Erste Group Bank AG

Update

Ratings

Long-Term IDR	A
Short-Term IDR	F1
Viability Rating	a-
Support Rating	1
Support Rating Floor	A

Sovereign Risk

Foreign-Currency Long-Term IDR	AAA
Local-Currency Long-Term IDR	AAA

Outlooks

Foreign-Currency Long-Term IDR	Stable
Sovereign Foreign-Currency Long-Term IDR	Stable
Sovereign Local-Currency Long-Term IDR	Stable

Financial Data

Erste Group Bank AG

	30 Sep 12	31 Dec 11
Total assets (USDm)	280,566.3	271,712.1
Total assets (EURm)	216,990.0	210,006.3
Total equity (EURm)	16,400.0	15,180.0
Operating profit (EURm)	975.4	742.4
Published net income (EURm)	724.3	-562.6
Comprehensive income (EURm)	1,409.7	-849.2
Cost/income ratio (%)	53.75	56.20
Pre-impairment operating ROAA (%)	1.52	1.42
Pre-impairment operating ROAE (%)	20.55	19.84
Operating ROAA (%)	0.61	0.35
Operating ROAE (%)	8.21	4.89
Fitch core capital ratio (%)	11.97	9.90
Tier 1 capital ratio (%)	10.80	10.40
Tangible common equity ratio (%)	6.10	5.64

Related Research

2013 Outlook: Austrian Banks

Analysts

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Key Rating Drivers

Sovereign Support Key: The ratings of Erste Group Bank AG – except its Viability Rating (VR) – reflect Fitch Ratings' opinion that there is an extremely high probability of support from the Austrian authorities, if needed. Erste is one of Austria's largest banks (retail deposit market share of 18.9% at end-Q312) and has major banking operations in the Czech Republic (28% retail deposit market share), Slovakia (25.7%), Romania (21.5%) and Croatia (13.2%).

Diversification Underpins VR: Erste's VR is supported by its sound and well-balanced funding profile, improving core capitalisation, resilient underlying profitability and well-diversified loan book. The VR also benefits from a large proportion of exposure to and earnings from more stable and less risky markets like Austria (39% of average segmental risk-weighted assets, RWA, and 34% of segmental pre-tax profit at end-Q312) and the Czech Republic (13%, 50%).

Downside Risk in Romania: The VR also takes into account Erste's large credit exposure to Romania (9% of RWA at end-Q312) and Hungary (4%), both of which have been loss-making in 9M12. Although management has addressed underperformance in these markets through restructuring measures (Hungary) and management changes (Romania), Fitch expects the operating environment in these markets to remain challenging in the medium term.

Revenue Pressure, Controlled Costs: In 9M12 net interest income (down 4% yoy) and net fee income (down 5%) came under pressure from continued low interest rates, a decision to wind down high-yielding non-core assets and subdued client activity. Still, operating profitability remained resilient due to strict cost control (down 2%) and markedly lower loan impairment charges (down 21%) driven by Hungary (down 79%) and the Czech Republic (down 36%).

NPL Peak in 2013: Although non-performing loans (NPL) in Hungary stabilised in 9M12 after the conversion of many foreign-currency loans in 2011, NPLs in Romania (up 19% since end-2011) and Croatia (up 25%) worsened sharply. Fitch does not expect NPLs in these markets to peak before late 2013. At end-Q312 Romania accounted for 27% of group NPLs but a mere 10% of group loans. Positively, NPL coverage improved in 9M12 to an adequate 63%.

Sound Funding: Erste's funding profile has improved since 2008 due to its resilient deposit base, slower loan growth and marked drop in short-term wholesale funding (to EUR22.1bn at end-Q312 from EUR32.1bn at end-2008). Unencumbered collateral (EUR33.4bn) fully covers short-term wholesale funding; 2013/2014 maturities appear manageable.

Participation Capital and Minorities: Erste's capital base still contains a large proportion of commercial and government participation capital and a large amount of minority interests. Nevertheless, hybrid buy-backs in 9M12, improved retained earnings and a 5% reduction in RWA improved Erste's core capital ratio (to 8.8% at end-Q312 from 7.7% at end-2010).

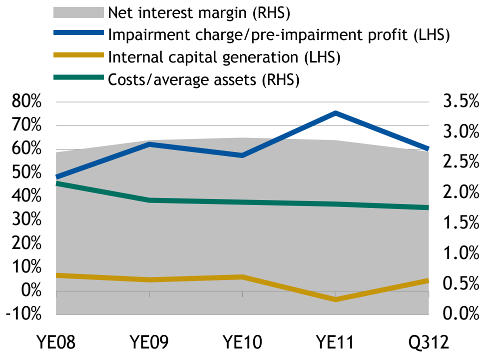
What Could Trigger a Rating Action

Less Sovereign Support: A weakened ability by the Austrian state to support its large banks (signalled by a change in the sovereign rating) or lower willingness to provide support (eg, as a result of legislative changes) could lead to a downgrade of Erste's support-driven ratings.

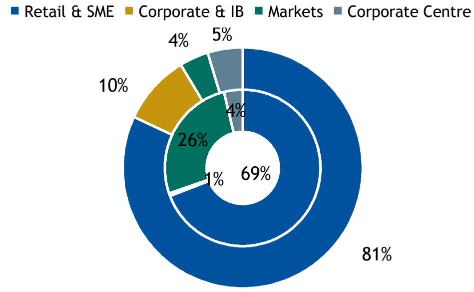
Romania or Contagion: Worse-than-expected and more prolonged asset quality deterioration, notably in Romania, would put the VR under pressure, as would spill-over and contagion effects in central and eastern Europe from a worsening eurozone crisis. Better core capital and stabilising asset quality in central and eastern Europe would be positive for the VR.

- One-offs affected 9M12 pre-tax profit: EUR210m Romanian goodwill impairment and EUR75.6m costs from Hungarian FX mortgage legislation offset by EUR413.2m non-recurring gain from hybrid buy-backs
- Net interest and net fee income remain under pressure due to sluggish loan growth (strongly negative in Hungary), decision to discontinue non-core activities and general squeeze on net interest margin

Margins

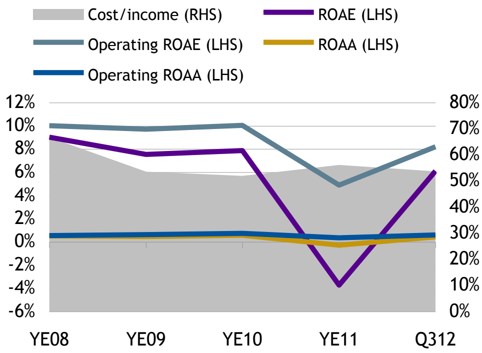


Net Interest Income and Profit Split
Outer Ring: Net Interest Income
Inner Ring: Pre-tax profit

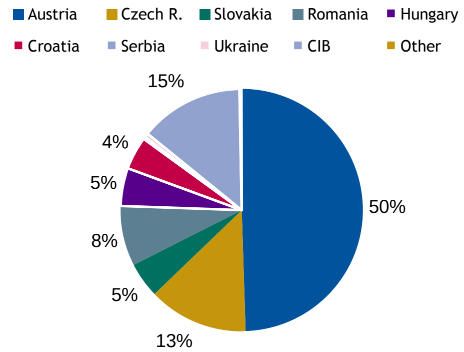


- Good cost control supports profitability; Austrian, Hungarian and Slovak bank levies remain a financial burden (EUR173.0m)
- Loan book is diversified with above-average exposure to well-performing Austrian, Czech and Slovak retail loans
- There was no overall loan growth in 9M12: minor growth in the Czech Republic and Slovakia was offset by shrinking loan books in Romania and Hungary; Fitch expects cautious central and eastern Europe loan growth in 2013

Key Profitability Metrics

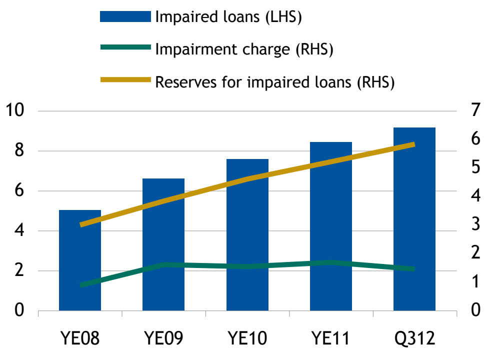


Loan Book by Segment

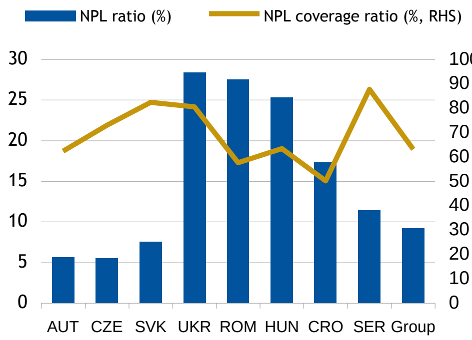


- NPL deterioration in 9M12 (up EUR857m or 70bps to an NPL ratio of 9.2%) was mainly driven by Romania (62% of the gross increase), Hungary (20%) and Croatia (28%); there were minor improvements in Austria (down 1%), Ukraine (down 19%, from a high level) and Slovakia (down 1%)
- Coverage ratio has improved but remains heavily reliant on collateral valuation, notably in Romania (57.6%), Hungary (63.4%) and Croatia (50.1%)

Credit Quality (as % of gross loans)

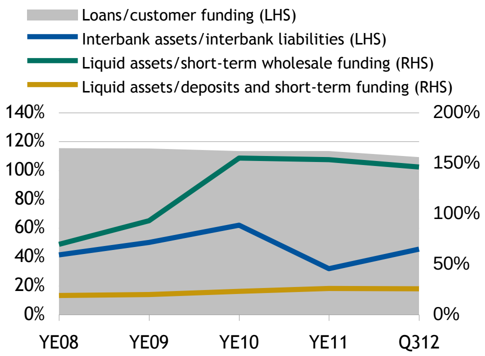


Asset Quality (end-Q312)

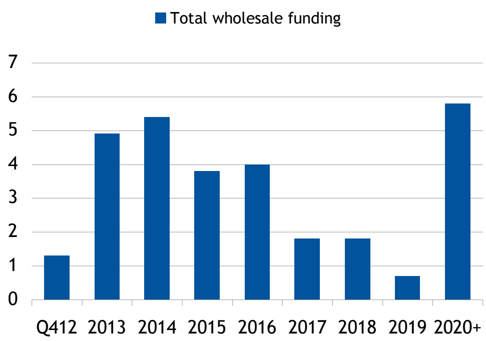


- Hybrid and subordinated debt buy-back in 9M12 improved quality of capital base; private and government participation capital continue to account for a large share of core Tier 1 capital (15.6% at end-Q312)
- Treatment of minority interests in consolidated savings banks under Basel III is not yet clarified; management has made contingency plans to mitigate any impact on capital ratios from potential de-recognition; management expects decision in Q113

Funding Dependencies



Debt Maturity Profile (in EURbn)



Related Criteria

Global Financial Institutions Rating Criteria (August 2012)

Erste Group Bank AG
Income Statement

	30 Sep 2012			31 Dec 2011		31 Dec 2010		31 Dec 2009		31 Dec 2008	
	9 Months - 3rd Quarter USDm Unaudited	9 Months - 3rd Quarter EURm Unaudited	As % of Earning Assets	Year End EURm Unqualified	As % of Earning Assets	Year End EURm Unqualified	As % of Earning Assets	Year End EURm Unqualified	As % of Earning Assets	Year End EURm Unqualified	As % of Earning Assets
1. Interest Income on Loans	5,812.1	4,495.1	3.01	6,426.5	3.38	6,306.9	3.36	7,128.5	3.92	10,007.1	5.56
2. Other Interest Income	2,803.6	2,168.3	1.45	2,924.1	1.54	2,488.0	1.33	3,143.7	1.73	1,937.4	1.08
3. Dividend Income	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
4. Gross Interest and Dividend Income	**8,615.7**	**6,663.4**	**4.46**	**9,350.6**	**4.91**	**8,794.9**	**4.68**	**10,272.2**	**5.65**	**11,944.5**	**6.63**
5. Interest Expense on Customer Deposits	1,728.9	1,337.1	0.90	1,831.8	0.96	1,661.7	0.89	2,431.4	1.34	3,259.1	1.81
6. Other Interest Expense	1,767.0	1,366.6	0.92	1,957.8	1.03	1,741.7	0.93	2,632.6	1.45	3,793.8	2.11
7. Total Interest Expense	**3,495.9**	**2,703.7**	**1.81**	**3,789.6**	**1.99**	**3,403.4**	**1.81**	**5,064.0**	**2.79**	**7,052.9**	**3.92**
8. Net Interest Income	**5,119.9**	**3,959.7**	**2.65**	**5,561.0**	**2.92**	**5,391.5**	**2.87**	**5,208.2**	**2.87**	**4,891.6**	**2.72**
9. Net Gains (Losses) on Trading and Derivatives	247.5	191.4	0.13	122.3	0.06	456.2	0.24	585.1	0.32	114.7	0.06
10. Net Gains (Losses) on Other Securities	-0.1	-0.1	0.00	-93.3	-0.05	3.7	0.00	-210.9	-0.12	-274.9	-0.15
11. Net Gains (Losses) on Assets at FV through Income Statement	46.9	36.3	0.02	0.3	0.00	-6.0	0.00	113.2	0.06	-295.6	-0.16
12. Net Insurance Income	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
13. Net Fees and Commissions	1,660.6	1,284.3	0.86	1,787.2	0.94	1,936.0	1.03	1,772.8	0.98	1,971.0	1.09
14. Other Operating Income	-276.7	-214.0	-0.14	-525.3	-0.28	-439.3	-0.23	-355.8	-0.20	242.5	0.13
15. Total Non-Interest Operating Income	**1,678.2**	**1,297.9**	**0.87**	**1,291.2**	**0.68**	**1,950.6**	**1.04**	**1,904.4**	**1.05**	**1,757.7**	**0.98**
16. Personnel Expenses	2,201.3	1,702.5	1.14	2,323.7	1.22	2,264.0	1.21	2,227.5	1.23	2,313.8	1.29
17. Other Operating Expenses	1,452.8	1,123.6	0.75	1,527.2	0.80	1,552.8	0.83	1,579.9	0.87	2,130.3	1.18
18. Total Non-Interest Expenses	**3,654.1**	**2,826.1**	**1.89**	**3,850.9**	**2.02**	**3,816.8**	**2.03**	**3,807.4**	**2.10**	**4,444.1**	**2.47**
19. Equity-accounted Profit/ Loss - Operating	11.9	9.2	0.01	8.0	0.00	21.0	0.01	12.7	0.01	21.5	0.01
20. Pre-Impairment Operating Profit	**3,155.8**	**2,440.7**	**1.63**	**3,009.3**	**1.58**	**3,546.3**	**1.89**	**3,317.9**	**1.83**	**2,226.7**	**1.24**
21. Loan Impairment Charge	1,894.6	1,465.3	0.98	2,266.9	1.19	2,031.2	1.08	2,056.6	1.13	1,071.4	0.60
22. Securities and Other Credit Impairment Charges	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
23. Operating Profit	**1,261.2**	**975.4**	**0.65**	**742.4**	**0.39**	**1,515.1**	**0.81**	**1,261.3**	**0.69**	**1,155.3**	**0.64**
24. Equity-accounted Profit/ Loss - Non-operating	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
25. Non-recurring Income	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
26. Non-recurring Expense	n.a.	n.a.	-	1,064.6	0.56	n.a.	-	n.a.	-	579.1	0.32
27. Change in Fair Value of Own Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
28. Other Non-operating Income and Expenses	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
29. Pre-tax Profit	**1,261.2**	**975.4**	**0.65**	**-322.2**	**-0.17**	**1,515.1**	**0.81**	**1,261.3**	**0.69**	**576.2**	**0.32**
30. Tax expense	324.7	251.1	0.17	240.4	0.13	328.7	0.18	284.7	0.16	177.3	0.10
31. Profit/Loss from Discontinued Operations	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	639.7	0.36
32. Net Income	**936.5**	**724.3**	**0.49**	**-562.6**	**-0.30**	**1,186.4**	**0.63**	**976.6**	**0.54**	**1,038.6**	**0.58**
33. Change in Value of AFS Investments	1,161.4	898.2	0.60	-64.6	-0.03	77.0	0.04	-355.0	-0.20	-1,479.0	-0.82
34. Revaluation of Fixed Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
35. Currency Translation Differences	-9.7	-7.5	-0.01	-232.9	-0.12	78.0	0.04	n.a.	-	n.a.	-
36. Remaining OCI Gains/(losses)	-265.5	-205.3	-0.14	10.9	0.01	n.a.	-	-328.0	-0.18	n.a.	-
37. Fitch Comprehensive Income	**1,822.7**	**1,409.7**	**0.94**	**-849.2**	**-0.45**	**1,341.4**	**0.71**	**293.6**	**0.16**	**-440.4**	**-0.24**
38. Memo: Profit Allocation to Non-controlling Interests	164.2	127.0	0.09	156.3	0.08	171.0	0.09	73.2	0.04	179.0	0.10
39. Memo: Net Income after Allocation to Non-controlling Interests	772.3	597.3	0.40	-718.9	-0.38	1,015.4	0.54	903.4	0.50	859.6	0.48
40. Memo: Common Dividends Relating to the Period	n.a.	n.a.	-	n.a.	-	264.7	0.14	295.0	0.16	309.0	0.17
41. Memo: Preferred Dividends Related to the Period	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Exchange rate		USD1 = EUR0.77340		USD1 = EUR0.77290		USD1 = EUR0.74840		USD1 = EUR0.69416		USD1 = EUR0.71855	

Erste Group Bank AG
Balance Sheet

	30 Sep 2012			31 Dec 2011		31 Dec 2010		31 Dec 2009		31 Dec 2008	
	9 Months - 3rd Quarter USDm	9 Months - 3rd Quarter EURm	As % of Assets	Year End EURm	As % of Assets	Year End EURm	As % of Assets	Year End EURm	As % of Assets	Year End EURm	As % of Assets
Assets											
A. Loans											
1. Residential Mortgage Loans	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
2. Other Mortgage Loans	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Other Consumer/ Retail Loans	n.a.	n.a.	-	n.a.	-	n.a.	-	51,702.0	25.63	49,753.0	24.70
4. Corporate & Commercial Loans	n.a.	n.a.	-	n.a.	-	n.a.	-	70,296.0	34.85	70,000.0	34.75
5. Other Loans	172,623.5	133,507.0	61.53	134,749.5	64.16	132,729.3	64.45	7,135.7	3.54	6,431.9	3.19
6. Less: Reserves for Impaired Loans/ NPLs	10,080.2	7,796.0	3.59	7,027.3	3.35	6,119.1	2.97	4,954.3	2.46	3,782.8	1.88
7. Net Loans	**162,543.3**	**125,711.0**	**57.93**	**127,722.2**	**60.82**	**126,610.2**	**61.48**	**124,179.4**	**61.56**	**122,402.1**	**60.76**
8. Gross Loans	**172,623.5**	**133,507.0**	**61.53**	**134,749.5**	**64.16**	**132,729.3**	**64.45**	**129,133.7**	**64.02**	**126,184.9**	**62.64**
9. Memo: Impaired Loans included above	15,832.7	12,245.0	5.64	11,388.0	5.42	10,087.4	4.90	8,537.0	4.23	6,345.0	3.15
10. Memo: Loans at Fair Value included above	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
B. Other Earning Assets											
1. Loans and Advances to Banks	14,958.6	11,569.0	5.33	7,577.7	3.61	12,496.5	6.07	13,139.9	6.51	14,344.0	7.12
2. Reverse Repos and Cash Collateral	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Trading Securities and at FV through Income	7,752.8	5,996.0	2.76	7,689.0	3.66	7,969.6	3.87	6,012.0	2.98	5,002.4	2.48
4. Derivatives	16,828.3	13,015.0	6.00	10,931.0	5.21	8,474.1	4.11	2,586.0	1.28	2,532.0	1.26
5. Available for Sale Securities	29,922.4	23,142.0	10.67	20,245.0	9.64	17,751.1	8.62	16,389.8	8.13	16,033.1	7.96
6. Held to Maturity Securities	24,113.0	18,649.0	8.59	16,074.0	7.65	14,234.7	6.91	14,899.1	7.39	14,145.4	7.02
7. At-equity Investments in Associates	218.5	169.0	0.08	173.0	0.08	223.5	0.11	240.6	0.12	260.4	0.13
8. Other Securities	n.a.	n.a.	-	n.a.	-	n.a.	-	2,997.2	1.49	4,057.8	2.01
9. Total Securities	**78,835.0**	**60,971.0**	**28.10**	**55,112.0**	**26.24**	**48,653.0**	**23.63**	**43,124.7**	**21.38**	**42,031.1**	**20.87**
10. Memo: Government Securities included Above	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
11. Memo: Total Securities Pledged	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
12. Investments in Property	1,404.2	1,086.0	0.50	n.a.	-	n.a.	-	1,196.0	0.59	1,279.0	0.63
13. Insurance Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	0.0	0.00
14. Other Earning Assets	122.8	95.0	0.04	n.a.	-	n.a.	-	57.8	0.03	0.0	0.00
15. Total Earning Assets	**257,864.0**	**199,432.0**	**91.91**	**190,411.9**	**90.67**	**187,759.7**	**91.17**	**181,697.8**	**90.08**	**180,056.2**	**89.38**
C. Non-Earning Assets											
1. Cash and Due From Banks	11,216.7	8,675.0	4.00	9,412.8	4.48	5,839.4	2.84	5,996.3	2.97	7,556.2	3.75
2. Memo: Mandatory Reserves included above	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Foreclosed Real Estate	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
4. Fixed Assets	2,861.4	2,213.0	1.02	2,360.8	1.12	2,445.6	1.19	2,343.9	1.16	2,386.0	1.18
5. Goodwill	n.a.	n.a.	-	n.a.	-	3,319.8	1.61	3,320.0	1.65	3,411.0	1.69
6. Other Intangibles	4,096.2	3,168.0	1.46	3,532.0	1.68	1,354.8	0.66	1,547.0	0.77	1,393.5	0.69
7. Current Tax Assets	147.4	114.0	0.05	115.6	0.06	116.5	0.06	124.0	0.06	58.0	0.03
8. Deferred Tax Assets	700.8	542.0	0.25	701.8	0.33	417.6	0.20	453.5	0.22	800.6	0.40
9. Discontinued Operations	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
10. Other Assets	3,679.9	2,846.0	1.31	3,471.4	1.65	4,684.6	2.27	6,227.7	3.09	5,779.6	2.87
11. Total Assets	**280,566.3**	**216,990.0**	**100.00**	**210,006.3**	**100.00**	**205,938.0**	**100.00**	**201,710.2**	**100.00**	**201,441.1**	**100.00**
Liabilities and Equity											
D. Interest-Bearing Liabilities											
1. Customer Deposits - Current	84,985.8	65,728.0	30.29	118,880.2	56.61	117,016.3	56.82	58,674.4	29.09	59,772.6	29.67
2. Customer Deposits - Savings	73,081.2	56,521.0	26.05	n.a.	-	n.a.	-	53,368.0	26.46	49,532.0	24.59
3. Customer Deposits - Term	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
4. Total Customer Deposits	**158,067.0**	**122,249.0**	**56.34**	**118,880.2**	**56.61**	**117,016.3**	**56.82**	**112,042.4**	**55.55**	**109,304.6**	**54.26**
5. Deposits from Banks	33,002.3	25,524.0	11.76	23,785.3	11.33	20,154.0	9.79	26,295.1	13.04	34,671.6	17.21
6. Repos and Cash Collateral	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
7. Other Deposits and Short-term Borrowings	n.a.	n.a.	-	n.a.	-	n.a.	-	3,473.0	1.72	6,072.0	3.01
8. Total Deposits, Money Market and Short-term Funding	**191,069.3**	**147,773.0**	**68.10**	**142,665.5**	**67.93**	**137,170.3**	**66.61**	**141,810.5**	**70.30**	**150,048.2**	**74.49**
9. Senior Debt Maturing after 1 Year	38,663.0	29,902.0	13.78	30,781.6	14.66	31,298.5	15.20	26,139.1	12.96	24,411.6	12.12
10. Subordinated Borrowing	3,390.2	2,622.0	1.21	3,033.6	1.44	4,658.0	2.26	4,968.4	2.46	4,790.6	2.38
11. Other Funding	n.a.	n.a.	-	n.a.	-	n.a.	-	0.0	0.00	n.a.	-
12. Total Long Term Funding	**42,053.3**	**32,524.0**	**14.99**	**33,815.2**	**16.10**	**35,956.5**	**17.46**	**31,107.5**	**15.42**	**29,202.2**	**14.50**
13. Derivatives	14,137.6	10,934.0	5.04	9,336.6	4.45	7,996.1	3.88	2,394.0	1.19	2,245.0	1.11
14. Trading Liabilities	464.2	359.0	0.17	535.5	0.25	215.7	0.10	762.7	0.38	274.6	0.14
15. Total Funding	**247,724.3**	**191,590.0**	**88.29**	**186,352.8**	**88.74**	**181,338.6**	**88.05**	**176,074.7**	**87.29**	**181,770.0**	**90.23**
E. Non-Interest Bearing Liabilities											
1. Fair Value Portion of Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
2. Credit impairment reserves	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Reserves for Pensions and Other	1,989.9	1,539.0	0.71	1,580.1	0.75	1,544.5	0.75	1,670.0	0.83	1,620.4	0.80
4. Current Tax Liabilities	81.5	63.0	0.03	33.7	0.02	68.4	0.03	30.0	0.01	110.0	0.05
5. Deferred Tax Liabilities	444.8	344.0	0.16	344.7	0.16	328.1	0.16	331.1	0.16	279.1	0.14
6. Other Deferred Liabilities	649.1	502.0	0.23	n.a.	-	n.a.	-	n.a.	-	n.a.	-
7. Discontinued Operations	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
8. Insurance Liabilities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	0.0	0.00
9. Other Liabilities	6,311.1	4,881.0	2.25	3,766.0	1.79	4,349.7	2.11	6,301.6	3.12	5,310.4	2.64
10. Total Liabilities	**257,200.7**	**198,919.0**	**91.67**	**192,077.3**	**91.46**	**187,629.3**	**91.11**	**184,407.4**	**91.42**	**189,089.9**	**93.87**
F. Hybrid Capital											
1. Pref. Shares and Hybrid Capital accounted for as Debt	484.9	375.0	0.17	1,239.0	0.59	1,180.0	0.57	1,180.0	0.58	1,256.0	0.62
2. Pref. Shares and Hybrid Capital accounted for as Equity	1,675.7	1,296.0	0.60	1,510.0	0.72	1,764.0	0.86	1,764.0	0.87	n.a.	-
G. Equity											
1. Common Equity	17,143.8	13,259.0	6.11	12,859.1	6.12	12,400.2	6.02	11,316.5	5.61	9,466.7	4.70
2. Non-controlling Interest	4,464.7	3,453.0	1.59	3,142.9	1.50	3,543.5	1.72	3,414.3	1.69	3,016.5	1.50
3. Securities Revaluation Reserves	274.1	212.0	0.10	-316.0	-0.15	-278.0	-0.13	-372.0	-0.18	-1,479.0	-0.73
4. Foreign Exchange Revaluation Reserves	-738.3	-571.0	-0.26	-541.0	-0.26	-312.0	-0.15	n.a.	-	n.a.	-
5. Fixed Asset Revaluations and Other Accumulated OCI	60.8	47.0	0.02	35.0	0.02	11.0	0.01	n.a.	-	91.0	0.05
6. Total Equity	**21,205.1**	**16,400.0**	**7.56**	**15,180.0**	**7.23**	**15,364.7**	**7.46**	**14,358.8**	**7.12**	**11,095.2**	**5.51**
7. Total Liabilities and Equity	**280,566.3**	**216,990.0**	**100.00**	**210,006.3**	**100.00**	**205,938.0**	**100.00**	**201,710.2**	**100.00**	**201,441.1**	**100.00**
8. Memo: Fitch Core Capital	16,819.2	13,008.0	5.99	11,290.9	5.38	10,600.6	5.15	9,355.8	4.64	6,234.7	3.10
Exchange rate		USD1 = EUR0.77340		USD1 = EUR0.77290		USD1 = EUR0.74840		USD1 = EUR0.69416		USD1 = EUR0.71855	

Erste Group Bank AG
Summary Analytics

	30 Sep 2012 9 Months - 3rd Quarter	31 Dec 2011 Year End	31 Dec 2010 Year End	31 Dec 2009 Year End	31 Dec 2008 Year End
A. Interest Ratios					
1. Interest Income on Loans/ Average Gross Loans	4.46	4.80	4.82	5.57	8.30
2. Interest Expense on Customer Deposits/ Average Customer Deposits	1.47	1.53	1.44	2.18	3.07
3. Interest Income/ Average Earning Assets	4.50	4.83	4.74	5.66	6.51
4. Interest Expense/ Average Interest-bearing Liabilities	1.90	2.02	1.89	2.82	3.93
5. Net Interest Income/ Average Earning Assets	2.68	2.87	2.91	2.87	2.67
6. Net Int. Inc Less Loan Impairment Charges/ Av. Earning Assets	1.69	1.70	1.81	1.74	2.08
7. Net Interest Inc Less Preferred Stock Dividend/ Average Earning Assets	2.68	2.87	2.91	2.87	2.67
B. Other Operating Profitability Ratios					
1. Non-Interest Income/ Gross Revenues	24.69	18.84	26.57	26.78	26.43
2. Non-Interest Expense/ Gross Revenues	53.75	56.20	51.99	53.53	66.84
3. Non-Interest Expense/ Average Assets	1.76	1.82	1.85	1.88	2.16
4. Pre-impairment Op. Profit/ Average Equity	20.55	19.84	23.53	25.57	19.34
5. Pre-impairment Op. Profit/ Average Total Assets	1.52	1.42	1.72	1.64	1.08
6. Loans and securities impairment charges/ Pre-impairment Op. Profit	60.04	75.33	57.28	61.98	48.12
7. Operating Profit/ Average Equity	8.21	4.89	10.05	9.72	10.03
8. Operating Profit/ Average Total Assets	0.61	0.35	0.73	0.62	0.56
9. Taxes/ Pre-tax Profit	25.74	-74.61	21.69	22.57	30.77
10. Pre-Impairment Operating Profit / Risk Weighted Assets	3.00	2.64	2.96	2.68	2.15
11. Operating Profit / Risk Weighted Assets	1.20	0.65	1.26	1.02	1.11
C. Other Profitability Ratios					
1. Net Income/ Average Total Equity	6.10	-3.71	7.87	7.53	9.02
2. Net Income/ Average Total Assets	0.45	-0.27	0.58	0.48	0.51
3. Fitch Comprehensive Income/ Average Total Equity	11.87	-5.60	8.90	2.26	-3.82
4. Fitch Comprehensive Income/ Average Total Assets	0.88	-0.40	0.65	0.15	-0.21
5. Net Income/ Av. Total Assets plus Av. Managed Securitized Assets	n.a.	n.a.	n.a.	n.a.	n.a.
6. Net Income/ Risk Weighted Assets	0.89	-0.49	0.99	0.79	1.00
7. Fitch Comprehensive Income/ Risk Weighted Assets	1.73	-0.74	1.12	0.24	-0.42
D. Capitalization					
1. Fitch Core Capital/Weighted Risks	11.97	9.90	8.85	7.55	6.01
3. Tangible Common Equity/ Tangible Assets	6.10	5.64	5.31	4.60	3.17
4. Tier 1 Regulatory Capital Ratio	10.80	10.40	10.20	9.20	7.20
5. Total Regulatory Capital Ratio	13.70	14.40	13.50	12.70	10.10
6. Core Tier 1 Regulatory Capital Ratio	10.40	9.40	9.20	n.a.	n.a.
7. Equity/ Total Assets	7.56	7.23	7.46	7.12	5.51
8. Cash Dividends Paid & Declared/ Net Income	n.a.	n.a.	22.31	30.21	29.75
9. Cash Dividend Paid & Declared/ Fitch Comprehensive Income	n.a.	n.a.	19.73	100.48	-70.16
10. Cash Dividends & Share Repurchase/Net Income	n.a.	n.a.	n.a.	n.a.	n.a.
11. Net Income - Cash Dividends/ Total Equity	5.90	-3.71	6.00	4.75	6.58
E. Loan Quality					
1. Growth of Total Assets	3.33	1.98	2.10	0.13	0.46
2. Growth of Gross Loans	-0.92	1.52	2.78	2.34	10.73
3. Impaired Loans(NPLs)/ Gross Loans	9.17	8.45	7.60	6.61	5.03
4. Reserves for Impaired Loans/ Gross loans	5.84	5.22	4.61	3.84	3.00
5. Reserves for Impaired Loans/ Impaired Loans	63.67	61.71	60.66	58.03	59.62
6. Impaired Loans less Reserves for Imp Loans/ Equity	27.13	28.73	25.83	24.95	23.09
7. Loan Impairment Charges/ Average Gross Loans	1.46	1.69	1.55	1.61	0.89
8. Net Charge-offs/ Average Gross Loans	-0.18	n.a.	n.a.	0.04	0.02
9. Impaired Loans + Foreclosed Assets/ Gross Loans + Foreclosed Assets	9.17	8.45	7.60	6.61	5.03
F. Funding					
1. Loans/ Customer Deposits	109.21	113.35	113.43	115.25	115.44
2. Interbank Assets/ Interbank Liabilities	45.33	31.86	62.01	49.97	41.37
3. Customer Deposits/ Total Funding excl Derivatives	67.67	67.16	67.51	64.51	60.89

Erste Group Bank AG
Reference Data

	30 Sep 2012			31 Dec 2011		31 Dec 2010		31 Dec 2009		31 Dec 2008	
	9 Months - 3rd Quarter USDm	9 Months - 3rd Quarter EURm	As % of Assets	Year End EURm	As % of Assets	Year End EURm	As % of Assets	Year End EURm	As % of Assets	Year End EURm	As % of Assets
A. Off-Balance Sheet Items											
1. Managed Securitized Assets Reported Off-Balance Sheet	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
2. Other off-balance sheet exposure to securitizations	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Guarantees	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	15,212.0	7.55
4. Acceptances and documentary credits reported off-balance sheet	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
5. Committed Credit Lines	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	22,149.0	11.00
6. Other Contingent Liabilities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	766.0	0.38
7. Total Business Volume	280,566.3	216,990.0	100.00	210,006.3	100.00	205,938.0	100.00	201,710.2	100.00	239,568.1	118.93
8. Memo: Total Weighted Risks	140,510.7	108,671.0	50.08	114,019.0	54.29	119,800.0	58.17	123,891.0	61.42	103,663.0	51.46
9. Fitch Adjustments to Weighted Risks.	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
10. Fitch Adjusted Weighted Risks	140,510.7	108,671.0	50.08	114,019.0	54.29	119,800.0	58.17	123,891.0	61.42	103,663.0	51.46
B. Average Balance Sheet											
Average Loans	173,582.1	134,248.4	61.87	133,918.6	63.77	130,918.4	63.57	127,943.9	63.43	120,608.3	59.87
Average Earning Assets	255,592.8	197,675.5	91.10	193,612.9	92.19	185,563.3	90.11	181,407.0	89.93	183,529.5	91.11
Average Assets	277,648.4	214,733.3	98.96	211,939.9	100.92	206,249.4	100.15	201,988.5	100.14	205,372.6	101.95
Average Managed Securitized Assets (OBS)	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Average Interest-Bearing Liabilities	246,098.7	190,332.7	87.71	187,694.5	89.38	179,918.3	87.37	179,853.5	89.16	179,457.9	89.09
Average Common equity	16,973.1	13,127.0	6.05	12,218.9	5.82	11,723.1	5.69	10,099.6	5.01	9,554.6	4.74
Average Equity	20,508.5	15,861.3	7.31	15,170.3	7.22	15,072.7	7.32	12,978.0	6.43	11,514.8	5.72
Average Customer Deposits	157,011.4	121,432.6	55.96	119,501.1	56.90	115,308.1	55.99	111,372.0	55.21	106,087.7	52.66
C. Maturities											
Asset Maturities:											
Loans & Advances < 3 months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Loans & Advances 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Loans and Advances 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Loans & Advances > 5 years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Debt Securities < 3 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Debt Securities 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Debt Securities 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Debt Securities > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Interbank < 3 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Interbank 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Interbank 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Interbank > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Liability Maturities:											
Retail Deposits < 3 months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Retail Deposits 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Retail Deposits 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Retail Deposits > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Other Deposits < 3 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Other Deposits 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Other Deposits 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Other Deposits > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Interbank < 3 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Interbank 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Interbank 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Interbank > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Senior Debt Maturing < 3 months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Senior Debt Maturing 3-12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Senior Debt Maturing 1- 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Senior Debt Maturing > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Total Senior Debt on Balance Sheet	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Fair Value Portion of Senior Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Covered Bonds	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Subordinated Debt Maturing < 3 months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Subordinated Debt Maturing 3-12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Subordinated Debt Maturing 1- 5 Year	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Subordinated Debt Maturing > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Total Subordinated Debt on Balance Sheet	3,390.2	2,622.0	1.21	3,033.6	1.44	4,658.0	2.26	4,968.4	2.46	4,790.6	2.38
Fair Value Portion of Subordinated Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
D. Equity Reconciliation											
1. Equity	21,205.1	16,400.0	7.56	15,180.0	7.23	15,364.7	7.46	14,358.8	7.12	11,095.2	5.51
2. Add: Pref. Shares and Hybrid Capital accounted for as Equity	1,675.7	1,296.0	0.60	1,510.0	0.72	1,764.0	0.86	1,764.0	0.87	n.a.	-
3. Add: Other Adjustments	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
4. Published Equity	22,880.8	17,696.0	8.16	16,690.0	7.95	n.a.	-	n.a.	-	n.a.	-
E. Fitch Eligible Capital Reconciliation											
1. Total Equity as reported (including non-controlling interests)	21,205.1	16,400.0	7.56	15,180.0	7.23	15,364.7	7.46	14,358.8	7.12	11,095.2	5.51
2. Fair value effect incl in own debt/borrowings at fv on the B/S- CC only	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
3. Non-loss-absorbing non-controlling interests	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
4. Goodwill	0.0	0.0	0.00	0.0	0.00	3,319.8	1.61	3,320.0	1.65	3,411.0	1.69
5. Other intangibles	4,096.2	3,168.0	1.46	3,532.0	1.68	1,354.8	0.66	1,547.0	0.77	1,393.5	0.69
6. Deferred tax assets deduction	256.0	198.0	0.09	357.1	0.17	89.5	0.04	136.0	0.07	56.0	0.03
7. Net asset value of insurance subsidiaries	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
8. First loss tranches of off-balance sheet securitizations	33.6	26.0	0.01	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
9. Fitch Core Capital	**16,819.2**	**13,008.0**	**5.99**	**11,290.9**	**5.38**	**10,600.6**	**5.15**	**9,355.8**	**4.64**	**6,234.7**	**3.10**
Exchange Rate		USD1 = EUR0.77340		USD1 = EUR0.77290		USD1 = EUR0.74840		USD1 = EUR0.69416		USD1 = EUR0.71855	

The ratings above were solicited by, or on behalf of, the issuer, and therefore, Fitch has been compensated for the provision of the ratings.