

Prospectus Supplement No. 2



Erste Group Bank AG

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

relating to the

€30,000,000,000

Debt Issuance Programme

This supplement (the "Supplement") constitutes a prospectus supplement pursuant to Art 16 (1) of the Directive 2003/71/EC (the "Prospectus Directive") and sec 6 of the Austrian Capital Markets Act (*Kapitalmarktgesetz*) (the "Act") and is supplemental to, and should be read in conjunction with, the prospectus dated 12th August 2008 (the "Original Prospectus") relating to a €30,000,000,000 Debt Issuance Programme (the "Programme") of Erste Group Bank AG (the "Issuer" or "Erste Group Bank"), as amended and supplemented by a prospectus supplement dated 7th November 2008 (the "First Supplement", and together with the Original Prospectus, the "Prospectus").

The Original Prospectus was approved on 12th August 2008 by the Austrian Financial Market Authority and published on 16th August 2008 by making it available in printed form, free of charge, to the public at the registered office of the Issuer. A notice as to the manner of publication and where the Original Prospectus could be obtained was published on 16th August 2008 in the *Amtsblatt zur Wiener Zeitung*. The First Supplement was approved on 17th November 2008 by the FMA and published on 7th November 2008 by making it available in printed form, free of charge, to the public at the registered office of the Issuer. A notice as to the manner of publication and where the First Supplement could be obtained was published on 8th November 2008 in the *Amtsblatt zur Wiener Zeitung*.

This Supplement has been filed for approval with the Austrian Finanzmarktaufsichtsbehörde (the "FMA") in its capacity as competent authority under the Act and has been filed with the Filing Office (*Meldestelle*) at Oesterreichische Kontrollbank Aktiengesellschaft in accordance with the Act. This Supplement has also been filed with the Wiener Börse AG (the "Vienna Stock Exchange"), which has admitted the Programme to the "Amtlicher Handel" (Official Market) and the "Geregelter Freiverkehr" (Second Regulated Market). This Supplement has been published by making it available in printed form, free of charge, to the public at the registered office of the Issuer, Graben 21, 1010 Vienna, Austria.

Terms defined in the Original Prospectus shall have the same meaning when used in this Supplement.

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

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

Save as disclosed in this Supplement, no other significant new factor, material mistake or inaccuracy relating to information in the Prospectus has arisen or been noted, as the case may be, since the publication of the Prospectus.

In accordance with Art 16 of the Prospectus Directive and sec 6 of the Act, investors who have agreed to subscribe for Notes after the occurrence of the significant new factors described in this Supplement but before the publication of this Supplement have a right to withdraw their acceptances within two banking days after the date of publication of this Supplement. In case subscribers are consumers in the sense of sec 1 para 1 No 2 of the Austrian Consumer Protection Act (*Konsumentenschutzgesetz*), the period for a withdrawal of their acceptances is one week after the day on which this Supplement has been published.

22 December 2008

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

No person has been authorised to give any information or to make any representation other than those contained in this Supplement in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Dealers (as defined in "Subscription and Sale" of the Original Prospectus) or either of J.P. Morgan Securities Ltd. (the "International Arranger") or Erste Group Bank AG (in its capacity as the arranger of issues of Domestic Notes only, the "Domestic Arranger" and together with the International Arranger, the "Arrangers"). Neither the delivery of this Supplement nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer or the Erste Group since the date hereof or the date upon which this Supplement has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer or the Erste Group since the date hereof or the date upon which this Supplement has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The distribution of this Supplement and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Supplement comes are required by the Issuer, the Dealers and the Arrangers to inform themselves about and to observe any such restriction. The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act"), and may include Notes in bearer form that are subject to US tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to US persons. For a description of certain restrictions on offers and sales of Notes and on distribution of this Supplement, see "Subscription and Sale" of the Original Prospectus.

The Dealers and the International Arranger have not separately verified the information contained in this Supplement. None of the Dealers or the International Arranger makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Supplement. Neither this Supplement nor any financial statements supplied in connection with the Programme or any Notes are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer, the Dealers or the Arrangers that any recipient of this Supplement or any financial statements should purchase the Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Supplement or any financial statements and its purchase of Notes should be based upon any such investigation as it deems necessary. None of the Dealers or the International Arranger undertakes to review the financial condition or affairs of the Issuer or the Erste Group during the life of the arrangements contemplated by this Supplement nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Dealers or the International Arranger.

The following significant new factors (as referred to in Art 16 (1) of the Prospectus Directive and sec 6 of the Act) relating to the information included in the Prospectus which are capable of affecting the assessment of the Notes, have arisen, and the third paragraph below the heading "Recent events" that has been inserted by the First Supplement on page 182 of the Original Prospectus, is hereby deleted and replaced by the following paragraphs:

"Erste Group Bank has announced that the Republic of Austria will subscribe for tier 1 capital of Erste Group Bank to raise its consolidated tier 1 ratio to a level in line with the raised international benchmarks for capital requirements.

The extraordinary general meeting of Erste Group Bank held on 2nd December 2008 has authorized the Management Board (with the consent of the Supervisory Board) by a majority of 99.9 % of the represented share capital to raise participation capital ("Partizipationskapital") without the obligation to pay cumulative dividends (such participation capital would qualify as tier 1 capital under Austrian banking law) with a total nominal value of up to EUR 2.7 bn. The volume as well as the terms and conditions of the participation capital certificates and of their issuance will be determined by the Management Board with the consent of the Supervisory Board.

On 10th December 2008, the European Commission has approved, under EC Treaty state aid rules, the Austrian scheme of measures which is aimed at stabilising the financial markets by - inter alia - providing guarantees, capital (including participation capital) and loans to eligible credit and insurance institutions.

Since the negotiations between Erste Group Bank and the Republic of Austria on the terms of the capital injection are ongoing, Erste Group Bank does not intend to issue tier 1 capital before the beginning of the year 2009.

In addition, Erste Group Bank considers issuing notes in 2009 that are covered by an irrevocable and unconditional guarantee of the Republic of Austria pursuant to the Interbank Market Support Act ("Interbankmarktstärkungsgesetz")."

**SIGNATURE ACCORDING TO THE AUSTRIAN CAPITAL MARKETS ACT
("KAPITALMARKTGESETZ")**

Erste Group Bank AG hereby signs this Supplement as Issuer pursuant to Sec 8 para 1 of the Austrian Capital Markets Act ("Kapitalmarktgesetz").

Erste Group Bank AG (as Issuer)

By:

Gerald Fleischmann
As Prokurist with collective signing authority

By:

Manfred Neuwirth
As Prokurist with collective signing authority

Vienna, 22 December 2008