

22.02.2019

## **Final Terms**

### **ERSTE USD Garant Note Megatrends III 19-23 (the "Notes")**

issued pursuant to the

#### **Structured Notes Programme**

of

#### **Erste Group Bank AG**

Initial Issue Price: 100.00 per cent. plus the issue charge mentioned in Part B

Issue Date: 02.04.2019

Series No.: 223

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 Structured Notes Programme Prospectus, dated 4 September 2018, 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 4 September 2018 is expected to be valid until 3 September 2019. 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 United States Dollar (USD) (the "**Specified Currency**") in the aggregate principal amount of up to USD 50,000,000 (in words: fifty million) (the "**Aggregate Principal Amount**") in the denomination of USD 1,000 (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 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

(1) *Rate of Interest and Interest Payment Dates.* The Notes shall bear interest on their outstanding Aggregate Principal Amount at the rate of 0.50 per cent. per annum (from, and including, 02.04.2019 (the "**Interest Commencement Date**") to, but excluding, the Maturity Date (as defined in § 3 of the Issue Specific Conditions). Interest shall be payable annually in arrear on 02.04. in each year (each such date, an "**Interest Payment Date**"), commencing on 02.04.2020 and ending on 02.04.2023. Interest Payment Dates are subject to adjustment in accordance with the provisions set out in § 4 of the Issue Specific Conditions.

(2) *Calculation of Amount of Interest.* If the amount of interest payable under the Notes is required to be calculated for any period of time 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.

(3) *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**"):

the number of days in the Calculation Period divided by 360, the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (1) the last day of the Calculation Period is the 31st day of a month but the first day of the Calculation Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (2) the last day of the Calculation Period is the last day of the month of February in which case the month of February shall not be considered to be lengthened to a 30-day month).

### § 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 100.00 *per cent.* of the Principal Amount per Note (the "**Minimum Redemption Price**") and no more than 130.00 *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 Date**" is, subject to an adjustment pursuant to § 5 of the Issue Specific Conditions, 27.03.2023, or if such day is not an Exchange Business Day (as defined in § 5 of the Issue Specific Conditions), the next Exchange Business Day.

"**Cap**" is 30.00 per cent. and specifies the product of (x) the upper limit of the Participation and (y) the Performance.

"**Floor**" is 0.00<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 01.04.2019 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 02.04.2023, 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 Closing Price on the Valuation Date by (ii) the Strike Price minus one, and is calculated by using the following formula:

$$\frac{\text{Closing Price on the Valuation Date}}{\text{Strike Price}} - 1$$

**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 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
Solactive Megatrends RISE Index	Solactive AG (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 .SOLMEGA

<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.

"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) the Trans-European Automated Real-Time Gross Settlement Express Transfer System 2 (**TARGET**) is open.

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

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

#### § 5

##### Market Disruptions in respect of the Index

###### (a) Market Disruptions

If the Calculation Agent determines that any Reference Date is a Disrupted Day, then the Reference Date for the Index shall be the first succeeding Scheduled Trading Day that the Calculation Agent determines is not a Disrupted Day in respect of the Index, unless the Calculation Agent determines that each of the consecutive Scheduled Trading Days up to and including the Reference Cut-Off Date is a Disrupted Day. In that case or if any Reference Date falls on the Reference Cut-Off Date as the original date on which it was scheduled to fall is not a Scheduled Trading Day:

- (i) that Reference Cut-Off Date shall be deemed to be the Reference Date for the Index, notwithstanding the fact that such day is a Disrupted Day or is not a Scheduled Trading Day; and
- (ii) the Calculation Agent shall determine the relevant level or price of the Index as of the relevant Valuation Time on that Reference Cut-Off Date in accordance with the formula for and method of, calculating the Index last in effect prior to the Reference Cut-Off Date using the Exchange traded or quoted price as of the relevant Valuation Time on that Reference Cut-Off Date of each Component comprised in the Index (or, if an event giving rise to a Disrupted Day has occurred in respect of any relevant Component on that Reference Cut-Off Date, its good faith estimate of the value for the relevant Component as of the relevant Valuation Time on that Reference Cut-Off Date) (and such

determination by the Calculation Agent pursuant to this paragraph (ii) shall be deemed to be the Index Level at the Valuation Time in respect of the relevant Reference Date).

**(b) Notification**

The Calculation Agent shall give notice, as soon as practicable, to the Holders in accordance with § 11 of the General Conditions of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day would have been a Reference Date. Any failure by the Calculation Agent to so notify the Holders of the occurrence of a Disrupted Day shall not affect the validity of the occurrence or the consequences of such Disrupted Day.

**(c) Definitions**

**"Valuation Date"** has the meaning as defined in § 3 of the Issue Specific Conditions.

**"Valuation Time"** means in respect of a Multi Exchange Index (a) for the purposes of determining whether a Market Disruption Event has occurred in respect of (I) any Component, the Scheduled Closing Time on the Exchange in respect of such Component (provided that, if the Exchange closes prior to its Scheduled Closing Time, then the Valuation Time shall be such actual closing time), and (II) any options contracts or futures contracts on the Index, the close of trading on the Related Exchange, and (b) in all other circumstances, the time at which the official closing level of the Index is calculated and published by the Index Sponsor.

**"Exchange"** has the meaning as defined in § 3 of the Issue Specific Conditions.

**"Exchange Business Day"** means in respect of a Multi Exchange Index any Scheduled Trading Day on which (a) the Index Sponsor calculates and publishes the level of the Index, and (b) the Related Exchange is open for trading during its regular trading session, notwithstanding the Related Exchange closing prior to its Scheduled Closing Time.

**"Exchange Disruption"** means in respect of a Multi Exchange Index, any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general to effect transactions in, or obtain market values for (a) any Component on the relevant Exchange in respect of such Component, or (b) futures or options contracts relating to the Index on the relevant Related Exchange.

**"Trading Disruption"** means in respect of a Multi Exchange Index any suspension or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise (a) relating to any Component on the Exchange in respect of such Component, or (b) in futures or options contracts relating to the Index on the Related Exchange.

**"Index"** has the meaning as defined in § 3 of the Issue Specific Conditions.

**"Index Level"** means the Closing Price as defined in § 3 of the Issue Specific Conditions.

**"Index Sponsor"** has the meaning as defined in § 3 of the Issue Specific Conditions.

**"Component"** means each security or other component included in the Index.

**"Market Disruption Event"** means in respect of a Multi Exchange Index

(a) (I) the occurrence or existence, in respect of any Component, of:

- (A) a Trading Disruption in respect of such Component, which the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time in respect of the Exchange on which such Component is principally traded;
- (B) an Exchange Disruption in respect of such Component, which the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time in respect of the Exchange on which such Component is principally traded; or
- (C) an Early Closure in respect of such Component; and

(II) the aggregate of all Components in respect of which a Trading Disruption, an Exchange Disruption or an Early Closure occurs or exists comprises 20 per cent. or more of the level of the Index; or

(b) the occurrence or existence, in each case in respect of futures or options contracts relating to the Index, of (i) a Trading Disruption, or (ii) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the Valuation Time in respect of the Related Exchange, or (iii) an Early Closure.

For the purposes of determining whether a Market Disruption Event exists in respect of the Index at any time, if an Early Closure, an Exchange Disruption, or a Trading Disruption occurs in respect of a Component at that time, then the relevant percentage contribution of that Component to the level of the Index shall be based on a comparison of (y) the portion of the level of the Index attributable to that Component and (z) the overall level of the Index.

**"Reference Cut-Off Date"** means the eighth Scheduled Trading Day immediately following the Scheduled Reference Date or, if earlier, the Scheduled Trading Day falling on or immediately preceding the second Business Day immediately preceding the due date on which payment of any amount or delivery of any assets may have to be made pursuant to any calculation or determination made on such Reference Date, provided that the Reference Cut-Off Date shall not fall prior to the original date on which such Reference Date was scheduled to fall.

**"Reference Date"** means the Valuation Date or, if earlier, the Reference Cut-Off Date.

**"Disrupted Day"** means in respect of a Multi Exchange Index any Scheduled Trading Day on which (a) the Index Sponsor fails to publish the level of the Index (provided that the Calculation Agent may, in its discretion, determine that such event instead results in the occurrence of an Index Disruption), (b) the Related Exchange fails to open for trading during its regular trading session, or (c) a Market Disruption Event has occurred.

**"Related Exchange"** means each exchange or quotation system (as the Calculation Agent may select) where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to the Index or, in any such case, any transferee or successor exchange of such exchange or quotation system (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Index on such temporary substitute exchange or quotation system as on the original Related Exchange).

**"Scheduled Closing Time"** means in respect of the Exchange or Related Exchange the scheduled weekday closing time of the Exchange or Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours.

**"Scheduled Trading Day"** means in respect of a Multi Exchange Index any day on which (a) the Index Sponsor is scheduled to publish the level of the Index, and (b) the Related Exchange is scheduled to be open for trading for its regular trading session.

**"Scheduled Reference Date"** means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been a Reference Date.

**"Early Closure"** means in respect of a Multi Exchange Index the closure on any Exchange Business Day of the Exchange in respect of any Component, or the Related Exchange, prior to its Scheduled Closing Time unless such earlier closing is announced by such Exchange or Related Exchange (as the case may be) at least one hour prior to the earlier of (a) the actual closing time for the regular trading session on such Exchange or Related Exchange (as the case may be) on such Exchange Business Day, and (b) the submission deadline for orders to be entered into such Exchange or Related Exchange system for execution as at the relevant Valuation Time on such Exchange Business Day.

## § 6

### Additional Disruption Events

If any Additional Disruption Event occurs, the Issuer, in its reasonable discretion, may:

- (i) require the Calculation Agent to determine, in its reasonable discretion, the appropriate adjustment, if any, to be made to any of the terms of these Issue Specific Conditions to account for the Additional Disruption Event and determine the effective date of that adjustment; or
- (ii) terminate the Notes in whole but not in part by giving notice to Holders in accordance with § 11 of the General Conditions. If the Notes are so redeemed, the Issuer will pay to each Holder, in respect of each Note held by such Holder, an amount equal to the fair market value of a Notes taking into account the Additional Disruption Event, adjusted to account fully for any reasonable expenses and costs of the Issuer and/or its affiliates of unwinding any underlying and/or related hedging and funding arrangements (including, without limitation, any equity options, equity swaps, or other securities of any type whatsoever hedging the Issuer's obligations under the Notes), all as determined by the Calculation Agent in good faith and in a commercially reasonable manner. Payments will be made in such manner as shall be notified to the Holders in accordance with § 11 of the General Conditions.

Upon the occurrence of an applicable Additional Disruption Event, the Issuer shall give notice, as soon as

practicable, to the Holders in accordance with § 11 of the General Conditions, stating the occurrence of the Additional Disruption Event, giving details thereof and the action proposed to be taken in relation thereto. Any failure to give, or non-receipt of, such notice will not affect the validity of the Additional Disruption Event.

**"Hedge Positions"** means any purchase, sale, entry into or maintenance of one or more (i) positions or contracts in securities, options, futures, derivatives, or foreign exchange, (ii) stock loan transactions, or (iii) other arrangements (howsoever described) by the Issuer and/or any of its affiliates in order to hedge, individually or on a portfolio basis, its obligations under the Notes.

**"Hedging Disruption"** means that the Issuer and/or any of its affiliates is unable, after using commercially reasonable efforts, to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity or other price risk of the Issuer issuing and performing its obligations with respect to the Notes, or (ii) realize, recover, or remit the proceeds of any such transaction(s) or asset(s).

**"Increased Cost of Hedging"** means that the Issuer and/or any of its affiliates would incur a materially increased (as compared with circumstances existing on the Strike Fixing Date) amount of tax, duty, expense, or fee (other than brokerage commissions) to (i) acquire, establish, re-establish, substitute, maintain, unwind, or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity or other price risk of the Issuer issuing and performing its obligations with respect to the Notes, or (ii) realize, recover, or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or any of its affiliates shall not be deemed an Increased Cost of Hedging.

**"Change in Law"** means that, on or after the Strike Fixing Date, due to (i) the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (ii) the promulgation of or any change in the interpretation by any court, tribunal, or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Calculation Agent determines, in its reasonable discretion, that (y) it has become illegal for the Issuer and/or any of its affiliates to hold, acquire, or dispose of relevant Hedge Positions (including any Components comprised in an Index), or (z) the Issuer and/or any of its affiliates will incur a materially increased cost in performing its obligations under the Notes (including, without limitation, due to any increase in tax liability, decrease in tax benefit, or other adverse effect on its tax position).

**"Additional Disruption Event"** means any Change in Law, Hedging Disruption, and/or Increased Cost of Hedging.

## § 7

### Adjustments in respect to the Index

#### (a) Adjustments

(i) If an Index is (1) not calculated and announced by the Index Sponsor but is calculated and announced by a successor sponsor acceptable to the Calculation Agent, or (2) replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula for, and method of, calculation as used in the calculation of that Index, then that index (the **"Successor Index"**) will be deemed to be the Index.

(ii) If the Calculation Agent determines that, (1) on or prior to any Reference Date or other relevant date, the relevant Index Sponsor makes or announces that it will make a material change in the formula for, or the method of, calculating a relevant Index, or in any other way materially modifies that Index (other than a modification prescribed in that formula or method to maintain that Index in the event of changes in the Components, capitalization and/or other routine events) (an **"Index Modification"**), or permanently cancels a relevant Index and no Successor Index exists as at the date of such cancellation (an **"Index Cancellation"**), or (2) on any Reference Date or other relevant date, the Index Sponsor fails to calculate and announce a relevant Index (an **"Index Disruption"** (provided that, the Calculation Agent may, in its reasonable discretion, determine that such event instead results in the occurrence of a Disrupted Day) and, together with an Index Modification and an Index Cancellation, each an **"Index Adjustment Event"**) then:

the Calculation Agent shall determine if such Index Adjustment Event has a material effect on the Notes and, if so, shall calculate the relevant Index Level using, in lieu of a published level for that Index, the level for that Index as at the Valuation Time on that Reference Date or other relevant date, as the case may be, as determined by the Calculation Agent in accordance with the formula for, and method of, calculating that Index last in effect prior to the relevant Index Adjustment Event, but using only those Components that comprised that Index immediately prior to that Index Adjustment Event (other than those Components that have since ceased to be listed on the relevant Exchange).

If, provided that, in the determination of the Calculation Agent, the above provisions would not achieve a



commercially reasonable result, on giving notice to Holders in accordance with § 11 of the General Conditions, the Issuer shall redeem the Notes in whole but not in part, each Note being redeemed by payment of an amount equal to the fair market value of such Note taking into account the Index Adjustment Event, adjusted to account fully for any reasonable expenses and costs of the Issuer and/or its affiliates of unwinding any underlying and/or related hedging and funding arrangements (including, without limitation, any equity options, equity swaps, or other securities of any type whatsoever hedging the Issuer's obligations under the Notes), all as determined by the Calculation Agent in good faith and in a commercially reasonable manner. Payments will be made in such manner as shall be notified to the Holders in accordance with § 11 of the General Conditions.

**(b) Correction of Index Level**

If the level of the relevant Index published by the Index Sponsor on any date which is utilized for any calculation or determination (a "**Relevant Calculation**") is subsequently corrected and the correction is published by the Index Sponsor (the "**Corrected Index Level**") no later than two Business Days prior to the date of payment of any amount to be calculated by reference to the Relevant Calculation then such Corrected Index Level shall be deemed to be the relevant level for such Index on such day and the Calculation Agent shall use such Corrected Index Level in determining the relevant level.

## 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>7</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 AT0000A26PJ9
- German Security Code EBOFNW
- 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
Solactive Megatrends RISE Index	Reuters .SOLMEGA

##### Issue Yield

The minimum issue yield is 0.1238375 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 4 December 2018 and Supervisory Board dated 13 December 2018

#### 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

up to USD 50,000,000

The time period, including any possible amendments, In case of tap issues the time period

<sup>7</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

during which the offer will be open and description of the application process

during which the offer will be open usually corresponds with the term of the Notes, or the period starting on 26.02.2019 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 USD 1,000

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 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

The subscriber will be informed of

allotted and the indication whether dealing may begin before notification is made. 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 plus issue surcharge to the amount of up to 1.50%

Indicate the amount of any expenses and taxes specifically charged to the subscriber or purchaser. Not higher than 4.00% 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. Various Financial Service Providers in Hungary

**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 4.00 per cent. of the Aggregate Principal Amount
- Other

Total Commission and Concession

Issue charge up to 1.50 per cent.

**LISTING ADMISSION TO TRADING AND DEALING ARRANGEMENTS**

**Listing** Yes

- Frankfurt am Main
  - Regulated Market
  - Open Market
- Stuttgart
  - Regulated Market
  - Open Market
- Vienna
  - Official Market

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

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**

As at the date of these Final Terms the Notes have not been rated. The Issuer reserves the right to apply for a rating in future.

##### **Selling Restrictions**

###### **TEFRA**

- TEFRA C
- 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

##### **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 02.04.2019).

**Statement on benchmarks according to Article 29 (2) of the Benchmark Regulation:** The amount(s) payable under the Notes is/are calculated by reference

to Solactive Megatrends RISE Index, which is/are provided by Solactive AG. As at the date of these Final Terms, Solactive AG is/are not included in the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority ("**ESMA**") pursuant to Article 36 of the Regulation (EU) 2016/1011.

As far as the Issuer is aware, the transitional provisions in Article 51 of the Regulation (EU) 2016/1011 apply, such that Solactive AG is/are 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 GmbH, 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 2017 audited	31 December 2016 audited
Total liabilities and equity		220,659	208,227
Total equity		18,288	16,602
Net interest income		4,353	4,375
Pre-tax result from continuing operations		2,078	1,950
Net result for the period		1,668	1,537
Net result attributable to owners of the parent		1,316	1,265

Source: Audited Consolidated Financial Statements 2017

	in millions of Euro (rounded)	30 June 2018 unaudited	31 December 2017 audited*)
Total liabilities and equity		229,878	220,659
Total equity		17,708	18,288

  

	in millions of Euro (rounded)	30 June 2018 unaudited	30 June 2017 unaudited*)
Net interest income		2,213.8	2,143.0
Pre-tax result from continuing operations		1,174.7	1,017.6
Net result for the period		939.8	793.8
Net result attributable to owners of the parent		774.3	624.7

Source: Unaudited Interim Condensed Consolidated Financial Statements as of 30 June 2018 with comparative financial information for the first half year ended 30 June 2017 and the year ended 31 December

2017, respectively

\*) Since 1 January 2018 Erste Group applies the IFRS 9 "Financial Instruments". The comparative figures for 2017 were not adjusted and are based on the assessment requirements of IAS 39 (as replaced by IFRS 9).

	Statement with regard to no material 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:	There has been no material adverse change in the prospects of the Issuer since 31 December 2017.
	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 2018.
<b>B.13</b>	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>B.14</b>	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>B.15</b>	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>B.16</b>	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, 29.8% of the shares in Erste Group Bank were attributable to DIE ERSTE österreichische Spar-Casse Privatstiftung (" <b>Erste Stiftung</b> "). This comprises an 11.2% 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 held 9.9%, 5.6% and 3.1%, respectively. The free float amounts to 70.2% (of which 43.7% were held by institutional investors, 5.0% by Austrian retail investors, 9.5% by unidentified international institutional and private investors, 3.1% by identified trading (including market makers, prime brokerage, proprietary trading, collateral and stock lending), 4.2% by BlackRock Inc., 4.0% by T. Rowe Price Group Inc. and 0.7% by Erste Group's employees as well as by Erste

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

Employees Private Foundation) (all numbers are rounded).

Credit rating assigned to the Notes: Not applicable; as at the date of the Final Terms the Notes are not rated. The Issuer reserves the right to apply for a rating in future.

Credit ratings assigned to the Issuer as of 7 February 2019:

Standard & Poor's assigned the following ratings:

Debt Type	Rating	Outlook
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	A2	Positive
Senior Unsecured Short-Term	P-1	-

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 223, Tranche number 1.

### Security Identification Numbers

ISIN: AT0000A26PJ9

WKN: EB0FNW

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

The Notes are issued in United States Dollar.

**C.5** Description of any

Not applicable. The Notes are freely transferable.

restrictions on the free transferability of the securities:

**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 interest and a redemption amount as further specified in C.9, C.10 and 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.

**C.9** - Interest Rate:

### **Interest Rate**

		0.50 per cent. per annum.
	- Interest Commencement Date:	<b>Interest Commencement Date</b> The Interest Commencement Date of the Notes is 02.04.2019
	- Interest Payment Date:	<b>Interest Payment Dates</b> Annually on 02.04. in each year, starting on 02.04.2020.
	- Underlying on which interest rate is based:	The interest payments under the Notes are not linked to the performance of the underlying Reference Asset. " <b>Reference Asset</b> " is the reference asset as described in C.20 below.
	- Maturity date including repayment procedures:	<b>Maturity Date</b> The Maturity Date of the Notes is 02.04.2023.
		<b>Repayment procedures</b> 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:	<b>Minimum Issue Yield</b> 0.1238375 per cent. per annum.
	- Name of representative of Holders:	<b>Name of representative of Holders</b> No Joint Representative has been appointed in the General Conditions.
<b>C.10</b>	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 derivative component in the interest payment.
<b>C.11</b>	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:	Application has been made for the Notes to be admitted to trading on the Stuttgart Stock Exchange (Baden-Württembergische Wertpapierbörse).
<b>C.15</b>	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 " <b>Redemption Price</b> " 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 30.00 per cent. and (b) equals to at least 0.00

per cent., i.e. the Redemption Price equals at least 100.00 per cent. of the Principal Amount per Note (the "**Minimum Redemption Price**") and is no more than 130.00 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 date.

**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 02.04.2023.

**Exercise Date**

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

**Valuation Date (Final Reference Date)**

The Valuation Date 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
Solactive Megatrends RISE Index	Solactive AG	Multi Exchange Index	miscellaneous exchanges / trading platforms	Reuters .SOLMEGA

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 generally exposed to market volatility when it comes to loans covered by real estate collateral.
- 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.
- Credit rating agencies may suspend, downgrade or withdraw a credit 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 to the Single Resolution Fund (SRF) and to *ex ante* financed funds of the deposit guarantee scheme of the savings bank sector on an annual basis.
- 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 applicable rules and regulations, in particular on anti-money laundering and anti-terrorism financing, anti-corruption and fraud prevention, economic sanctions and tax as well as capital markets (securities and stock exchange related) involve significant costs and efforts and non-compliance may have severe legal and reputational consequences for Erste Group.
- 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.
- 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 market price of and the amount payable under the Notes who are linked to a benchmark.

#### **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 value 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 value 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 could appoint a trustee 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 credit ratings, and credit 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 market 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 values.
- 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 market 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. assets or U.S. corporations may be subject to U.S. withholding tax according to Section 897 (c) or 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 USD 50,000,000</p> <p><b>Initial Issue price plus an issue charge</b> 100.00% plus up to 1.50%</p> <p><b>Specified Denomination</b> USD 1,000</p> <p><b>Minimum and/or Maximum Amount of Application</b> Minimum Amount of Application USD 1,000</p> <p><b>Type of distribution</b> Diverse Financial Service Providers in Hungary</p> <p><b>Start of Subscription Period</b> 01.03.2019</p> <p>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:	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.

The Issuer may from time to time engage in transactions 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 4.00 per cent. of the principal amount, but may be lower depending on the market development during the offer period plus issue surcharge to the amount of up to 1.50 per cent. of the principle amount.