

SUPPLEMENT NO. 1

dated 26th September, 2017

to the

DEBT ISSUANCE PROGRAMME PROSPECTUS

dated 26th April, 2017

of



Erste Abwicklungsanstalt

(incorporated as a public law entity with partial legal capacity in the Federal Republic of Germany (Germany) and operating under the umbrella of the Federal Agency for Financial Market Stabilisation (Bundesanstalt für Finanzmarktstabilisierung; the FMSA))

Euro 50,000,000,000 Debt Issuance Programme

This Supplement No. 1 (the **Supplement**) constitutes a supplement for the purposes of Article 16.1 of Directive 2003/71/EC of the European Parliament and of the Council of 4th November, 2003, as amended (the **Prospectus Directive**) and Article 13 of the Luxembourg Law on Prospectuses for Securities (*loi relative aux prospectus pour valeurs mobilières*) dated 10th July, 2005, as amended, (the **Prospectus Act**) to the debt issuance programme prospectus of Erste Abwicklungsanstalt dated 26th April, 2017 (the **Prospectus**), which has been prepared in connection with the Euro 50,000,000,000 Debt Issuance Programme (the **Programme**) established by Erste Abwicklungsanstalt (**EAA** or the **Issuer**). Terms defined in the Prospectus have the same meaning when used in this Supplement.

This Supplement is supplemental to, and should be read and construed in conjunction with, the Prospectus and all documents incorporated by reference in the Prospectus.

Copies of the Prospectus, this Supplement and all documents incorporated by reference in the Prospectus will be obtainable free of charge from (i) the registered office of Erste Abwicklungsanstalt (Elisabethstraße 65, 40217 Düsseldorf, Germany) or via the website of Erste Abwicklungsanstalt (<https://www.aa1.de/en/investor-relations/treasury/>), and (ii) the specified office of the Fiscal Agent (Erste Abwicklungsanstalt, Elisabethstraße 65, 40217 Düsseldorf, Germany). In addition, copies of the Prospectus, this Supplement and all documents incorporated by reference in the Prospectus will be obtainable free of charge from, and are viewable on, the website of the Luxembourg Stock Exchange (www.bourse.lu).

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

Erste Abwicklungsanstalt accepts sole responsibility for the information contained in this Supplement (including any information incorporated by reference in the Prospectus by this Supplement). Having taken all reasonable care to ensure that such is the case, Erste Abwicklungsanstalt confirms that the information contained in this Supplement (including any information incorporated by reference in the Prospectus by this Supplement) is, to the best of its knowledge and belief, in accordance with the facts and does not omit anything likely to affect the import of such information.

Save as disclosed in this Supplement, there has been no other significant new factor, material mistake or inaccuracy relating to the information included in the Prospectus which is capable of affecting the assessment of any Notes to be issued under the Programme since the publication of the Prospectus.

A. Changes to the section commencing on page 97 of the Prospectus entitled "*Description of the Issuer*"

1. The subsection on page 99 of the Prospectus entitled "*Managing Board*" shall be replaced in its entirety as follows:

Managing Board

The Managing Board manages the business of the Issuer. The members of the Managing Board and their principal activities performed outside the Issuer, if any, are:

Matthias Wargers (Spokesman of the Managing Board)
Member of the supervisory board of EAA Portfolio Advisors GmbH
Member of the supervisory board of Erste Financial Services GmbH

Horst K pker
Member of the supervisory board of EDD AG

Christian Doppstadt

Other than that, the members of the Managing Board do not perform any principle activities outside the Issuer which are significant with respect to the Issuer.

There are no conflicts or potential conflicts of interest between the duties of any member of the Managing Board to the Issuer and such member's private interests or other duties.

2. The fourth paragraph of the subsection commencing on page 99 of the Prospectus entitled "*Supervisory Board*" and the first, second and sixth entries in the table on page 100 of the Prospectus relating to the members of the Supervisory Board shall be replaced in their entirety as follows:

The following is a list of the current members of the Supervisory Board:

1. Chairman: Dr. Patrick Opdenh vel, State Secretary in the Ministry of Finance of North Rhine-Westphalia, D sseldorf;
2. Vice Chairman Joachim Stapf, Senior Assistant Secretary (*Leitender Ministerialrat*) in the Ministry of Finance of North Rhine-Westphalia, D sseldorf;
6. Rolf Einmahl, Lawyer, Member of the Landschaftsversammlung of the Landschaftsverband Rheinland;

3. The third paragraph of the subsection commencing on page 102 of the Prospectus entitled "*Principal Activities and Winding-up Plan*" shall be replaced in its entirety as follows:

In 2014, 70 employees of the Portfolio Exit Group were transferred from Portigon to EAA. Having provided services to the winding-up agency since 2010, on 1st July, 2014, they begun work for EAA Portfolio Advisers GmbH (**EPA**), which is headquartered in Düsseldorf and also operates in London and New York and originally was a specially formed EAA subsidiary. In line with its Winding-up Plan, EAA recently sold EPA to Mount Street Group. The sale of EPA is yet to be approved by the relevant regulatory authorities and closing is expected to take place in the second half of 2017. EPA will continue to render advisory services to the Issuer pursuant to a servicing agreement.

4. The third and fourth paragraphs of the subsection on page 104 of the Prospectus entitled "*Legal and Arbitration Proceedings*" shall be replaced in their entirety as follows:

Starting in April 2010 the authorities in the US and at the EU level (particularly the *Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin)*) have investigated possible misconduct in the trading departments of several banks. The results of the investigation have not produced any evidence of wrongdoing at the former WestLB (now: Portigon); the investigations by BaFin and the US supervisory authorities were terminated without taking any measures against Portigon. A number of investment banks active in the US were also sued in the US in various class action lawsuits due to alleged manipulative actions. These class actions have been repeatedly rejected with respect to Portigon. Whether the plaintiffs will appeal again is uncertain.

In addition, the Issuer is currently exposed to the risk of claims for damages by investors in respect of various swap transactions especially with municipalities. In a decision of the German Federal Supreme Court (*Bundesgerichtshof; BGH*) on spread ladder swaps dated 22nd March, 2011 (the **Spread Ladder Swap Judgment**), the BGH ruled that banks are obliged, under certain circumstances, to disclose an initial negative market value of a transaction (on the basis of reflected costs and the bank's margin). If such disclosure is not made, the bank can be held liable for any damages resulting from such lack of disclosure in respect of its investment advice to its investors. This precedent Spread Ladder Swap Judgment has since led to numerous legal proceedings against banks active in the German market (including WestLB, now: Portigon) and EAA, with inconsistent decisions. Despite the fact that the Issuer has achieved settlements in most of its cases, it cannot be ruled out that future rulings may have a negative impact on the ongoing proceedings in the remaining cases.

5. The subsection on page 104 of the Prospectus entitled "*No Significant or Material Adverse Change*" shall be replaced in its entirety as follows:

No Significant or Material Adverse Change

There has been no significant change in the financial or trading position of the EAA Group since 30th June, 2017, the date of EAA's last published interim financial information and there has been no material adverse change in the prospects of EAA since 31st December, 2016, the date of EAA's last published audited accounts.

6. The fourth and fifth paragraphs of the subsection on page 105 of the Prospectus entitled "*Recent Developments and Outlook*" shall be replaced in their entirety as follows:

In April 2016, a sales process was initiated for the service company EPA established by EAA in 2014. The process was successfully completed with the signing of a purchase agreement with Mount Street Group. The sale of EPA is yet to be approved by the relevant regulatory authorities and closing is expected to take place in the second half of 2017.

After successful completion of the examination of outsourcing measures at EFS, a large part of the service operations of EFS may be moved. Results in this regard are expected in the second half of 2017.

B. Changes to the section commencing on page 107 of the Prospectus entitled "*Documents Incorporated by Reference*"

On 23rd August, 2017, EAA published its "Zwischenbericht 30. Juni 2017", containing, *inter alia*, the binding German language version of its unaudited but reviewed interim financial statements as of and for the six months period ended 30th June, 2017. On 13th September, 2017, EAA published a non-binding English language translation of the "Zwischenbericht 30. Juni 2017" entitled "Interim Report 30 June 2017" (the **Interim Report 30 June 2017**). A copy of the Interim Report 30 June 2017 has been filed with the *Commission de surveillance du secteur financier*.

By virtue of this Supplement, the Interim Report 30 June 2017 shall be incorporated by reference in the Prospectus to the extent set out below, provided that any information not specifically set out below, but included in the Interim Report 30 June 2017 is either not relevant for an investor or is covered elsewhere in the Prospectus and shall not form part of the Prospectus. In this context, the following amendments shall be made to the section commencing on page 107 of the Prospectus entitled "*Documents Incorporated by Reference*".

The subsections C. to F. of the table which is entitled "*Table of Documents Incorporated by Reference*" and the three following paragraphs commencing on page 107 of the Prospectus shall be replaced as follows:

Document	Section Incorporated
C. The following sections of the Interim Report 30 June 2017 of Erste Abwicklungsanstalt (containing, <i>inter alia</i> , its unaudited but reviewed interim non-consolidated financial statements prepared in accordance with the GCC):	
– Balance sheet	Pages 42 – 45
– Income statement	Pages 46 – 47
– Cash flow statement	Page 48
– Statement of changes in equity	Page 49
– Condensed notes for the period from 1 January to 30 June 2017	Pages 50 – 71
– Review report	Page 73
D. The following sections of the Debt Issuance Programme Prospectus of the Issuer dated 15th May, 2013 ¹ :	
- Terms and Conditions of the Notes	Pages 36 – 64
- Form of the Final Terms: Part A – Contractual Terms	Pages 23 – 31
E. The following sections of the Debt Issuance Programme Prospectus of the Issuer dated 15th May, 2014 ² :	
- Terms and Conditions of the Notes	Pages 41 – 93
- Form of the Final Terms: Part A – Contractual Terms	Pages 28 – 36

¹ The Terms and Conditions of the Notes contained in the Debt Issuance Programme Prospectus 2013 are incorporated by reference into this Prospectus to allow for the increase of notes originally issued under the Debt Issuance Programme Prospectus 2013 under this Prospectus.

² The Terms and Conditions of the Notes contained in the Debt Issuance Programme Prospectus 2014 are incorporated by reference into this Prospectus to allow for the increase of notes originally issued under the Debt Issuance Programme Prospectus 2014 under this Prospectus.

Document	Section Incorporated
F. The following sections of the Debt Issuance Programme Prospectus of the Issuer dated 13th May, 2015 ³ :	
- Terms and Conditions of the Notes	Pages 43 – 94
- Form of the Final Terms: Part A – Contractual Terms	Pages 28 –37
G. The following sections of the Debt Issuance Programme Prospectus of the Issuer dated 12th May, 2016 ⁴ :	
- Terms and Conditions of the Notes	Pages 42 – 95
- Form of the Final Terms: Part A – Contractual Terms	Pages 28 –37

The documents set out in A., B. and C. in the table above and the information contained in such documents and incorporated by reference in this Prospectus are English language translations of their respective binding German language counterparts.

The documents set out in the table above and the information contained in such documents and incorporated by reference in this Prospectus will be available (together with, in the case of the documents set out in A., B. and C., the binding German language counterparts of these documents) for inspection at and will be obtainable free of charge from (i) the registered office of the Issuer (Erste Abwicklungsanstalt, Elisabethstraße 65, 40217 Düsseldorf, Germany or via the website of Erste Abwicklungsanstalt (as set out in detail below)), and (ii) the specified office of the Fiscal Agent (Erste Abwicklungsanstalt, Elisabethstraße 65, 40217 Düsseldorf, Germany). In addition, the documents set out in the table above will be obtainable from, and viewable on, the website of the Luxembourg Stock Exchange (www.bourse.lu).

Electronic versions of the following documents will be available on the website of the Issuer (see the links set out below in brackets):

- the Annual Report 2015 of Erste Abwicklungsanstalt (<https://www.aal.de/en/press/financial-reports/>)
- the Annual Report 2016 of Erste Abwicklungsanstalt (<https://www.aal.de/en/press/financial-reports/>)
- the Interim Report 30 June 2017 of Erste Abwicklungsanstalt (<https://www.aal.de/en/press/financial-reports/>)
- the Debt Issuance Programme Prospectus of Erste Abwicklungsanstalt dated 15th May, 2013 (<https://www.aal.de/en/investor-relations/treasury/>)
- the Debt Issuance Programme Prospectus of Erste Abwicklungsanstalt dated 15th May, 2014 (<https://www.aal.de/en/investor-relations/treasury/>)
- the Debt Issuance Programme Prospectus of Erste Abwicklungsanstalt dated 13th May, 2015 (<https://www.aal.de/en/investor-relations/treasury/>)
- the Debt Issuance Programme Prospectus of Erste Abwicklungsanstalt dated 12th May, 2016 (<https://www.aal.de/en/investor-relations/treasury/>)

³ The Terms and Conditions of the Notes contained in the Debt Issuance Programme Prospectus 2015 are incorporated by reference into this Prospectus to allow for the increase of notes originally issued under the Debt Issuance Programme Prospectus 2015 under this Prospectus.

⁴ The Terms and Conditions of the Notes contained in the Debt Issuance Programme Prospectus 2016 are incorporated by reference into this Prospectus to allow for the increase of notes originally issued under the Debt Issuance Programme Prospectus 2016 under this Prospectus.

C. Changes to the section commencing on page 121 of the Prospectus entitled "*General Information*"

The second bullet point of the subsection on page 121 of the Prospectus entitled "*Documents Available for Inspection*" shall be replaced in its entirety as follows:

- (ii) the audited financial statements (with an English language translation thereof) of the Issuer in respect of each of the financial years ended 31st December, 2015 and 31st December, 2016, in each case together with the auditors' report/opinion (with an English language translation thereof) issued thereon;