

**CREDIT EVENT NOTICE
NOTIFICATION OF INTEREST RATE**

**Erste Group Bank AG
VARIABLE RATE PORTFOLIO CREDIT LINKED NOTES DUE 2024 (the "Notes")
XS0203856181 - Series 252**

We refer to the pricing supplement for the Notes dated 19 October 2004 (the "**Pricing Supplement**") and the Credit Event Notice dated 14 November 2008. All capitalised terms used but not defined in this notice have the meanings given to them in the Pricing Supplement.

We hereby notify you that, pursuant to the terms of the Notes, the Interest Rate to take effect from and including the Event Determination Date, which relates to the "Bankruptcy" Credit Event in relation to *Lehman Brothers Holdings Inc.*, shall be **4.86601% per annum**. We have informed you that with effective date 15 September 2008 the Credit Event "Bankruptcy" has occurred in relation to Lehman Brother Holding, Inc. and in accordance with the terms of the Pricing Supplement the Interest Rate will be reduced as of the Event Determination Date as indicated and was calculated as follows:

Coupon rate from Issue Date until the Interest Period ending 20 December 07 has been **6.29%**.
- Final Price (FP) of Lehman Brothers Reference Obligation was determined on 25 November 08 as **10.01%**

- The Substitution Adjustment Factor (SAF) is currently 1.32075471698113
- Lehman Brothers Ref Entity Fraction (REF) = 1/150
- Loss amount percentage (LAP) = (100% - FP) * REF * SAF = (100% - 10.01%)
* 1.32075471698113 / 150 = 0.7924%

- Lost limit percentage (LLP) = 3.50%
- Minimum rate (MR) = 2.75%
- Initial rate (IR) = 6.29%

- **Fixed rate following Credit Event (i.e. coupon rate for Interest Period commencing 20 December 2008) = max (MR, IR * (LLP - LAP) / LLP =**
max (2.75%, 6.29% * (3.50% - 0.7924%) / 3.50%) = 4.86601%

For the running Interest Period 20 December 2007 – 19 December 2008 (incl.) the weighted average for the Interest Rate is **5.91422%** (i.e. 6.29% up until the Event Determination Date and 4.86601% from the Event Determination Date to the Interest Period End Date):

Interest Period:	20.12.2007 - 19.12.2008 (incl.)
Payment Date:	24.12.2008
Days:	360
Interest Rate:	5,91422 %

For the avoidance of doubt for the Interest Period commencing 20 December 2008 the applicable Interest Rate, subject to further credit events will be **4.86601%**.

This notice shall be governed by and construed in accordance with the laws of England and nothing in this letter shall be construed as a waiver of any rights we may have with respect to the Notes, including, without limitation, reliance by us on any other circumstance(s) or evidence of any Credit Event(s) having occurred at the date hereof or yet to occur.

15 December 2008

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