



ERSTE GROUP

Prospectus Supplement No. 1

Erste Group Bank AG

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

relating to the

Structured Notes Programme

This supplement (the "**Supplement**") constitutes a prospectus supplement pursuant to Art 16 (1) of the Directive 2003/71/EC (the "**Prospectus Directive**") and section 6 of the Austrian Capital Market Act (*Kapitalmarktgesetz*) (the "**Capital Market Act**") and is supplemental to, and should be read in conjunction with, the prospectus (the "**Original Prospectus**") dated 26 June 2012 relating to a Structured Notes Programme (the "**Programme**") of Erste Group Bank AG (the "**Issuer**" or "**Erste Group Bank**").

The Original Prospectus was approved on 26 June 2012 by the Austrian Financial Market Authority (*Finanzmarktaufsichtsbehörde*, the "**FMA**") in its capacity as competent authority under the Capital Market Act. An electronic version of the Original Prospectus has been published on the website of the Issuer under "www.erstegroup.com". Printed copies of the Original Prospectus can be obtained free of charge from the specified office of the Issuer.

This Supplement has been published and filed for approval with the FMA in its capacity as competent authority in accordance with the Capital Market Act on 9 October 2012. This Supplement has been filed with the Wiener Börse, which has admitted the Programme to the "Geregelter Freiverkehr" (*Second Regulated Market*). The Issuer has requested the FMA to provide the competent authorities of the Federal Republic of Germany, the Czech Republic, Hungary, Poland and Romania notifications concerning the approval of this Supplement. This Supplement has been published in electronic form on the website of the Issuer under "www.erstegroup.com". Printed copies of this Supplement will be made available free of charge at the registered office of the Issuer, Graben 21, 1010 Vienna, Austria.

Terms defined in the Original Prospectus shall have the same meaning when used in this Supplement, if there is no indication to the contrary.

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

To the extent that there is any inconsistency between a) any statement in this Supplement or any statement incorporated by reference into the Original Prospectus by this Supplement and b) any other statement in or incorporated by reference in the Original Prospectus, the statements in a) above will prevail.

In accordance with Art 16 of the Prospectus Directive and section 6 of the Capital Market Act, investors who have agreed to purchase or subscribe for Notes after the occurrence of the significant new factor, material mistake or inaccuracy relating to the information included in the Original Prospectus to which this Supplement relates to, but before the publication of this Supplement, have a right to withdraw their acceptances within two bank working days after the date of publication of this Supplement. The withdrawal period ends on 11 October 2012.

This Supplement has been filed for approval with the FMA in its capacity as competent authority under the Capital Market Act. The accuracy of the information contained in this Supplement does not fall within the scope of examination by the FMA under applicable Austrian law. The FMA examines the Supplement only in respect of its completeness, coherence and comprehensibility pursuant to section 8a of the Capital Market Act.

9 October 2012

No person has been authorised to give any information or to make any representation other than those contained in this Supplement 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. Neither the delivery of this Supplement 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 Erste Group since the date hereof or the date upon which this Supplement has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer or the Erste Group since the date hereof or the date upon which this Supplement 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 Supplement and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Supplement comes are required by the Issuer 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 Supplement, see "Subscription and Sale" of the Prospectus.

Neither this Supplement 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 the Issuer that any recipient of this Supplement 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 Supplement or any financial statements and its purchase of Notes should be based upon any such investigation as it deems necessary.

Significant new factors (as referred to in Art 16.1 of the Prospectus Directive and section 6 of the Capital Market Act) relating to the information included in the Original Prospectus which are capable of affecting the assessment of the Notes, have arisen and the following changes / supplements are herewith made to the Prospectus:

1. Documents incorporated by reference

1.1 In the chapter "Documents incorporated by reference" on page 4 of the Original Prospectus the paragraph after the first paragraph is replaced by the following paragraph:

"(i) the following parts of the audited consolidated financial statements of Erste Group Bank for the financial years ended 31 December 2010 and 31 December 2011 together in each case with the audit report thereon, and the following parts of the unaudited consolidated interim financial statements of the Issuer for the first quarter year ended 31 March 2012 and for the first half year ended 30 June 2012:"

1.2 In the chapter "Documents incorporated by reference" in the table relating to the financial information which is incorporated by reference in the Original Prospectus, on page 5 of the Original Prospectus after the section headed "English translation of the Unaudited Consolidated Interim Financial Statements of the Issuer for the first quarter year ended 31 March 2012" the following new section is incorporated:

"Document/Heading	Page reference in the relevant financial report
English translation of the Unaudited Consolidated Interim Financial Statements of the Issuer for the first half year ended 30 June 2012 – Interim Report First Half Year 2012 (the <i>Unaudited Consolidated Interim Financial Statements 30 June 2012</i>)	
Condensed Statement of Comprehensive Income	13 - 15
Condensed Balance Sheet	16
Condensed Statement of Changes in Total Equity	17
Condensed Cash Flow Statement	18
Condensed Notes to the Financial Statements	19 – 45"

1.3 On page 6 of the Original Prospectus the first sentence of the first paragraph after the heading entitled "Sources of information" is replaced by the following sentence:

"Unless otherwise stated, statistical and other data provided in this Prospectus has been extracted from the Audited Consolidated Financial Statements 2011 and the Annual Report thereon, as well as from the Unaudited Consolidated Interim Financial Statements 31 March 2012 and the Unaudited Consolidated Interim Financial Statements 30 June 2012."

1.4 On page 20 of the Original Prospectus the last paragraph is replaced by the following paragraph:

"Furthermore, the Issuer has published its Unaudited Consolidated Interim Financial Statements for the first quarter year ended 31 March 2012 as well as the Unaudited Consolidated Interim Financial Statements for the first half year ended 30 June 2012 which are incorporated by reference into this Prospectus."

1.5 The paragraph after the heading entitled "No significant change or material adverse change" beginning on page 83 of the Original Prospectus is replaced by the following paragraph:

"Except as disclosed under "Recent developments" commencing on page 75 and "Historical Financial Information" on pages 85 to 88 of this Prospectus, there has been no significant change in the financial or trading position of the Erste Group since 30 June 2012 and no material adverse change in the prospects of the Issuer since 31 December 2011."

1.6 On page 90 of the Original Prospectus the third paragraph after the heading entitled: "Documents on display" is replaced by the following paragraph:

"- the Audited Consolidated Financial Statements 2010 and 2011 and the Unaudited Interim Financial Statements 31 March 2012 as well as the Unaudited Consolidated Interim Financial Statements 30 June 2012, all of which have been filed with the FMA;"

1.7 On page 91 of the Original Prospectus the sixth paragraph is replaced by the following paragraph:

" - the Audited Consolidated Financial Statements 2010 and 2011 together in each case with the audit report thereon, as well as the Unaudited Interim Financial Statements 31 March 2012 and the Unaudited Consolidated Interim Financial Statements 30 June 2012, all of which have been filed with the FMA;"

1.8 On page 361 of the Original Prospectus after the item entitled "Unaudited Consolidated Interim Financial Statements 31 March 2012" the following item is inserted:

"Unaudited Consolidated Interim Financial Statements 30 June 2012" means the English translation of the unaudited interim financial statements of Erste Group for the first half year ended 30 June 2012"

2. Recent Developments

On page 76 of the Original Prospectus before the heading entitled "2. Administrative, Management, and supervisory bodies" the following additional section is inserted:

"Higher own funds requirements expected"

Following the introduction of a minimum 9% CET1 requirement by the EBA in October 2011 as well as the early implementation of Basel III in Austria as of 2013, Erste Group Bank and its home supervising regulators, the Austrian National Bank and the FMA, entered into a yearly process that - in light of a 9% common equity tier 1 requirement - will likely lead to an increase of Erste Group Bank's own funds requirements beyond the actual statutory 8% requirement under the Austrian Banking Act, as of 2013. As at 30 June 2012, Erste Group Bank's own funds ratio amounted to 14.3% (excluding retained earnings for the first half year of 2012). Erste Group Bank expects a new own funds ratio requirement of up to 13% based on the current macroeconomic environment and therefore is already in full compliance with any such increased own funds requirements. A final figure is expected to be determined by year-end 2012."

RESPONSIBILITY STATEMENT OF ERSTE GROUP BANK AG


Erste Group Bank AG, with its registered office at Graben 21, A-1010 Vienna, Austria, is solely responsible for the information given in this Supplement.

The Issuer hereby declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Supplement is, to the best of the knowledge of the Issuer, in accordance with the facts and contains no omission likely to affect its import.

Vienna, 9.10.2012

Erste Group Bank AG

as Issuer



Gerald Fleischmann



Helmut Rauth