used hereinafter shall have the same meaning as assigned to such terms in the Tender Offer Memorandum.

Reasons for the Invitation

The Notes which are subject to the repurchase constitute supplementary capital (Ergänzungskapital) which is only partially recognised as tier 2 capital pursuant to Art 63 of the Capital Requirements Regulation (CRR). The aim of the Invitation to tender Notes for repurchase is to optimise the capital structure of the Issuer. Moreover, the Invitation offers an exit from the investment for Noteholders as from today's perspective a complete or partial non-payment of interest payments on the Notes in 2015 for the business year 2014 cannot be ruled out completely.

Procedures for participating in the Invitation

The Issuer will only accept tenders for a repurchase of Notes in the context of the Invitation by way of the submission of valid Tender Instructions in accordance with the procedures set out in chapter 5 ("Verfahren für die Annahme der Einladung") of the Rückkauf-Memorandum with regard to AT-Notes and in accordance with the procedures set out in chapter 5 ("Procedures for Accepting the Invitation") of the Tender Offer Memorandum with regard to XS-Notes. To tender Notes in the course of the Invitation, a Noteholder should deliver, or arrange to be delivered on its behalf, a valid Tender Instruction that is received within the Offer Period by the Issuer with respect to AT-Notes and by the Tender Agent with respect to XS-Notes. The deadlines set by the Issuer and/or the Tender Agent for the submission and revocation of Tender Instructions may be earlier than the relevant deadlines specified in the Tender Offer Memorandum and the Rückkauf-Memorandum, respectively.

The tendering of Notes for repurchase by a Noteholder will be deemed to have occurred upon receipt by the Issuer (with regard to AT-Notes) or the Tender Agent (with regard to XS-Notes) of a valid Tender Instruction. Noteholders must take appropriate steps so that no transfers may be effected in relation to such Notes at any time after the date of submission of such Tender Instruction.

Noteholders whose Notes are held via Euroclear or Clearstream must arrange for a Direct Participant of Euroclear or Clearstream through which they hold the relevant Notes to submit a Tender Instruction on their behalf to Euroclear or Clearstream prior to the Expiration Date. Only Direct Participants of Euroclear or Clearstream may submit Tender Instructions to Euroclear or Clearstream.

Tender Instructions regarding Notes which are held via Euroclear or Clearstream must include:

- (a)** irrevocable instructions to:
 - (i)** block the Notes tendered for repurchase and to block any attempt to transfer the Notes prior to the Settlement Date; and
 - (ii)** debit the Noteholder's account on the Settlement Date in respect of all the Notes tendered by such Noteholder or in respect of such lesser portion of Notes as is accepted pursuant to the Invitation upon receipt of an instruction from the Issuer and/or the Tender Agent, subject in any case to the automatic withdrawal of the irrevocable instructions in the event that the Invitation is terminated by the Issuer prior to the Expiration Date, as notified immediately to Euroclear and Clearstream by the Issuer and/or Tender Agent; and
- (b)** an authorisation to disclose to the Issuer and/or Tender Agent the name of the direct account holder and information of the forgoing instructions.

By accepting the Invitation in this manner, Noteholders will be deemed to have acknowledged that they have received a Rückkauf-Memorandum or a Tender Offer Memorandum and agree to be bound by the terms of the Invitation and that the Issuer (with regard to AT-Notes) and/or the Tender Agent (with regard to XS-Notes) may enforce such agreement against such Noteholder.

WARNING: *The Tender Instructions must be delivered and received by Euroclear and Clearstream in accordance with the procedures and on or prior to the deadlines established by the Rückkauf-Memorandum regarding AT-Notes and the Tender Offer Memorandum regarding XS-Notes). Noteholders are responsible for informing themselves of those deadlines and for arranging the due and timely delivery of Tender Instructions to Euroclear and/or Clearstream.*

Indicative Timetable

Date and time	Event
1 October 2014	Commencement Date
21 October 2014, 3.00 pm (CET)	Expiration Date Deadline for the valid receipt of all Tender Instructions by the Issuer (regarding AT-Notes) and/or the Tender Agent (regarding XS-Notes).
As soon as reasonably possible after the Expiration Date.	Results Announcement Date Announcement of the aggregate principle amount of Notes (if any) accepted for repurchase and of the aggregate Repurchase Price.
24 October 2014	Settlement Date Date on which the Repurchase Price is credited to the cash account of the Noteholder in return for the repurchase of the tendered Notes.

For further information and details:

A detailed description of the terms and conditions of the Invitation is specified in the Rückkauf-Memorandum regarding AT-Notes and in the Tender Offer Memorandum regarding XS-Notes. Further information on the transaction can be retrieved from the Issuer with respect to the AT-Notes and from the Tender Agent with respect to the XS-Notes:

ISSUER

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E-mail: GroupDocumentation0537@erstegroup.com

TENDER AGENT

(regarding XS-Notes)

THE BANK OF NEW YORK MELLON
One Canada Square
London
E14 5AL
Fax: +44 20 7964 2536
E-mail: debtrestructuring@bnymellon.com

A copy of the Rückkauf-Memorandum regarding AT-Notes may be obtained from the Issuer upon request of authorized persons. A copy of the Tender Offer Memorandum regarding XS-Notes may be obtained from the Issuer and/or the Tender Agent upon request of authorized persons.

Neither the Issuer nor the Tender Agent nor any of their directors, employees or affiliates makes any recommendation whatsoever to whether Noteholders should accept the Invitation to tender Notes save for cases where Noteholders are explicitly advised by the Issuer or its affiliates. This announcement must be read in conjunction with the Rückkauf-Memorandum regarding AT-Notes and the Tender Offer Memorandum regarding XS-Notes. This Announcement does not constitute an offer to tender any Notes. Any such invitation is only made in the Rückkauf-Memorandum regarding AT-Notes and in the Tender Offer Memorandum regarding XS-Notes, and any such purchase or acceptance of tender offers will only be made based on the information contained therein. This announcement and the Rückkauf-Memorandum regarding AT-Notes and the Tender Offer Memorandum regarding XS-Notes contain important information which must be read carefully prior to any decision with respect to the Invitation or proposals for resolutions. In the event that a Noteholder should have substantial doubts as to which measures to pursue, he is advised to seek advice, including advice on any tax consequences, with his legal and tax advisers or any other independent consultant.

Distribution Restrictions

This Announcement does not constitute an offer to buy or a solicitation of an offer to sell any Notes in any jurisdiction or circumstances in which such offer or solicitation is unlawful and tenders of Notes will not be accepted from Noteholders of such jurisdictions.

The distribution of this Announcement in certain jurisdictions may be restricted by law. Persons into whose possession this Announcement comes are required by the Issuer and/or the Tender Agent to inform themselves about, and to observe, any such restrictions.

GENERAL INFORMATION

In addition to the representations referred to above, each Noteholder participating in the Invitation will also be deemed to give certain representations in respect of the other jurisdictions and generally as set out in chapter 5 ("Verfahren für die Annahme der Einladung") of the Rückkauf-Memorandum regarding AT-Notes and as set out in in chapter 5 ("Procedures for Participating in the Invitation") of the Tender Offer Memorandum regarding XS-Notes. Any tender of Notes for purchase pursuant to the Offer from a Noteholder that is unable to make these representations may be rejected. The Issuer and/or the Tender Agent reserve the right in their absolute discretion to investigate, in relation to any tender of Notes for purchase pursuant to the Invitation, whether any such representation given by a Noteholder is correct and, if such investigation is undertaken and as a result the Issuer and/or the Tender Agent determines (for any reason) that such representation is not correct, such tender may be rejected.

BELGIUM

The Invitation to tender is not being made, directly or indirectly, to the public in Belgium. No documents in the context of the Invitation have been and will not be notified to nor approved by the Belgian Financial Services and Markets Authority (*Autorité des services et marchés financiers/Autoriteit voor Financiële Diensten en Markten*) (the "**Belgian FSMA**") and, accordingly, the Invitation may not be made in Belgium by way of a public offering, as defined in Article 3 of the Law of 1 April 2007 on public takeover bids (the "**Takeover Law**") or as defined in Article 3 of the Law of 16 June 2006 on the public offer of investment instruments and the admission to trading of investment instruments on regulated markets (the "**Prospectus Law**"), each as amended or replaced from time to time. Accordingly, the Invitation may not be advertised or made (either directly or indirectly) and neither the Rückkauf-Memorandum regarding AT-Notes nor the Tender Offer Memorandum regarding XS-Notes nor any other documents or materials in connection with the Invitation may be distributed or made available (either directly or indirectly) to any person in Belgium other than to "qualified investors", as referred to in article 10 of the Law of 16 June 2006 on public offers of investment instruments and the admission to trading of investment instruments on a regulated market (as amended from time to time), acting for their own account (without prejudice to the provisions

of article 6 § 4 of the Takeover Law and article 3 § 4 of the Prospectus Law). Insofar as Belgium is concerned, all documents in connection with the Invitation have been issued only for the personal use of the above qualified investors and exclusively for the purpose of the Invitation. Accordingly, information contained in the Rückkauf-Memorandum or in the Tender Offer Memorandum or any other documents in connection with the Invitation may not be used for any other purpose or disclosed to any other person in Belgium.

FRANCE

The Invitation is not being made, directly or indirectly, to the public in the Republic of France ("**France**"). Only qualified investors (*investisseurs qualifiés*), other than individuals, acting for their own account, all as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 to D.411-3 of the French *Code Monétaire et Financier*, are eligible to participate in the Invitation. No documents in connection with the Invitation have been and may be distributed publicly in France. No documents in connection with the Invitation have been or will be submitted to or approved by the *Autorité des Marchés Financiers*.

ITALY

No documents or materials relating to the Invitation have been or will be submitted to the clearance procedure of the *Commissione Nazionale per le Società e la Borsa* ("**CONSOB**"). The Invitation is being carried out in the Republic of Italy ("**Italy**") as an exempted offer pursuant to article 101-bis, paragraph 3-bis of the Legislative Decree No. 58 of 24 February 1998, as amended (the "**Financial Services Act**") and article 35-bis, paragraph 4, of CONSOB Regulation No. 11971 of 14 May 1999, as amended ("**CONSOB Regulation**"). Holders can tender the Notes through authorised persons (such as investment firms, banks or financial intermediaries permitted to conduct such activities in Italy in accordance with the Financial Services Act, CONSOB Regulation No. 16190 of 29 October 2007, as amended from time to time, and Legislative Decree No. 385 of September 1, 1993, as amended) and in compliance with applicable laws and regulations or with requirements imposed by CONSOB or any other Italian authority. Each intermediary must comply with the applicable laws and regulations concerning information duties vis-à-vis its clients in connection with the Existing Notes or this Invitation.

UNITED STATES OF AMERICA

The Invitation is not being made, and will not be made, directly or indirectly in or into, or by use of the mail of, or by any means or instrumentality of interstate or foreign commerce of or of any facilities of a national securities exchange of, the United States or to, or for the account or benefit of, U.S. persons as defined in Regulation S of the Securities Act (each a "**U.S. person**"). This includes, but is not limited to, facsimile transmission, electronic mail, telex, telephone, the internet and other forms of electronic communication. The Notes may not be tendered pursuant to the Invitation by any such use, means, instrumentality or facility from or within the United States or by persons located or resident in the United States as defined in Regulation S of the U.S. Securities Act of 1933, as amended (the "**Securities Act**") or to U.S. persons. Accordingly, any documents or materials relating to the Invitation are not being, and must not be, directly or indirectly mailed or otherwise transmitted, distributed or forwarded (including, without limitation, by custodians, nominees or trustees) in or into the United States or to persons located or resident in the United States or to U.S. persons. Any purported offer to Sell any Notes pursuant to the Invitation resulting directly or indirectly from a violation of these restrictions will be invalid and any purported offer to Sell any Notes made by a U.S. person, a person located or resident in the United States or from within the United States or from any agent, fiduciary or other intermediary acting on a non-discretionary basis for a principal giving instructions from within the United States or for a U.S. person will be invalid and will not be accepted.

Each Noteholder participating in the Invitation will represent that it is not located in the United States and is not participating in the Invitation from the United States or it is acting on a non-discretionary basis for a principal located outside the United States that is not giving an order to participate in the Invitation from the United States. For the purposes of this and the above paragraph, "**United States**" means United States of America, its territories and possessions, any state of the United States of America and the District of Columbia.

UNITED KINGDOM

The communication of any documents or materials relating to the Invitation is not being made and such documents and/or materials have not been approved by an authorised person for the purposes of section 21 of the Financial Services and Markets Act 2000 ("**FSMA**"). Accordingly, such documents and/or materials are not being distributed to, and must not be passed on to persons in the United Kingdom save in circumstances where section 21(1) of the FSMA does not apply. The communication of any documents or materials relating to the Invitation is only being made to those persons in the United Kingdom falling within the definition of investment professionals (as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**")) or to those persons who are existing members or creditors of the relevant offeror or other persons within Article 43(2) of the Order, or to other persons to whom it may otherwise lawfully be communicated by virtue of an exemption to section 21 of the FSMA or otherwise in circumstances where it does not apply.

The five biggest listed issues of Erste Group Bank AG in terms of issue volume have the following ISIN:

AT0000A17ZZ3

AT0000A17ZV2

XS0743547183

XS0580561545

XS0432079381

The issues of Erste Group Bank AG are admitted to trading on the following regulated markets:

Vienna

Luxembourg

Budapest

Bucharest

Zagreb

Stuttgart

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This information is also available on <http://www.erstegroup.com/en/Investors/News> and on the Erste Group Investor Relations App for iPad, iPhone and Android (http://www.erstegroup.com/en/Investors/IR_App).