

SUPPLEMENT NO. 2

dated 20th December, 2016

to the

DEBT ISSUANCE PROGRAMME PROSPECTUS

dated 12th May, 2016

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. 2 (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 12th May, 2016 (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 (as supplemented by supplement no.1 to the Prospectus dated 15th September, 2016 (the "**Supplement No. 1**")) and all documents incorporated by reference in the Prospectus.

Copies of the Prospectus, Supplement No. 1, 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, Supplement No. 1, 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 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. Having taken all reasonable care to ensure that such is the case, Erste Abwicklungsanstalt confirms that the information contained in 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. Amendments to the section commencing on page 3 of the Prospectus entitled "OVERVIEW"

- 1. In the subsection commencing on page 3 of the Prospectus entitled "GENERAL INFORMATION RELATING TO THE PROGRAMME" the paragraph entitled "Ratings" shall be deleted in its entirety.**
- 2. The following subsection which shall be entitled "INFORMATION RELATING TO RATINGS" shall be added after the subsection entitled "INFORMATION RELATING TO ERSTE ABWICKLUNGSANSTALT" commencing on page 5 of the Prospectus:**

INFORMATION RELATING TO RATINGS

The following short-term and long-term ratings have been assigned by Moody's Deutschland GmbH (**Moody's**), Standard & Poor's Credit Market Services Europe Limited (**Standard & Poor's**) and Fitch Ratings Ltd. (**Fitch**):

	Short-term Ratings		Long-term Ratings	
	of the Notes	of the Issuer	of the Notes	of the Issuer
Moody's	P-1	P-1	Aa1	Aa1 (stable outlook)
Standard & Poor's	Not Applicable	A-1+	Not Applicable	AA- (stable outlook)
Fitch	F1+	F1+	AAA	AAA (stable outlook)

Each of Moody's, Standard & Poor's and Fitch has been established in the European Union, has been registered with the relevant competent authority under Commission Regulation (EC) no. 1060/2009, as amended (the **CRA Regulation**) and is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (www.esma.europa.eu) in accordance with the CRA Regulation.

For further details in relation to these ratings (including descriptions thereof) see the subsection entitled "*Description of the Issuer – Ratings*".

Notes to be issued under the Programme may be rated or unrated. Where a Tranche of Notes is rated, such rating will not necessarily be the same as the ratings set out above.

A security rating is not a recommendation to buy, hold or sell any Notes and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

B. Amendments to the section commencing on page 12 of the Prospectus entitled "*RISK FACTORS*"

In the subsection commencing on page 12 of the Prospectus entitled "*Factors that may affect the ability of Erste Abwicklungsanstalt to fulfil its obligations under Notes to be issued under the Programme*" the subsection on page 13 of the Prospectus entitled "*Issuer's Credit Ratings, Financial Condition and Results*" shall be replaced in its entirety as follows:

Issuer's Credit Ratings, Financial Condition and Results

Several rating agencies assess whether the Issuer will be able to fulfil its obligations in future and rate its creditworthiness. The ratings applicable to debt securities issued by the Issuer directly depend on the ratings of the State of North Rhine-Westphalia it has received from Moody's Deutschland GmbH and Fitch Ratings Ltd. In case the Issuer applies for ratings in connection with its Notes from Moody's Deutschland GmbH and/or Fitch Ratings Ltd. such ratings may (without prior warning) be lowered or withdrawn entirely at any time by the relevant rating agency. A downgrade or the mere possibility of a downgrade of the Issuer's ratings could have strong adverse effects on its refinancing costs and its relationship with investors and future funding activities. In addition, such downgrade or the mere possibility of a downgrade of the Issuer's ratings or actual or anticipated changes in its financial condition or results could negatively affect the market value of any outstanding Notes.

C. Amendments to the section commencing on page 96 of the Prospectus entitled "*DESCRIPTION OF THE ISSUER*"

The subsection commencing on page 102 entitled "*Ratings*" shall be replaced in its entirety as follows:

Ratings

The following short-term and long-term ratings have been assigned by Moody's Deutschland GmbH (**Moody's**), Standard & Poor's Credit Market Services Europe Ltd. (**Standard & Poor's**) and Fitch Ratings Ltd. (**Fitch**):

	Short-Term Ratings		Long-Term Ratings	
	of the Notes	of the Issuer	of the Notes	of the Issuer
Moody's	P-1	P-1	Aa1	Aa1 (stable outlook)
Standard & Poor's	Not Applicable	A-1+	Not Applicable	AA- (stable outlook)
Fitch	F1+	F1+	AAA	AAA (stable outlook)

Short-term issues are obligations with an original maturity of less than 365 days. Short-term issuer ratings are opinions of an issuer's capacity to meet short-term financial obligations. Long-term issues are obligations with an original maturity of one year or more. Long-term issuer ratings are opinions of the ability of entities to meet long-term senior unsecured financial obligations and contracts.

Each of Moody's, Standard & Poor's and Fitch has been established in the European Union, has been registered with the relevant competent authority under Commission Regulation (EC) no. 1060/2009, as amended (the **CRA Regulation**) and is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (www.esma.europa.eu) in accordance with the CRA Regulation.

The ratings of the Notes address the ability of the Issuer to make payments due in respect of Notes in the event that an event of default occurs. They do not address the probability of an event of default actually occurring.

Notes to be issued under the Programme may be rated or unrated. Where a Tranche of Notes is rated, such rating will not necessarily be the same as the rating set out above.

A security rating is not a recommendation to buy, hold or sell securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.