

05.03.2018

## **Final Terms**

**Erste Group Stoxx Global ESG Leaders Index Note (2018-2021)  
PDCP PROFIT 19 (the "Notes")**

issued pursuant to the

**Structured Notes Programme**

of

**Erste Group Bank AG**

Initial Issue Price: 100.00 per cent.

Issue Date: 12.03.2018

Series No.: 28

Tranche No.: 1

## 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 2014/51/EU of the European Parliament and of the Council of 16 April 2014 and must be read in conjunction with the relevant Base Prospectus, dated 5 September 2017, as supplemented from time to time (the "**Prospectus**") pertaining to the Structured Notes Programme (the "**Programme**") of Erste Group Bank AG (the "**Issuer**"). The Prospectus and any supplements hereto are available for viewing in electronic form on the website of the Issuer ("[www .erstegroup.com/de/ueber-uns/erste-group-emissionen/prospekte/anleihen](http://www.erstegroup.com/de/ueber-uns/erste-group-emissionen/prospekte/anleihen)"). Full information on the Issuer and the Notes is only available on the basis of the combination of the Prospectus, any supplements hereto and these Final Terms. A summary of this issue is annexed to these Final Terms.

**Warning:** The Prospectus dated 5 September 2017 is expected to be valid until 04 September 2018. Thereafter the Issuer intends to publish an updated and approved prospectus on the website of the Issuer ("[www .erstegroup.com/de/ueber-uns/erste-group-emissionen/prospekte/anleihen](http://www .erstegroup.com/de/ueber-uns/erste-group-emissionen/prospekte/anleihen)") and from that point in time, the Final Terms must be read in conjunction with the new prospectus.

## PART A - TERMS AND CONDITIONS

The Conditions applicable to the Notes (the "**Conditions**") are the General Conditions contained in the Prospectus and the Issue Specific Conditions set out below.

### § 1

#### CURRENCY, PRINCIPAL AMOUNT, DENOMINATION, BUSINESS DAY AND LANGUAGE

(1) *Currency, Principal Amount and Denomination.* This tranche (the "**Tranche**") of notes (the "**Notes**") is being issued by Erste Group Bank AG (the "**Issuer**") in Czech Koruna (CZK) (the "**Specified Currency**") in the aggregate principal amount of up to CZK 3,000,000,000 (in words: three billion) (the "**Aggregate Principal Amount**") in the denomination of CZK 10,000 (the "**Specified Denomination**" or the "**Principal Amount per Note**").

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

(3) *Language.* These Terms and Conditions are written in the English language only.

### § 2

#### INTEREST

The Notes do not accrue interest.

### § 3

#### REDEMPTION

Unless previously redeemed in whole or in part or purchased and cancelled, the Notes shall be redeemed on the Maturity Date by the Issuer by payment of an amount, which is calculated by the Calculation Agent and is equal to the product of (i) the Principal Amount per Note and (ii) the Redemption Price.

The "**Redemption Price**" means the sum of (i) 100 *per cent.* and (ii) the product of (x) the Participation and (y) the Performance of the Reference Asset, which is limited by the Cap and equals to at least the Floor, i.e. the Redemption Price is at least 97.00 *per cent.* of the Principal Amount per Note (the "**Minimum Redemption Price**") and no more than 115.00 *per cent.* of the Principal Amount per Note (the "**Maximum Redemption Price**") and is calculated by using the following formula:

100 *per cent.* + Min(Max(Participation x Performance; Floor); Cap)

#### General Definitions:

"**Strike Price**" means 100.00 *per cent.* of the Closing Price of the Reference Asset on the Strike Fixing Date.

"**Valuation Dates**" are, subject to an adjustment pursuant to § 5 of the Issue Specific Conditions, the days specified in the table below, or if any such day is not an Exchange Business Day (as defined in § 5 of the Issue Specific Conditions), the next Exchange Business Day:

Valuation Dates:
09.07.2018
09.10.2018
09.01.2019
09.04.2019
09.07.2019

09.10.2019
09.01.2020
09.04.2020
09.07.2020
09.10.2020
11.01.2021
09.04.2021

**"Cap"** is 15.00 per cent. and specifies the product of (x) the upper limit of the Participation and (y) the Performance.

**"Floor"** is -3.00<sup>1</sup> per cent. and specifies the lower limit of the product of (x) the Participation and (y) the Performance.

**"Strike Fixing Date"** is, subject to an adjustment pursuant to § 5 of the Issue Specific Conditions 09.04.2018 or if such day is not an Exchange Business Day (as defined in § 5 of the Issue Specific Conditions), the next Exchange Business Day.

**"Max"** followed by a series of amounts inside brackets, means whichever is the greatest of the amounts separated by a semi colon inside those brackets.

**"Min"** followed by a series of amounts inside brackets, means whichever is the lowermost of the amounts separated by a semi colon inside those brackets.

**"Maturity Date"** is 23.04.2021, subject to an adjustment pursuant to these Issue Specific Conditions.

**"Participation"** is 100.00 per cent. The Participation determines the interest of the Holders in the Performance of the Reference Asset expressed as a percentage.

**"Performance"** of the Reference Asset is an amount expressed as a percentage, which is calculated by the Calculation Agent and is equal to the result of dividing (i) the Averaged Final Price by (ii) the Strike Price minus one, and is calculated by using the following formula:

$$\frac{\text{Averaged Final Price}}{\text{Strike Price}} - 1$$

**"Averaged Final Price"** of the Reference Asset is an amount which is calculated by the Calculation Agent and is equal to the result of dividing (i) the sum of all Closing Prices on all Valuation Dates by (ii) the number of all Valuation Dates and is calculated by using the following formula:

$$\frac{\sum \text{Closing Prices on all Valuation Dates}}{\text{Number of Valuation Dates}}$$

**Definitions specific to the Reference Asset:**

**"Reference Asset"** is the Index.

**"Screen Page"** means the screen page listed in the below table for the Index.

**"Exchange"** means, each exchange on which any Component of the Index is, in the determination of the Calculation Agent, principally traded, or any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Components underlying such Index has

<sup>1</sup> In the case of Garant Notes, the Floor is always greater than or equal to zero (0), i.e. it always has a positive value. In the case of Vario-Garant Notes the Floor is always below zero (0), i.e. it always has a negative value.

been temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the Components underlying such Index on such temporary substitute exchange or quotation system as on the original Exchange).

"**Index Sponsor**" is the Index Sponsor as listed in the table below (as well as any entity which has been commissioned by it to calculate and/or publish the Index Level) or any successor of it.

"**Index**" is the index listed in the below table:

Name of the Index	Index Sponsor	Single Exchange or Multi Exchange Index	Exchange	Screen Page
STOXX Global ESG LEADERS Select 50 Price EUR Index	STOXX Ltd. (as well as any entity which has been commissioned by it to calculate and/or publish the Index Level)	Multi Exchange Index	various exchanges / trading platforms	Reuters .SGESGSEP

"**Closing Price**" of the Reference Asset is the official Closing Price of the Index, as determined by the Calculation Agent on the relevant day and calculated and published by the Index Sponsor and determined by the Calculation Agent.

#### § 4

#### MANNER OF PAYMENT AND PAYMENT BUSINESS DAY

(1) *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 Calculation Agent has calculated as the arithmetic mean of offered rates concerning the Specified Currency or the Successor Currency (if applicable) quoted to the Calculation 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 Calculation 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 Calculation Agent in its reasonable discretion.

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

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

If the Maturity Date of the Notes is adjusted, the Holder shall not be entitled to payments in respect of such adjustment.

## 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 Manager, 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<sup>4</sup>

Not applicable

Estimated Net Proceeds

Not applicable

Estimated Total Expenses of the Issue

up to EUR 4,000

### INFORMATION CONCERNING THE SECURITIES TO BE OFFERED OR ADMITTED TO TRADING

#### Security Codes

- ISIN AT0000A208Q7
- German Security Code EBOFFL
- Any Other Security Code

#### Information about the past and future performance of the underlying and its volatility

Detailed information about the past and future performance of the Index can be obtained from the following screen page:

Index	Screen Page
STOXX Global ESG LEADERS Select 50 Price EUR Index	Reuters .SGESGSEP

#### Issue Yield

The minimum issue yield cannot be disclosed in advance (i) as it depends on the development of one or more underlyings or (ii) as certain payments are effectuated as bullet payments.

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 28 November 2017 and Supervisory Board dated 14 December 2017

### 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 up to CZK 3,000,000,000

<sup>4</sup> See the section entitled "3.1.10 Reasons for the offer and use of proceeds from the sale of the Notes" in the Prospectus. If the net proceeds shall not be applied for general funding purposes of the Issuer insert those reasons. Not to be completed in case of Wholesale Notes

fixed, description of the arrangements and time for announcing to the public the definitive amount of the offer

The time period, including any possible amendments, during which the offer will be open and description of the application process

In case of tap issues the time period during which the offer will be open usually corresponds with the term of the Notes, or the period starting on 12.03.2018 until the end of the term of the Notes or until the closing of the tap issue or until the exercise of a call option.

If the aggregate principal amount for the Notes indicated in the Final Terms has been reached prior to the end of the subscription period or offer period at any time on a business day, the Issuer will terminate the subscription period or offer period for the Notes at the relevant time on that business day without prior notice. If the Issuer has not received sufficient valid subscription applications for the Notes until the first value date of the tap issue, the Issuer reserves the right to cancel the tap issue of the Notes. The Issuer is not obliged to issue subscribed Notes.

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)

Minimum amount of application is CZK 10,000

Method and time limits for paying up the securities and for delivery of the securities

Payment of the Issue Price and delivery of the securities is made on the basis of the subscription agreement to be concluded between the investor and the Issuer in relation to the purchase of the Notes.

A full description of the manner and date in which results of the offer are to be made public

The results of the offer will be made public by the Issuer at the end of the subscription period or in case of a tap issue, immediately at the end of the offer by notifying the OeKB CSD GmbH as common securities depository and the stock exchange on which the Notes are listed.

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

Not applicable

of two or more countries and if a tranche has been or is being reserved for certain of these, indicate any such tranche.

Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made.

The subscriber will be informed of the amount of securities allocated by way of booking such amount to its deposit account. Commencement of trading is not possible before the allocation of the Notes.

### 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.

Initial Issue Price of 100.00% which may be adjusted from time to time in accordance with the market price

Indicate the amount of any expenses and taxes specifically charged to the subscriber or purchaser.

Not higher than 3.00% of the principal amount, but may be lower depending on the market development during the offer period

### 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, or the placers in the various countries where the offer takes place.

Diverse Financial Service Providers in Czech Republic

### 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 Manager

Manager Not applicable  
 Firm Commitment  
 Without Firm Commitment  
Stabilising Manager None

### Commissions, Concessions and Estimated Total Expenses

Management and Underwriting Commission  
 Selling Concession up to 3,00 per cent. of the Aggregate Principal Amount  
 Other  
Total Commission and Concession  
Issue charge Not applicable



## LISTING ADMISSION TO TRADING AND DEALING ARRANGEMENTS

<b>Listing</b>	No
<input type="checkbox"/> Frankfurt am Main	
<input type="checkbox"/> Regulated Market	
<input type="checkbox"/> Open Market	
<input type="checkbox"/> Stuttgart	
<input type="checkbox"/> Regulated Market	
<input type="checkbox"/> Open Market	
<input type="checkbox"/> Vienna	
<input type="checkbox"/> Official Market	
<input type="checkbox"/> Second Regulated Market	

<b>Date of Admission</b>	Not applicable
Estimate of the total expenses related to the admission to trading	Not applicable
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

### Rating

The Notes have not been rated

### Selling Restrictions

#### TEFRA

- |  |                |
|--|----------------|
| <input checked="" type="checkbox"/> TEFRA C              |                |
| <input type="checkbox"/> Additional Selling Restrictions | Not applicable |

### 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	For the duration of the validity of the Prospectus
Further conditions for the use of the Prospectus	Not applicable

### Benchmark Regulation status

The index stated in the above table (the "**Index**") underlying the interest rate of the Notes is provided by STOXX Ltd. (the "**Administrator**").

As at the date of these Final Terms, this Administrator does not appear on the public register that is maintained by the European Securities and Markets Authority (ESMA) pursuant to the Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (the "**Benchmark Regulation**"). As far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmark Regulation apply to the Administrator, such that the Administrator is not currently required to obtain authorisation or registration (or, if located outside the European Union, recognition, endorsement or equivalence).

Signed on behalf of the Issuer

By:  
Duly authorised

By:  
Duly authorised

## SUMMARY

*This summary (the "**Summary**") is made up of disclosure requirements known as elements (the "**Elements**"). These Elements are numbered in sections A - E (A.1 - E.7).*

*This Summary contains all the Elements required to be included in a summary for this type of securities and the Issuer. As some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.*

*Even though an Element may be required to be inserted in this Summary because of the type of securities and the Issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in this Summary with the specification of "Not applicable".*

### A. INTRODUCTION AND WARNINGS

- A.1** Warning: This summary (the "**Summary**") should be read as an introduction to the prospectus (the "**Prospectus**") of the Structured Notes Programme (the "**Programme**").
- Any decision by an investor to invest in notes issued under the Prospectus (the "**Notes**") should be based on consideration of the Prospectus as a whole by the investor.
- Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States of the European Economic Area, have to bear the costs of translating the Prospectus before the legal proceedings are initiated.
- Civil liability attaches only to Erste Group Bank AG ("**Erste Group Bank**"), Am Belvedere 1, A-1100 Vienna, Austria (in its capacity as issuer under the Programme, the "**Issuer**") who tabled this Summary including any translation thereof, but only if this Summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus, or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such Notes.
- A.2** Consent by the Issuer or person responsible for drawing up the Prospectus to the use of the Prospectus for subsequent resale or final placement of securities by financial intermediaries and indication of the offer period within which subsequent resale or final placement of securities by financial intermediaries can be made and for
- The Issuer consents that (i) all credit institutions pursuant to the Directive 2013/36/EU acting as financial intermediaries subsequently reselling or finally placing the Notes and (ii) each further financial intermediary that is disclosed on the website of the Issuer under "www.erstegroup.com" as an intermediary that is given the Issuer's consent to the use of the Prospectus for the reselling or final placing of the Notes (together, the "**Financial Intermediaries**") are entitled to use the Prospectus during the relevant offer period as indicated in the Final Terms during which subsequent resale or final placement of the Notes issued under the Prospectus can be made, provided however, that the Prospectus is still valid in accordance with § 6a of the KMG which implements the Prospectus Directive.

which consent to use the Prospectus is given:

Any other clear and objective conditions attached to the consent which are relevant for the use of the Prospectus:

The consent by the Issuer to the use of this Prospectus for subsequent resale or final placement of the Notes by Financial Intermediaries has been given under the condition that: (i) potential investors will be provided with this Prospectus, any supplement hereto and the relevant Final Terms; and (ii) each of the Financial Intermediaries ensures that it will use this Prospectus, any supplement hereto and the relevant Final Terms in accordance with all applicable selling restrictions specified in this Prospectus and any applicable laws and regulations in the relevant jurisdiction.

In the Final Terms, the Issuer can determine further conditions attached to its consent which are relevant for the use of the Prospectus. The Issuer reserves the right to withdraw its consent to use the Prospectus at any time. Such withdrawal shall be published on the website of the Issuer under "[www .erstegroup.com](http://www.erstegroup.com)".

Notice in bold informing investors that, in the event of an offer being made by a financial intermediary, this financial intermediary will provide information to investors on the terms and conditions of the offer at the time the offer is made:

**In the event of an offer being made by a Financial Intermediary the Financial Intermediary shall provide information to investors on the terms and conditions of the offer at the time the offer is made.**

## B. THE ISSUER

**B.1** The legal and commercial name of the Issuer:

The legal name of the Issuer is "Erste Group Bank AG", its commercial name is "Erste Group". "**Erste Group**" also refers to Erste Group Bank and its consolidated subsidiaries.

**B.2** The domicile and legal form of the Issuer, the legislation under which the Issuer operates and its country or incorporation:

Erste Group Bank is a stock corporation (*Aktiengesellschaft*) organised and operating under Austrian law, registered with the companies register (*Firmenbuch*) at the Vienna commercial court (*Handelsgericht Wien*) under the registration number FN 33209 m. Erste Group Bank's registered office is in Vienna, Republic of Austria. It has its business address at Am Belvedere 1, A-1100 Vienna, Austria.

**B.4b** Any known trends affecting the Issuer and the industries in which it operates:

The past global financial crisis has led to an increase in regulatory activities at national and international levels to adopt new and more strictly enforce existing regulation for the financial industry in which the Issuer operates. Regulatory changes or enforcement initiatives could further affect the financial industry. New governmental or regulatory requirements and changes in levels of adequate capitalisation, liquidity and leverage could lead to increased capital and liquidity requirements or standards. Governmental and central bank action in response to the financial crisis could significantly affect competition and may affect investors of financial institutions.

**B.5** If the Issuer is part of a group, a description of the group and the Issuer's position within the group: "Erste Group" consists of Erste Group Bank and its subsidiaries and participations, including Erste Bank Oesterreich in Austria, eská spo itelna in the Czech Republic, Banca Comercial Român in Romania, Slovenská sporite a in the Slovak Republic, Erste Bank Hungary in Hungary, Erste Bank Croatia in Croatia, Erste Bank Serbia in Serbia and, in Austria, savings banks of the Haftungsverbund, s-Bausparkasse, Erste Group Immorent AG, and others. Erste Group Bank operates as the parent company of Erste Group and is the lead bank in the Austrian Savings Banks Sector.

**B.9** Where a profit forecast or estimate is made, state the figure: Not applicable; no profit forecast or estimate has been made.

**B.10** A description of the nature of any qualifications in the audit report on the historical financial information: Not applicable; there are no qualifications.

**B.12** Selected historical key financial information:

in millions of Euro (rounded)	31 December 2016 audited	31 December 2015 audited
Total liabilities and equity	208,227	199,743
Total equity	16,602	14,807
Net interest income	4,375	4,445
Pre-tax result from continuing operations	1,950	1,639
Net result for the period	1,537	1,275
Net result attributable to owners of the parent	1,265	968

Source: Audited Consolidated Financial Statements 2016

in millions of Euro (rounded)	30 June 2017 unaudited	31 December 2016 audited
Total liabilities and equity	218,156	208,227
Total equity	17,515	16,602
in millions of Euro (rounded)	30 June 2017 unaudited	30 June 2016 unaudited
Net interest income	2,143.0	2,194.1
Pre-tax result from continuing operations	1,017.6	1,266.7
Net result for the period	793.8	987.9
Net result attributable to owners of the parent	624.7	841.7

Source: Unaudited Interim Condensed Consolidated Financial Statements as of 30 June 2017 with comparative financial information for the first half year ended 30 June 2016 and the year ended 31 December 2016, respectively

Statement with regard to no material

There has been no material adverse change in the

adverse change in the prospects of the issuer since the date of its last published audited financial statements or a description of any material adverse change:

prospects of the Issuer since 31 December 2016.

Description of significant changes in the financial or trading position subsequent to the period covered by the historical financial information:

Not applicable. There has been no significant change in the financial position of the Issuer since 30 June 2017.

**B.13** Description of any recent events particular to the Issuer which are to a material extent relevant to the evaluation of the Issuer's solvency:

Not applicable; there are no recent events particular to the Issuer that are to a material extent relevant to the evaluation of the Issuer's solvency.

**B.14** If the Issuer is part of a group, any dependency upon other entities within the group:

The Issuer is the parent company of Erste Group and thus dependent on the business results of the operations of all of its affiliates, subsidiaries and group companies.

**B.15** A description of the Issuer's principal activities:

Erste Group provides a full range of banking and financial services, including deposit and current account products, mortgage and consumer finance, investment and working capital finance, private banking, investment banking, asset management, project finance, international trade finance, trading, leasing and factoring.

**B.16** To the extent known to the Issuer, state whether the Issuer is directly or indirectly owned or controlled and by whom and describe the nature of such control:

As of the date of this Prospectus, 29.5% of the shares in Erste Group Bank were attributable to DIE ERSTE österreichische Spar-Casse Privatstiftung ("**Erste Stiftung**"). This comprises an 11.1% economic interest of Erste Stiftung as well as shares attributable to Erste Stiftung through syndicate agreements concluded with CaixaBank, S.A., the Austrian savings banks and other parties (i.e. the Sparkassenstiftungen and Anteilsverwaltungssparkassen, and Wiener Städtische Wechselseitiger Versicherungsverein – Vermögensverwaltung– Vienna Insurance Group), which hold 9.9%, 4.7% and 3.8%, respectively. The free float amounts to 70.5% (of which 47.6% were held by institutional investors, 5.0% by retail investors, 4.9% by BlackRock, Inc., 12.2% by unidentified institutional and private investors and 0.8% by Erste Group's employees) (all numbers are rounded).

**B.17** Credit ratings assigned to an issuer or its debt securities at the request or with the cooperation of the issuer in the rating process:

Credit rating assigned to the Notes: Not applicable; the Notes are not rated.

Credit ratings assigned to the Issuer as of 30 October 2017:

Standard & Poor's assigned the following ratings:

Debt Type	Rating	Outlook
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Senior Unsecured Long-Term	A	Positive
Senior Unsecured Short-Term	A-1	-

Moody's assigned the following ratings:

Debt Type	Rating	Outlook
Senior Unsecured Long-Term	A3	Positive
Senior Unsecured Short-Term	P-2	-

Fitch assigned the following ratings:

Debt Type	Rating	Outlook
Senior Unsecured Long-Term	A-	Stable
Senior Unsecured Short-Term	F1	-

## C. SECURITIES

**C.1** Description of the type and the class of the securities being offered and/or admitted to trading, including any security identification number:

### Class and Type

The Notes are issued in bearer form and are represented by a Permanent Global Note. Definitive Notes and coupons will not be issued.

### Issuance in Series

The Notes are issued as Series number 28, Tranche number 1.

### Security Identification Numbers

ISIN: AT0000A208Q7

WKN: EB0FFL

**C.2** Currency of the securities issue:

The Notes are issued in Czech Koruna.

**C.5** Description of any restrictions on the free transferability of the securities:

Not applicable. The Notes are freely transferable.

**C.8** Description of the rights attached to the securities including ranking and limitation to those rights:

### Rights attached to the Notes

The Notes will pay a redemption amount as further specified in C.15

### Status

The Notes constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer and rank *pari passu* among themselves and (subject to any applicable statutory exceptions and without prejudice to the aforesaid) the payment obligations of the Issuer under the Notes rank

*pari passu* with all other unsecured and unsubordinated obligations of the Issuer, present and future.

### **Limitations of rights**

#### **Acceleration**

In case of an event of default, each holder of a Note (each a "**Holder**") shall be entitled to declare its Notes due and demand immediate redemption thereof at the redemption amount(s) together with accrued interest (if any) to (but excluding) the date of repayment.

#### **Early Redemption for Reasons of Taxation**

The Notes will be redeemed at the option of the Issuer in whole, but not in part, at any time on giving not less than 30 Business Days' nor more than 90 Business Days' prior notice of redemption, if on the next succeeding interest payment date, the Issuer will become obliged to pay additional amounts as a result of any change in, or amendment to, the laws or regulations of the Republic Austria or of any political subdivision or taxing authority thereof or therein, or as a result of any change in, or amendment to, an official interpretation or application of such laws or regulations.

#### **Consequences of certain events regarding the underlying**

The Terms and Conditions may foresee that in case of certain events regarding the underlying (e.g. market disruptions and additional disruption events, all as set forth in the Terms and Conditions), any of the following may occur:

- certain dates which are relevant for determinations regarding the Notes may be postponed; and/or
- certain calculations and/or determinations and/or adjustments regarding the Notes may be effected by the Calculation Agent and such calculations, determinations and adjustments will be binding for the Holders; and/or
- the Issuer may terminate the Notes for their fair market value as determined by the Calculation Agent.

<b>C.9</b>	- Interest Rate:	<b>Interest Rate</b>
		The Notes have no periodic payments of interest.
	- Interest Commencement Date:	<b>Interest Commencement Date</b>
		The Interest Commencement Date of the Notes is 12.03.2018
	- Interest Payment Date:	<b>Interest Payment Date</b>
		23.04.2021
	- Underlying on which interest rate is based:	<b>"Reference Asset"</b> is the reference asset as described in C.20 below.
	- Maturity date including repayment	<b>Maturity Date</b>



procedures: The Maturity Date of the Notes is 23.04.2021.

### Repayment procedures

Payment of the relevant redemption amount shall be made to the Clearing System or to its order for credit to the accounts of the relevant account holders of the Clearing System.

- Indication of yield:

### Minimum Issue Yield

The Minimum Issue Yield cannot be disclosed in advance (i) as it depends on the development of one or more underlyings or (ii) as certain payments are effectuated as bullet payments.

- Name of representative of Holders:

### Name of representative of Holders

No Joint Representative has been appointed in the General Conditions.

**C.10** Explanation how the value of the investment is affected in the case the Notes have a derivative component in the interest payment:

Not applicable. The Notes have no periodic interest payment.

**C.11** Indication as to whether the securities offered are or will be the object of an application for admission to trading, with a view to their distribution in a regulated market or other equivalent markets with indication of the markets in question:

Not applicable, this individual issue may not be listed.

**C.15** A description of how the value of the investment is affected by the value of the underlying instrument(s), unless the securities have a denomination of at least EUR 100,000:

The payment of the redemption amount (as specified below) and consequently the value of the Notes is linked to the performance of the underlying Reference Asset.

Each Note will be redeemed by the Issuer by payment of an amount on the Maturity Date, which equals the product of (i) the Principal Amount per Note and (ii) the Redemption Price. The "**Redemption Price**" means the sum of (a) 100 per cent. and (b) the product of (x) 100.00 per cent. and (y) the performance of the underlying Reference Asset during the term of the Notes, which is limited by 15.00 per cent. and (b) equals to at least -3.00 per cent., i.e. the Redemption Price equals at least 97.00 per cent. of the Principal Amount per Note (the "**Minimum Redemption Price**") and is no more than 115.00 per cent. of the Principal Amount per Note (the "**Maximum Redemption Price**").

The performance of the underlying Reference Asset reflects the performance of the underlying Reference Asset between the strike price (being a percentage of the closing prices on the strike fixing date) and the closing price of the underlying Reference Asset on the relevant valuation dates.

**C.16** The expiration or maturity date of the derivative securities - the exercise date or final reference date:

**Maturity Date**

The Maturity Date of the Notes is 23.04.2021.

**Exercise Date**

Not applicable. The Notes do not need to be exercised by the holders.

**Valuation Dates (Final Reference Date)**

The Valuation Dates will be determined in the Terms and Conditions of the Notes as set out in the Final Terms for the Notes.

**C.17** A description of the settlement procedure of the derivative securities:

All payments under the Notes shall be made by the Issuer to the Clearing System for on-payment to the depositary banks of the holders of the Notes.

**C.18** A description of how the return on derivative securities takes place:

Payment of a cash amount on the Maturity Date.

**C.19** The exercise price or the final reference price of the underlying:

Closing Price of the Reference Asset on the Valuation Date.

**C.20** A description of the type of the underlying and where the information on the underlying can be found:

**Type:** Index

**"Reference Asset"** is the index listed in the below table:

Name of the Index	Index Sponsor	Single Exchange or Multi Exchange Index	Exchange	Screen Page
STOXX Global ESG LEADERS Select 50 Price EUR Index	STOXX Ltd.	Multi Exchange Index	miscellaneous exchanges / trading platforms	Reuters .SGESGSEP

Information on the underlying Index can be obtained on the Screen Page indicated above.

**D. RISKS**

**D.2 Key information on the key risks that are specific to the Issuer**

**Risks related to the business of Erste Group**

- Difficult macroeconomic and financial market conditions may have a material adverse effect on Erste Group's business, financial condition, results of operations and prospects.
- Erste Group has been and may continue to be affected by the European sovereign debt crisis, and it may be required to take impairments on its exposures to the sovereign debt of certain countries.
- Erste Group has experienced and may in the future continue to experience deterioration in credit quality, particularly as a result of financial crises or economic downturns.

- Erste Group is subject to significant counterparty risk, and defaults by counterparties may lead to losses that exceed Erste Group's provisions.
- Erste Group's hedging strategies may prove to be ineffective.
- Erste Group is exposed to declining values of the collateral supporting commercial and residential real estate loans.
- Market fluctuations and volatility may adversely affect the value of Erste Group's assets, reduce profitability and make it more difficult to assess the fair value of certain of its assets.
- Erste Group is subject to the risk that liquidity may not be readily available.
- Rating agencies may suspend, downgrade or withdraw a rating of Erste Group Bank and/or a local entity that is part of Erste Group or a country where Erste Group is active, and such action might negatively affect the refinancing conditions for Erste Group Bank, in particular its access to debt capital markets.
- New governmental or regulatory requirements and changes in perceived levels of adequate capitalisation and leverage could subject Erste Group to increased capital requirements or standards and require it to obtain additional capital or liquidity in the future.
- The Issuer is subject to the risk of changes in the tax framework, in particular regarding bank tax and the introduction of a financial transaction tax.
- The Issuer may not be able to meet the minimum requirement for own funds and eligible liabilities.
- The Issuer is obliged to contribute amounts to the Single Resolution Fund and to *ex-ante* financed funds of the deposit guarantee schemes; this results in additional financial burdens for the Issuer and thus, adversely affects the financial position of the Issuer and the results of its business, financial condition and results of operations.
- In future, the Issuer may be obliged to stop proprietary trading and/or separate certain trading activities from its core banking business.
- Erste Group's risk management strategies, techniques and internal control procedures may leave it exposed to unidentified or unanticipated risks.
- Erste Group's business entails operational risks.
- Any failure or interruption in or breach of Erste Group's information systems, and any failure to update such systems, may result in lost business and other losses.
- Erste Group may have difficulty recruiting new talent or retaining qualified employees.
- Erste Group Bank may be required to provide financial support to troubled banks in the Haftungsverbund, which could result in significant costs and a diversion of resources from other activities.
- Changes in interest rates are caused by many factors beyond Erste Group's control, and such changes can have significant adverse effects on its financial results, including net interest income.
- Since a large part of Erste Group's operations, assets and customers are located in CEE countries that are not part of the Eurozone, Erste Group is exposed to currency risks.
- Erste Group Bank's profit can be lower or even negative.
- A change of the ECB's collateral standards could have an adverse effect on the funding of Erste Group and access to liquidity.
- Erste Group operates in highly competitive markets and competes against large international financial institutions as well as established local

competitors.

- Erste Group Bank's major shareholder may be able to control shareholder actions.
- Compliance with anti-money laundering, anti-corruption and anti-terrorism financing rules involve significant costs and efforts and non-compliance may have severe legal and reputational consequences.
- Changes in consumer protection laws as well as the application or interpretation of such laws might limit the fees and other pricing terms that Erste Group may charge for certain banking transactions and might allow consumers to claim back certain of those fees and interest already paid in the past.
- The integration of potential future acquisitions may create additional challenges.

### **Risks related to the markets in which Erste Group operates**

- The departure of any one or more countries from the Eurozone could have unpredictable consequences for the financial system and the greater economy, potentially leading to declines in business levels, write-downs of assets and losses across Erste Group's business.
- Erste Group operates in emerging markets that may experience rapid economic or political changes, either of which may adversely impact its financial performance and results of operations.
- Committed EU funds may not be released or further aid programmes may not be adopted by the EU and/or international credit institutions.
- Loss of customer confidence in Erste Group's business or in banking businesses generally could result in unexpectedly high levels of customer deposit withdrawals, which could have a material adverse effect on Erste Group's results, financial condition and liquidity.
- Liquidity problems experienced by certain CEE countries may adversely affect the broader CEE region and could negatively impact Erste Group's business results and financial condition.
- Governments in countries in which Erste Group operates may react to financial and economic crises with increased protectionism, nationalisations or similar measures.
- Erste Group may be adversely affected by slower growth or recession in the banking sector in which it operates as well as slower expansion of the Eurozone and the EU.
- The legal systems and procedural safeguards in many CEE countries and, in particular, in the Eastern European countries are not yet fully developed.
- Applicable bankruptcy laws and other laws and regulations governing creditors' rights in various CEE countries may limit Erste Group's ability to obtain payments on defaulted loans and advances.
- Erste Group may be required to participate in or finance governmental support programs for credit institutions or finance governmental budget consolidation programmes, through the introduction of banking taxes and other levies.

**D.3,**

**D.6**

### **Key information on the key risks that are specific to the securities**

**RISK WARNING: Investors should be aware that they may lose the value of their entire investment or part of it, as the case may be. However, each investor's liability is limited to the value of his investment (including incidental costs).**

**Risk factors relating to an Index or Index Basket as reference asset**

- Factors having a negative effect on the Performance of the Index may also affect the market price and Redemption Amount of the Notes which may lead to the loss of the entire invested capital or part of it.
- In case the Notes relate to a price index the performance of the Notes will not take into account dividends and other distributions, since they are not reflected in the price of such index.
- The Issuer has no influence on the existence, composition and calculation of the Index.
- Certain events in relation to the Index may result in an adjustment or early redemption of the Notes.
- The sponsor of the Index does not carry out any activity which affects the value of the Index and does not issue investment recommendations regarding the Index.
- If one or several components of the Index underlying the Notes are linked with emerging markets, a holder of securities must expect considerable political and economic uncertainty, which may considerably affect the price development of the Notes.
- Holders of securities do not have any rights to the components of the Index underlying the Index.
- Holders may be exposed to the risk that any changes to the relevant Index which qualifies as a benchmark index may have a material adverse effect on the value of and the amount payable under the Notes who are linked to a benchmark. Indices which are deemed "benchmarks" are the subject of recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective while others are still to be implemented. These reforms may result in changes to such benchmarks and may cause a benchmark (including the relevant Index (if affected by these reforms)) to perform differently than in the past, or have other consequences which cannot be predicted. Investors thus face the risk that any such changes may have a material adverse effect on the value of and the amount payable under the Notes.

**Risk factors relating to conflicts of interest**

- The Issuer may engage in activities that could involve certain conflicts of interest and may affect the market price of the Notes.

**Risks related to the pricing of the Notes**

- The issue price of the Notes may include a margin on the mathematical (fair) market price of the Notes.
- Since the Issuer will, when determining the price of the securities on the secondary market, also take into account, in particular, the subscription fee (agio), the spread between bid and ask prices as well as commission and other fees in addition to the mathematical (fair) market price of the Notes, the prices quoted by the Issuer may considerably deviate from the fair market price of the Notes.

**Risks related to Notes generally**

- In the event that any Notes are redeemed prior to their maturity, a Holder of such Notes is exposed to risks that the Notes will be redeemed at the fair market price and the risk that he may only be able to reinvest the redemption proceeds in notes with a lower yield (Risk of Early Redemption).

- The General Conditions of the Notes provide for resolutions of Holders, certain rights of a Holder may be amended or reduced or even cancelled by way of resolutions, which could affect the Holder negatively.
- The General Conditions of the Notes provide for the appointment of a Joint Representative, a Holder may be deprived of its individual right to pursue and enforce its rights under the relevant Terms and Conditions of the Notes against the Issuer.
- An Austrian court can appoint a trustee (*Kurator*) for the Notes to exercise the rights and represent the interests of Holders on their behalf in which case the ability of Holders to pursue their rights under the Notes individually may be limited.
- Credit ratings of Notes may not adequately reflect all risks of the investment in such Notes, credit rating agencies could assign unsolicited ratings, and ratings may be suspended, downgraded or withdrawn, all of which could have an adverse effect on the market price and trading price of the Notes.
- The Notes are governed by Austrian law, and changes in applicable laws, regulations or regulatory policies may have an adverse effect on the Issuer, the Notes and the Holders.
- The Notes may be subject to write-down or conversion to equity upon the occurrence of a certain trigger event, which may result in Holders losing some or all of their investment in the Notes (statutory loss absorption).
- The Issuer may be subject to resolution powers which may also have a negative impact on the Notes.
- The Issuer is not prohibited from issuing further debt instruments or incurring further liabilities.
- In the case of the Issuer's insolvency, deposits have a higher ranking than the claims of the Holders under the Notes.

#### **Risks related to the market generally**

- Holders are exposed to the risk of partial or total inability of the Issuer to make interest and/or redemption payments under the Notes.
- Holders assume the risk that the credit spread of the Issuer widens resulting in a decrease in the price of the Notes.
- The Holder may be exposed to the risk that due to future money depreciation (inflation), the real yield of an investment may be reduced.
- 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, a Holder may not be able to sell his Notes at fair market prices.
- No conclusion may be drawn from the indicated Aggregate Principal Amount in case of "up to" Notes.
- There is a risk that trading in the Notes or underlyings will be suspended, interrupted or terminated, which may have an adverse effect on the price of such Notes.
- Holders are exposed to the risk of an unfavourable development of market prices of their Notes which materialises if the Holder sells the Notes prior to the final maturity of such Notes.
- Exchange rate risks may occur, if a Holder's financial activities are denominated in a currency or currency unit other than the Specified Currency in which the Issuer will make principal and interest payments. Furthermore, government and monetary authorities may impose exchange controls that could adversely affect an applicable exchange rate.
- If a loan or credit is used to finance the acquisition of the Notes, the loan or credit may significantly increase the amount of a loss.

- Incidental costs related in particular to the purchase and sale of the Notes may have a significant impact on the profit potential of the Notes.
- Holders have to rely on the functionality of the relevant clearing system.
- The applicable tax regime may change to the disadvantage of the Holders; therefore, the tax impact of an investment in the Notes should be carefully considered.
- Legal investment considerations may restrict certain investments.

**Risks related to taxes withheld in respect of U.S. withholding tax, including in respect of dividends, dividend equivalent payments**

- Notes referencing one or more U.S. equities or equity indices may be subject to U.S. withholding tax according to Section 871(m) of the U.S. Internal Revenue Code of 1986. The Issuer will not make any additional payments to Holders of Notes to compensate them for any taxes withheld in respect of such U.S. withholding tax.

**E. OFFER**

<b>E.2b</b>	Reasons for the offer and use of proceeds when different from making profit and/or hedging certain risks:	The net proceeds from the issue of any Notes will be used by the Issuer for its general funding purposes and for making profit, which are also the reasons for the offer.
<b>E.3</b>	Description of the terms and conditions of the offer:	<p><b>Aggregate principal amount</b> up to CZK 3,000,000,000</p> <p><b>Initial Issue price</b> 100.00%</p> <p><b>Specified Denomination</b> CZK 10,000</p> <p><b>Minimum and/or Maximum Amount of Application</b> Minimum Amount of Application CZK 10,000</p> <p><b>Type of distribution</b> Diverse Financial Service Providers in Czech Republic Non-Syndicated</p> <p><b>Other or further conditions</b> Not applicable</p>
<b>E.4</b>	Description of any interest that is material to the issue/offer including conflicting interest:	<p>The Issuer may from time to time act in other capacities with regard to the Notes, such as calculation agent, which allows the Issuer to calculate the value of the Underlying or any other reference asset or determine the composition of the Underlying, which could raise conflicts of interest where securities or other assets issued by the Issuer itself or a group company can be chosen to be part of the Underlying, or where the Issuer maintains a business relationship with the issuer or obligor of such securities or assets.</p> <p>The Issuer may from time to time engage in transactions</p>

involving the Underlying for its proprietary accounts and for accounts under its management. Such transactions may have a positive or negative effect on the value of the Underlying or any other reference asset and consequently upon the market price of the Notes.

The Issuer may issue other derivative instruments in respect of the Underlying and the introduction of such competing products into the marketplace may affect the market price of the Notes.

The Issuer may use all or some of the proceeds received from the sale of the Notes to enter into hedging transactions which may affect the market price of the Notes.

The Issuer may acquire non-public information with respect to the Underlying, and the Issuer does not undertake to disclose any such information to any Holder. The Issuer may also publish research reports with respect to the Underlying. Such activities could present conflicts of interest and may affect the market price of the Notes.

The Issuer and its consolidated subsidiaries might employ people with secondary occupations such as executives of management boards or supervisory boards in other companies or within Erste Group. Companies of Erste Group or such other companies might be Underlyings of the Notes.

**E.7** Estimated expenses charged to the investor by the Issuer or the offeror:

Not higher than 3.00 per cent. of the principal amount, but may be lower depending on the market development during the offer period.