26.01.2016

Final Terms

5.56% Erste Group RON subordinated Bond 2016-2024 (the **Notes**)

issued pursuant to the

EUR 30,000,000,000 Debt Issuance Programme

of

Erste Group Bank AG

Issue Price: 97.00 per cent.

Issue Date: 28.01.2016[2]

Series No.: 1486

Tranche No.: 1

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2 The Issue Date is the date of issue and payment of the Notes. In the case of free delivery, the Issue Date is the delivery date.

IMPORTANT NOTICE

These Final Terms have been prepared for the purpose of Article 5 (4) of the Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003, as amended by Directive 2010/73/EU of the European Parliament and of the Council of 24 November 2010 and must be read in conjunction with the Debt Issuance Programme Prospectus, dated 13 May 2015, as supplemented from time to time (the "**Prospectus**") pertaining to the EUR 30,000,000,000 Debt Issuance Programme (the "**Programme**") of Erste Group Bank AG (the "**Issuer**"). The Prospectus and any supplements thereto are available for viewing in electronic form on the website of the Issuer (www.erstegroup.com/de/Capital-markets/Prospekt/Anleihen). Full information on the Issuer and the Notes is only available on the basis of the combination of the Prospectus, any supplements thereto and these Final Terms.

PART A. - TERMS AND CONDITIONS

The Conditions applicable to the Notes are set out below.

§ 1
CURRENCY, DENOMINATION, FORM, CERTAIN DEFINITIONS

(1) *Currency*, *Denomination*. This tranche (the "**Tranche**") of Subordinated notes (the "**Notes**") is being issued by Erste Group Bank AG (the "**Issuer**") in Romanian Leu (RON) (the "**Specified Currency**") in the aggregate principal amount of RON 23,000,000 (in words: twenty-three million) in the denomination of RON 500,000 (the "**Specified Denomination**").

(2) *Form*. The Notes are being issued in bearer form.

(3) *Permanent Global Note*. The Notes are represented by a permanent global note (the "**Permanent Global Note**" or the "**Global Note**") without coupons; the claim for interest payments under the Notes is represented by the Permanent Global Note. The Permanent Global Note shall be signed by authorised representatives of the Issuer. The Permanent Global Note shall be issued in classical global note format. Definitive Notes and coupons will not be issued.

(4) *Clearing System*. The Global Note(s) will be kept in custody by or on behalf of a Clearing System until all obligations of the Issuer under the Notes have been satisfied. "**Clearing System** " means Oesterreichische Kontrollbank Aktiengesellschaft, Am Hof 4, 1010 Vienna, Austria ("**OeKB**") and any successor in such capacity.

(5) *Holder of Notes*. "**Holder**" means any holder of a proportionate co-ownership or other comparable right in the Global Note which may be transferred to a new Holder in accordance with the provisions of the Clearing System.

(6) *Business Day*. "**Business Day**" means a calendar day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in Bucharest and the Trans-European Automated Real-time Gross Settlement Express Transfer System 2 or its successor ("**TARGET**") is open.

§ 2
STATUS

The Notes constitute direct, unsecured and subordinated obligations of the Issuer and rank *pari passu* among themselves and at least *pari passu* with all other subordinated obligations of the Issuer other than subordinated obligations which are expressed by their terms to rank junior to the Notes.

The Notes constitute Tier 2 instruments pursuant to Article 63 of the Regulation (EU) No 575/2013 of the European Parliamant and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 as amended from time to time (*Capital Requirements Regulation* – "**CRR**") and have a minimum maturity of five years.

In the event of the liquidation or insolvency of the Issuer, the payment obligations of the Issuer under the Notes 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 Notes and in priority to the claims of shareholders, holders of (other) Common Equity Tier 1 instruments pursuant to Article 28 of the CRR as well as holders of Additional Tier 1 instruments pursuant to Article 52 of the CRR of the Issuer and all other subordinated obligations of the Issuer which are expressed by their terms to rank junior to the Notes.

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 Notes. No subsequent agreement may limit the subordination pursuant to this § 2 or amend the maturity of the Notes.

§ 3
INTEREST

(1) *Rate of Interest and Interest Payment Dates.* The Notes shall bear interest on their outstanding aggregate principal amount at the rate of 5.56 per cent. *per annum* from, and including, 28.01.2016 (the "**Interest Commencement Date**") to, but excluding, the Maturity Date (as defined in § 5 (1)).

Interest shall be payable annually in arrear on 28.01. in each year (each such date, an "**Interest Payment Date**"), commencing on 28.01.2017 and ending on 28.01.2024. Interest Payment Dates are subject to adjustment in accordance with the provisions set out in § 4 (3).

(2) *Default Interest*. The Notes shall cease to bear interest from the expiry of the calendar day preceding the due date for redemption. If the Issuer fails to redeem the Notes when due, interest shall continue to accrue on the outstanding aggregate principal amount of the Notes from, and including, the due date for redemption to, but excluding, the date of actual redemption of the Notes at the respective rate of interest specified. This does not affect any additional rights that might be available to the Holders.

(3) *Calculation of Amount of Interest*. If the amount of interest payable under the Notes is required to be calculated for any period of time of less or more than a full year such amount of interest shall be calculated by applying the rate of interest to the Specified Denomination, multiplying such sum by the applicable Day Count Fraction (as defined below), and rounding the resultant figure to the nearest sub-unit of the Specified Currency, half of such sub-unit being rounded upwards or otherwise in accordance with the applicable market convention.

(4) *Day Count Fraction*. "**Day Count Fraction**" means, in respect of the calculation of an amount of interest on any Note for any period of time (the "**Calculation Period**"):

1. if the Calculation Period is equal to or shorter than the Determination Period during which the Calculation Period ends, the number of calendar days in such Calculation Period divided by the product of (x) the number of calendar days in such Determination Period and (y) the number of Determination Dates (as specified below) that would occur in one calendar year; or
2. if the Calculation Period is longer than the Determination Period during which the Calculation Period ends, the sum of
   (A) the number of calendar days in such Calculation Period falling in the Determination Period in which the Calculation Period begins divided by the product of (x) the number of calendar days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
   (B) the number of calendar days in such Calculation Period falling in the next Determination Period divided by the product of (x) the number of calendar days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year.

"**Determination Period**" means the period from, and including, a Determination Date to, but excluding, the next Determination Date (including, where the Interest Commencement Date is not a Determination Date, the period commencing on the first Determination Date prior to the Interest Commencement Date, and where the final Interest Payment Date is not a Determination Date, the first Determination Date falling after the final Interest Payment Date, as the case may be).

The number of interest determination dates per calendar year (each a "**Determination Date**") is one.

§ 4
PAYMENTS

(1) (a) *Payment of Principal*. Payment of principal on the Notes shall be made, subject to paragraph (2) below, to the Clearing System or to its order for credit to the accounts of the relevant accountholders of the Clearing System.

(b) *Payment of Interest*. Payment of interest on the Notes shall be made, subject to paragraph (2) below, to the Clearing System or to its order for credit to the accounts of the relevant accountholders of the Clearing System.

(2) *Manner of Payment*. Subject to applicable fiscal and other laws and regulations, payments of amounts due in respect of the Notes shall be made in the Specified Currency.

If the Issuer determines that it is impossible to make payments of amounts due on the Notes in freely negotiable and convertible funds on the relevant due date for reasons beyond its control or that the

Specified Currency or any successor currency provided for by law (the "**Successor Currency**") is no longer used for the settlement of international financial transactions, the Issuer may fulfil its payment obligations by making such payments in Euro on the relevant due date on the basis of the Applicable Exchange Rate. Holders shall not be entitled to further interest or any additional amounts as a result of such payment. The "**Applicable Exchange Rate** " shall be (i) (if such exchange rate is available) the exchange rate of Euro against the Specified Currency or the Successor Currency (if applicable) determined and published by the European Central Bank for the most recent calendar day falling within a reasonable period of time prior to the relevant due date, or (ii) (if such exchange rate is not available) the exchange rate of Euro against the Specified Currency or the Successor Currency (if applicable) which the Fiscal Agent has calculated as the arithmetic mean of offered rates concerning the Specified Currency or the Successor Currency (if applicable) quoted to the Fiscal Agent by four leading banks operating in the international foreign exchange market for the most recent calendar day falling within a reasonable (as determined by the Fiscal Agent in its reasonable discretion) period of time prior to the relevant due date, or (iii) (if such exchange rate is not available) the exchange rate of Euro against the Specified Currency or the Successor Currency (if applicable) as determined by the Fiscal Agent in its reasonable discretion.

(3) *Payment Business Day*. If the due date for any payment in respect of the Notes would otherwise fall on a calendar day which is not a Payment Business Day (as defined below), the due date for such payment shall be postponed to the next calendar day which is a Payment Business Day.

"**Payment Business Day** " means a calendar day (other than a Saturday or a Sunday) (i) on which the Clearing System is open, and (ii) which is a Business Day (as defined in § 1 (6)).

If the due date for a payment of interest is postponed (as described above), the amount of interest shall not be adjusted accordingly.

If the due date for the redemption of the principal amount of the Notes is adjusted the Holder shall not be entitled to payments in respect of such adjustment.

(4) *References to Principal and Interest.* References in these Terms and Conditions to "principal" in respect of the Notes shall be deemed to include, as applicable: the Final Redemption Amount of the Notes (as specified in § 5 (1)); the Early Redemption Amount of the Notes (as specified in § 5); and any premium and any other amounts (other than interest) which may be payable under or in respect of the Notes. References in these Terms and Conditions to "interest" in respect of the Notes shall be deemed to include, as applicable, any Additional Amounts (as defined in § 7 (1)) which may be payable under § 7 (1).

§ 5
REDEMPTION

(1) *Redemption at Maturity.* Unless previously redeemed in whole or in part or purchased and cancelled, and subject to adjustment in accordance with the provisions set out in § 4 (3), the Notes shall be redeemed at their Final Redemption Amount on 28.01.2024 (the "**Maturity Date**"). The "**Final Redemption Amount**" in respect of each Note shall be the product of the Redemption Price and the Specified Denomination. The "**Redemption Price**" is 100.00 per cent.

(2) *No Early Redemption at the Option of the Issuer.* The Notes may not be redeemed at the option of the Issuer prior to their Maturity Date other than in case of an early redemption pursuant to § 5 (3) or § 5 (4).

(3) *Early Redemption for Reasons of Taxation*. The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time on giving not less than 30 nor more than 90 Business Days' prior notice of redemption to the Fiscal Agent and, in accordance with § 11, to the Holders (which notice shall be irrevocable), if there is a change in the applicable tax treatment of the Notes which is material and was not reasonably foreseeable at the time of their issuance, and where the conditions for an early redemption laid down in § 5 (5) are met.

(4) *Early Redemption for Regulatory Reasons.* The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time prior to their Maturity Date on giving not less than 30 nor more than 90 Business Days' prior notice of redemption to the Fiscal Agent and, in accordance with § 11, to the Holders (which notice shall be irrevocable), if there is a change in the regulatory classification of the Notes that would be likely to result in their exclusion in full from own funds or reclassification as a lower quality form of own funds, and provided that the following conditions are met: (i) the Competent Authority (as defined below) considers such a change to be sufficiently certain; (ii) the Issuer demonstrates to the satisfaction of the Competent Authority that the regulatory reclassification of the Notes was not reasonably foreseeable at the time of their issuance; and (iii) the conditions for early redemption laid down in § 5 (5) are met.

(5) *Conditions for Early Redemption*. Any early redemption pursuant to this § 5 requires that the Competent

Authority has granted the Issuer the prior permission for the redemption, whereas such permission may, *inter alia*, require that:

(i) earlier than or at the same time as the redemption, the Issuer replaces the Notes with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer; or

(ii) the Issuer has demonstrated to the satisfaction of the Competent Authority that the own funds of the Issuer would, following the redemption, exceed the requirements laid down in Article 92(1) of the CRR and the combined buffer requirement as defined in point (6) of Article 128 of the CRD IV by a margin that the Competent Authority may consider necessary on the basis of Article 104(3) of the CRD IV.

Whereas:

"**Competent Authority**" means the competent authority pursuant to Article 4(1)(40) of the CRR which is responsible to supervise the Issuer and/or the Erste Group.

"**CRD IV**" means the Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms (Capital Requirements Directive IV), as implemented in Austria and as amended from time to time.

(6) *No Early Redemption at the Option of a Holder*. The Holders do not have a right to demand the early redemption of the Notes.

(7) *Early Redemption Amount*. In case of an early redemption pursuant to § 5 (3) or § 5 (4), the Notes will be redeemed at their Early Redemption Amount (as defined below) together with interest, if any, accrued to, but excluding, the date of redemption. For purposes of this § 5, the "**Early Redemption Amount**" of a Note shall be its Final Redemption Amount.

§ 6
FISCAL AGENT
AND PAYING AGENT

(1) *Appointment; Specified Offices*. The initial Fiscal Agent and the initial Principal Paying Agent and their respective initial specified offices are:

Fiscal Agent and Principal Paying Agent:

Erste Group Bank AG
Graben 21
1010 Vienna
Austria

Where these Terms and Conditions refer to the term "Paying Agent(s)", such term shall include the Principal Paying Agent.

The Fiscal Agent and the Paying Agent(s) reserve the right at any time to change their respective specified office to some other specified office in the same city.

(2) *Variation or Termination of Appointment*. The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent or any Paying Agent and to appoint another Fiscal Agent or additional or other Paying Agents. The Issuer shall at all times maintain (i) a Fiscal Agent and (ii) so long as the Notes are listed on a stock exchange, a Paying Agent (which may be the Fiscal Agent) with a specified office in such place as may be required by the rules of such stock exchange or its supervisory authority. The Issuer will give notice to the Holders of any variation, termination, appointment or any other change as soon as possible upon the effectiveness of such change.

The Issuer undertakes, to the extent this is possible, to maintain a Paying Agent in a member state of the European Union in which it shall not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any other directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive.

(3) *Agents of the Issuer*. The Fiscal Agent and the Paying Agents act solely as agents of the Issuer and do not have any obligations towards or relationship of agency or trust to any Holder.

(4) *Determinations Binding*. All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of these Terms and Conditions by the Fiscal Agent shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Paying Agents and the Holders and, in the absence of the aforesaid, no liability

to the Issuer, the Paying Agents or the Holders shall attach to the Fiscal Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

§ 7
TAXATION

(1) *General Taxation.* All payments of principal and interest by or on behalf of the Issuer in respect of the Notes 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 (the "**Additional Amounts**") to the Holder as shall result in receipt by that Holder 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:

(a) 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 by reason of its having some connection with the Republic of Austria other than the mere holding of the Note; or

(b) presented for payment more than 30 calendar days after 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 calendar days after that on which notice is duly given to the Holders in accordance with § 11 that, upon further presentation of the Notes being made, such payment will be made, provided that payment is in fact made upon such presentation, except to the extent that the Holder would have been entitled to such Additional Amounts on presenting the Note for payment on the thirtieth such calendar day; or

(c) 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 26-27 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) 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 to another Paying Agent in a Member State of the European Union.

(2) *U.S. Foreign Account Tax Compliance Act (FATCA)*. The Issuer is authorised to withhold or deduct from amounts payable under the Notes to a Holder or beneficial owner of Notes sufficient funds for the payment of any tax that it is required by law to withhold or deduct pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 (the "**Code**"), any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental agreement thereto ("**FATCA**") (including under a voluntary agreement entered into with a taxing authority as described in Section 1471(b) of the Code (the "**FATCA Agreement**")). The Issuer will not be required to make any payment of additional amounts for or on account of any withholding tax deducted by the Issuer or an intermediary in compliance with FATCA. For the avoidance of doubt, the withholding or deduction of any amounts which are withheld or deducted pursuant to a FATCA Agreement shall be treated as being required by law.

§ 8
PRESCRIPTION

Claims against the Issuer for payment in respect of the Notes shall be prescribed and become void unless made within thirty years (in the case of principal) and three years (in the case of interest) upon the relevant due date.

§ 9
NON-PAYMENT AND INSOLVENCY

(1) *Non-payment and Insolvency*. Each Holder shall be entitled in any event contemplated in sub-paragraphs (a) and (b) (other than in case of insolvency (bankruptcy) proceedings are commenced against assets of the Issuer), upon sending a written notice to the Issuer, to inform the Austrian Financial Market Authority (or any other authority competent for such matters in the future) of the occurrence of such event and propose that the Austrian Financial Market Authority (or any other authority competent for such matters in the future) applies to the competent court in Vienna for the commencement of bankruptcy proceedings

against the assets of the Issuer:

(a) default is made on the payment of interest or principal in respect of the Notes for a period of 15 calendar days (in the case of interest) or seven calendar days (in the case of principal) from (and including) the relevant Interest Payment Date or Maturity Date; or

(b) special receivership proceedings (*Geschäftsaufsichtsverfahren*) pursuant to the Austrian Banking Act (or any other regulation applicable in the future) are commenced against the Issuer, or the Austrian Financial Markets Authority (or any other authority competent for such matters in the future) institutes regulatory measures (*aufsichtsbehördliche Maßnahmen*) with the effect of a temporary moratorium or 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.

(2) Each Holder shall be entitled, if insolvency proceedings are commenced against assets of the Issuer, to file an application in such court demanding payment of all principal amounts due under the Notes together with accrued interest and any Additional Amount.

§ 10
FURTHER ISSUES OF NOTES, PURCHASES AND CANCELLATION

(1) *Further Issues of Notes*. The Issuer may from time to time, without the consent of the Holders, issue further Notes having the same terms as the Notes in all respects (except for the issue date, issue price, Interest Commencement Date and/or first Interest Payment Date) so as to form a single series with the Notes.

(2) *Purchases*. The Issuer and any of its Subsidiaries may at any time purchase Notes in the open market or otherwise at any price. Notes purchased by the Issuer or the Subsidiary may, at the option of the Issuer or such Subsidiary, be held, resold or surrendered to the Fiscal Agent for cancellation. No such purchase shall be possible unless all applicable regulatory and other statutory restrictions are observed and provided that the conditions for early redemption laid down in § 5 (5) are met.

"**Subsidiary**" means either:

(i) 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 management board or other governing body of that company or otherwise controls or has the power to control the affairs and policies of that company; or

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

(3) *Cancellation*. All Notes redeemed in full shall be cancelled forthwith and may not be reissued or resold.

§ 11
NOTICES

(1) *Publication*. All notices of facts concerning the Notes shall be published on the website of the Issuer (www.erstegroup.com). Any notice so given will be deemed to have been validly given on the fifth calendar day following the date of such publication (or, if published more than once, on the fifth calendar day following the date of the first such publication). This does not affect any applicable stock exchange law publication requirements. Legally material notices shall be given to the Holders via the respective institutions which maintain the Holders' security accounts. Alternatively, the Issuer shall be entitled to send at any time notices directly to Holders known to the Issuer.

(2) *Notification to Clearing System*. If the publication of notices pursuant to paragraph (1) is no longer required by law, the Issuer may, in lieu of publication in the media set forth in paragraph (1), deliver the relevant notices to the Clearing System, for communication by the Clearing System to the Holders. Any such notice shall be deemed to have been given to the Holders on the seventh calendar day after the calendar day on which said notice was given to the Clearing System.

(3) *Form of Notice to Be Given by any Holder*. Notices regarding the Notes which are to be given by any

Holder to the Issuer shall be validly given if delivered in writing in the German or English language to the Issuer or the Fiscal Agent (for onward delivery to the Issuer) and by hand or mail. The Holder shall provide evidence satisfactory to the Issuer of its holding of the Notes. Such evidence may be (i) in the form of a certification from the Clearing System or the Custodian with which the Holder maintains a securities account in respect of the Notes that such Holder is, at the time such notice is given, the Holder of the relevant Notes, or (ii) in any other appropriate manner. "**Custodian**" means any bank or other financial institution of recognised standing authorised to engage in securities custody business with which the Holder maintains a securities account in respect of the Notes and includes the Clearing System.

§ 12
MEETING OF HOLDERS, MODIFICATIONS AND WAIVER

(1) *Amendment of the Terms and Conditions*. In accordance with subsequent provisions the Holders may agree with the Issuer on amendments of these Terms and Conditions with regard to certain matters by resolution with the majority specified below. Majority resolutions of the Holders shall be binding on all Holders alike. A majority resolution of the Holders which does not provide for identical conditions for all Holders is void, unless Holders who are disadvantaged have expressly consented to their being treated disadvantageously.

(2) The Holders may consent, by majority resolution, to the following measures, among others:

(a) changes in the due date or reduction or exclusion of interest payments;

(b) changes in the due date of the principal amount;

(c) reduction of the principal amount;

(d) subordination of the claims under the Notes during insolvency proceedings of the Issuer;

(e) conversion or exchange of the Notes into shares, other securities or other promises of performance;

(f) changes in the currency of the Notes;

(g) waiver or limitation of the Holders' right of termination;

(h) substitution of the Issuer; and

(i) amendments to or cancellation of ancillary conditions of the Notes.

(3) *Convening a Meeting of Holders*. The Holders' meeting shall be convened by the Issuer or by the Joint Representative of the Holders. It shall be convened if Holders who together hold 5 *per cent.* of the outstanding Notes request such convocation in writing for the purpose of appointing or removing a Joint Representative, passing a resolution in order to render a termination invalid or for any other particular interest in such convocation.

(4) *Contents of the Convening Notice, Publication*. The convening notice shall state the name and the registered office of the Issuer and the time of the Holders' meeting, the agenda and the conditions on which attendance at the Holders' meeting and the exercise of voting rights shall depend. The convening notice shall be published pursuant to § 11.

(5) *Convening Period, Evidence*. The Holders' meeting shall be called at least 14 calendar days before the date of the meeting. As evidence for the entitlement to participate in the Holders' meeting a special confirmation issued by the Clearing System or the Custodian in text form shall be presented.

(6) *Agenda*. The convening party shall include in the agenda a proposed resolution for each subject on which the Holders' meeting is to pass a resolution. The agenda of the Holders' meeting shall be published together with the convening notice. No resolutions may be passed on agenda items that have not been published in the required manner. Holders who together hold 5 *per cent.* of the outstanding Notes may request that new items be published for resolution. Such new items must be published no later than the third calendar day preceding the Holders' meeting. Without undue delay and until the date of the Holders' meeting, the Issuer shall make available to the Holders on its website (www.erstegroup.com), any counter-motions announced by a Holder before the meeting.

(7) *Quorum*. The Chairperson shall prepare a register of Holders participating in the vote. Such register shall include the Holders' names, their registered offices or places of residence and the number of voting rights represented by each Holder. Such register shall be signed by the Chairperson of the meeting and be made available without undue delay to all Holders. The Holders' meeting shall have a quorum if the persons present represent at least fifty per cent of the outstanding Notes by value. If the Holders' meeting does not have a quorum, the Chairperson may convene a second meeting for the purposes of passing the resolution

(s) anew. Such second meeting requires no quorum. For resolutions which require a qualified majority the persons present must represent at least 25 *per cent*. of the outstanding Notes. Notes for which voting rights have been suspended shall not be included in the outstanding Notes.

(8) *Majority Requirements*. Resolutions relating to material amendments of these Terms and Conditions, in particular consents to the measures set out in § 12 (2) lit (a) to (i) above shall be passed by a majority of not less than 75 per cent. (Qualified Majority) of the votes cast. Resolutions relating to amendments of these Terms and Conditions which are not material require a simple majority of the votes cast.

(9) *Vote without a Meeting*. All votes will be taken exclusively by vote taken without a meeting. The vote shall be conducted by the scrutineer. The scrutineer shall be a notary appointed by the Issuer, or the Joint Representative of the Holders if it has requested such vote. The request for voting shall set out the period within which votes may be cast. Such period shall be at least 72 hours. During the voting period, the Holders may cast their votes to the scrutineer in text form. The request shall set out in detail the conditions to be met in order for the votes to be valid. The scrutineer shall ascertain the entitlement to cast a vote by means of the evidence provided and shall prepare a list of Holders entitled to vote. If it is ascertained that no quorum exists, the scrutineer may convene a Holders' meeting, which shall be deemed to be a second Holders' meeting within the meaning of §12 (7). Any resolution passed by the vote shall be recorded in the minutes by a notary. Each Holder participating in the vote may request within one year of the end of the voting period a copy of the minutes and its annexes from the Issuer. Each Holder participating in the vote may object to the result in writing within two weeks of publication of the resolutions. The scrutineer shall decide on any such objection. If it takes remedial action as a result of the objection, it shall publish the result without undue delay. § 12 (13) shall apply *mutatis mutandis*. If the scrutineer does not take remedial action as a result of the objection, it shall notify the objecting Holder without undue delay in writing.

(10) *Voting Right*. Each Holder shall participate in votes in accordance with the principal amount of the outstanding Notes held by such Holder. Voting rights are suspended with respect to the shares attributable to the Issuer or any of its Subsidiaries or held for the account of the Issuer or any of its Subsidiaries. The Issuer may not make available Notes for which the voting rights have been suspended to any third party for the purposes of exercising the voting rights in lieu of the Issuer. This shall also apply to any Subsidiaries of the Issuer. Exercise of voting rights for the purposes specified above is prohibited. It is prohibited to offer, promise or grant any advantage as consideration to any person entitled to vote not to vote, or to vote in a particular way, in a Holders' meeting or a vote. No person entitled to vote may require, accept any promise of or accept any advantage or consideration for not voting, or voting in a particular way, in a Holders' meeting or a vote.

(11) *Chair of the Vote*. The vote will be chaired by a notary appointed by the Issuer or, if the Joint Representative has convened the vote, by the Joint Representative (the "**Chairperson**").

(12) *Voting, Minutes*. The provisions of the Austrian Stock Corporation Act (*Aktiengesetz*) regarding the voting of shareholders in the general meeting shall apply *mutatis mutandis* to the casting and counting of votes. In order to be valid, any resolution passed by the Holders' meeting shall be recorded in minutes of the meeting. The minutes shall be recorded by a notary.

(13) *Publication of Resolutions*. The Issuer shall publish the resolutions passed by the Holders in appropriate form and at its own expense. The resolutions shall be published without undue delay pursuant § 11. In addition, for a period of at least one month commencing on the calendar day following the Holders' meeting, the Issuer shall make available to the public on its website (www.erstegroup.com) the resolutions passed by the Holders and, if these Terms and Conditions are amended by a Holders' resolution, the wording of the original Terms and Conditions.

(14) *Implementation of Resolutions*. Resolutions passed by the Holders' meeting which amend or supplement the contents of these Terms and Conditions shall be implemented in such a way that the relevant Global Note is supplemented or amended. If the Global Note has been deposited with a central securities depository, the Chairperson of the meeting or the scrutineer shall forward for this purpose the contents of the resolution recorded in the minutes to the central securities depository, requesting it to add the documents submitted to the existing documents in appropriate form. It shall affirm to the central securities depository that the resolution may be implemented.

(15) *Joint Representative.*

The Holders may by majority resolution appoint a joint representative (the "**Joint Representative** ") to exercise the Holders' rights on behalf of each Holder.

The Joint Representative shall have the duties and powers granted by majority resolution of the Holders. The Joint Representative shall comply with the instructions of the Holders. To the extent that the Joint Representative has been authorised to assert certain rights of the Holders, the Holders shall not be entitled to assert such rights themselves, unless explicitly provided for in the relevant majority resolution. The Joint

Representative shall provide reports to the Holders on its activities. The Joint Representative shall be liable to the Holders as joint and several creditors for the due performance of its duties. In the performance of its duties, it shall act with the care of a prudent representative. The Joint Representative's liability may be limited by resolution of the Holders. An assertion of compensation claims against the Joint Representative shall be decided by the Holders. The Joint Representative may be removed by the Holders at any time without reason. The Joint Representative may require the Issuer to provide any information that is necessary for the performance of its duties.

§ 13
APPLICABLE LAW, PLACE OF JURISDICTION AND ENFORCEMENT

(1) *Applicable Law*. The Notes and any non-contractual obligations arising out of or in connection with the Notes are governed by, and shall be construed in accordance with, Austrian law except for its conflict of law rules as far as such rules would lead to the application of foreign law.

(2) *Place of Jurisdiction*. The competent Austrian courts shall have exclusive jurisdiction to settle any disputes that may arise out of or in connection with any Notes (including any legal action or proceedings relating to any non-contractual obligations arising out of or in connection with Notes), to the extent permissible according to applicable mandatory consumer protection legislation.

(3) *Enforcement*. Any Holder of Notes may in any proceedings against the Issuer, or to which such Holder and the Issuer are parties, protect and enforce in its own name its rights arising under such Notes on the basis of (i) a statement issued by the Custodian with whom such Holder maintains a securities account in respect of the Notes (a) stating the full name and address of the Holder, (b) specifying the aggregate principal amount of the Notes credited to such securities account on the date of such statement and (c) confirming that the Custodian has given written notice to the Clearing System containing the information pursuant to (a) and (b), and (ii) a copy of the Global Note certified as being a true copy by a duly authorised officer of the Clearing System or a depositary of the Clearing System, without the need for production in such proceedings of the actual records or the Global Note representing the Notes. Each Holder may, without prejudice to the foregoing, protect and enforce its rights under the Notes also in any other way which is admitted in the country of the proceedings.

§ 14
LANGUAGE

These Terms and Conditions are written in the English language only.

PART B - OTHER INFORMATION

ESSENTIAL INFORMATION

Interests of Natural and Legal Persons Involved in the Issue or the Offering

☒ Save for the commercial interests of the Managers so far as the Issuer is aware, no person involved in the issue or offering of the Notes has an interest material to the issue or the offering.

☐ Other Interests

Reasons for the Offer and use of Proceeds[38]	Not applicable
Estimated Net Proceeds[39]	Not applicable
Estimated Total Expenses of the Issue	Not applicable

INFORMATION CONCERNING THE SECURITIES TO BE OFFERED OR ADMITTED TO TRADING

Security Codes

☒	ISIN	AT0000A1JVV1
☐	Common Code	
☒	German Security Code	EB0E2P
☐	Any Other Security Code	

Information about the past and future performance of the underlying and its volatility	Not applicable
Issue Yield	6.0439482 per cent. per annum
Representation of debt security holders including an identification of the organisation representing the investors and provisions applying to such representation. Indication of where the public may have access to the contracts relating to these forms of representation	Not applicable
Resolutions, authorisations and approvals by virtue of which the Notes will be created and/or issued	According to Overall Planning Approval of Management Board dated 17 November 2015 and Supervisory Board dated 17 December 2015

TERMS AND CONDITIONS OF THE OFFER

Conditions, Offer Statistics, Expected Timetable and Action Required to Apply for the Offer

Conditions, to which the offer is subject	Not applicable
Total amount of the issue/offer; if the amount is not fixed, description of the arrangements and time for announcing to the public the definitive amount of the offer	Not applicable
The time period, including any possible amendments, during which the offer will be open and description of the	Not applicable

38 See the section entitled "Use of Proceeds" in the Prospectus. If the net proceeds shall not be applied for general funding purposes of the Issuer or in case of Subordinated Notes, to strengthen the equity capital base, insert those reasons. Not to be completed in case of Wholesale Notes.

39 If proceeds are intended to be used for more than one principal use, these must be broken down and illustrated clearly according to their priority by their uses.

application process

A description of the possibility to reduce subscriptions and the manner for refunding excess amount paid by applicants	Not applicable
Details of the minimum and/or maximum amount of application (whether in number of securities or aggregate amount to invest)	Not applicable
Method and time limits for paying up the securities and for delivery of the securities	Not applicable
A full description of the manner and date in which results of the offer are to be made public	Not applicable
The procedure for the exercise of any right of pre-emption, the negotiability of subscription rights and the treatment of subscription rights not exercised	Not applicable

Plan of Distribution and Allotment

If the offer is being made simultaneously in the markets of two or more countries and if a tranche has been or is being reserved for certain of these, indicate any such tranche.	Not applicable
Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made.	Not applicable

Pricing

An indication of the expected price at which the securities will be offered or the method of determining the price and the process for its disclosure.	Not applicable
Indicate the amount of any expenses and taxes specifically charged to the subscriber or purchaser.	Not applicable

PLACING AND UNDERWRITING

Name and address of the co-ordinator(s) of the global offer and of single parts of the offer and, to the extent known to the Issuer or the offeror, of the placers in the various countries where the offer takes place.	Not applicable

Method of Distribution

☒ Non-Syndicated

☐ Syndicated

Subscription Agreement

Date of Subscription Agreement	Not applicable
General Features of the Subscription Agreement	Not applicable

Details with Regard to the Managers

Manager(s)

☐ Firm Commitment

☐ Without Firm Commitment

Stabilising Manager None

Commissions, Concessions and Estimated Total Expenses

☐ Management and Underwriting Commission

☐ Selling Concession

☐ Other

Total Commission and Concession

LISTING ADMISSION TO TRADING AND DEALING ARRANGEMENTS

Listing Yes

☐ Frankfurt am Main

☐ Regulated Market

☐ Open Market

☐ Regulated Market "Bourse de Luxembourg"

☐ Stuttgart

☐ Regulated Market

☐ Open Market

☐ SIX Swiss Exchange

☒ Vienna

☐ Official Market

☒ Second Regulated Market

☐ Other Stock Exchange

Expected Date of Admission on or around the Issue Date (as defined above)

Estimate of the total expenses related to the admission to trading: up to EUR 3,300

All regulated markets or equivalent markets on which to the knowledge of the Issuer, notes of the same class of the Notes to be offered or admitted to trading are already admitted to trading: Not applicable

Name and address of the entities which have committed themselves to act as intermediaries in secondary trading, providing liquidity through bid and offer rates and description of the main terms of their commitment: Not applicable

ADDITIONAL INFORMATION

Ratings

The Notes have not been rated.

Selling Restrictions

TEFRA

☒ TEFRA C

☐ TEFRA D

☐ Neither TEFRA C nor TEFRA D

Additional Selling Restriction	Not applicable
Non-exempt offer	No

Consent to the Use of the Prospectus

Offer period during which subsequent resale or final placement of the Notes by Dealers and/or further financial intermediaries can be made	Not applicable
Further conditions for the use of the Prospectus	Not applicable

Listing

These Final Terms comprise the details required to list the issue of Notes described in these Final Terms pursuant to the Programme (as from the issue date of the Notes).

Signed on behalf of the Issuer

By:

Duly authorised

By:

Duly authorised