MOODY'S INVESTORS SERVICE

Erste Group Bank AG - Public-Sector Covered Bonds

Covered Bonds / Austria

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Reporting as of:	30/09/2018	All amounts in EUR (unless otherwise specified)	For information on how to read this report, see the latest Moody's Global Covered Bond Monitoring Overview

Data as provided to Moody's Investors Service (note 1)

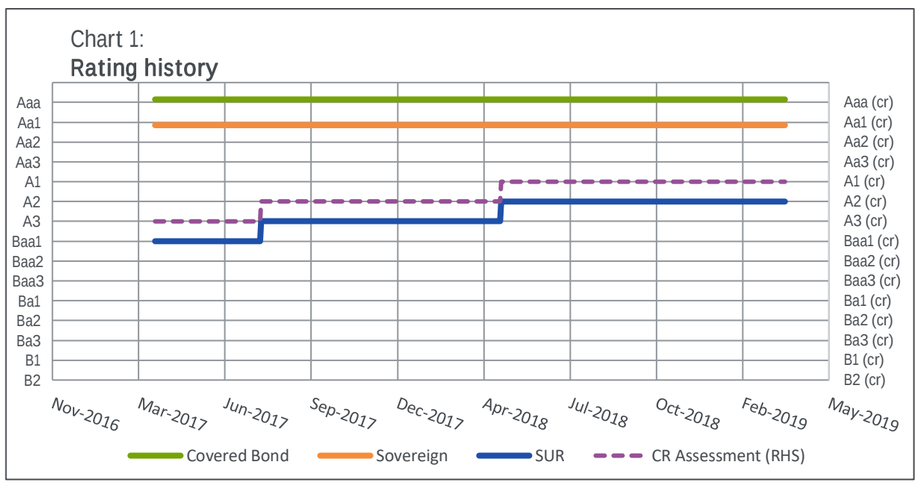
I. Programme Overview

Overview

Year of initial rating assignment:		2007
Total outstanding liabilities:	EUR	1,556,585,945
Total assets in the Cover Pool:	EUR	3,253,191,296
Issuer name / CR Assessment:		Erste Group Bank AG / A1(cr)
Group or parent name / CR Assessment:		n/a
Main collateral type:		Public Sector

Ratings

Covered bonds rating:	Aaa
Entity used in Moody's EL & TPI analysis:	Erste Group Bank AG
CB anchor:	CR Assessment + 1 notch
CR Assessment:	A1(cr)
SUR:	A2
Unsecured claim used for Moody's EL analysis:	Yes



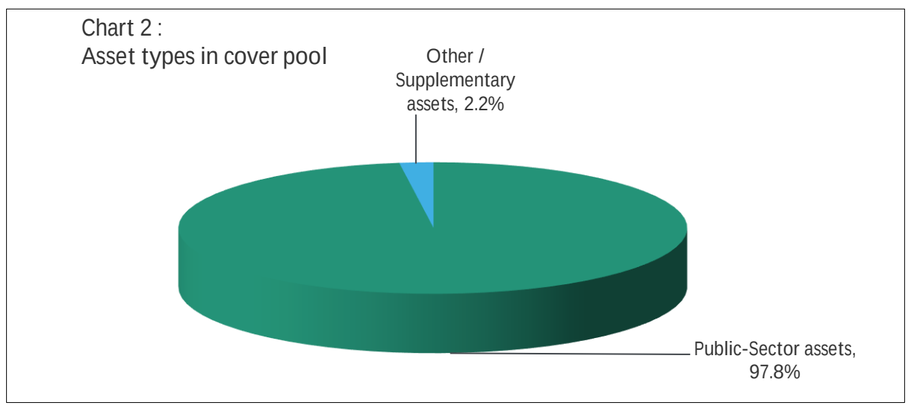
II. Value of the Cover Pool

Collateral quality

Collateral Score:	9.9%	
Collateral Score excl. systemic risk:	n/a	

Cover Pool losses

Collateral Risk (Collateral Score post-haircut):	5.5%	29%
Market Risk:	13.2%	71%
	18.6%	(100%)



III. Over-Collateralisation Levels (notes 2 & 3)

Over-Collateralisation (OC) figures presented below include Eligible only collateral.
Over-Collateralisation levels are provided on any of the following: nominal basis or unstressed NPV basis or on stressed NPV basis.

Current situation

Committed OC (NPV):	3.0%
Current OC (Unstressed NPV):	112.9%
OC consistent with current rating (note 4)	11.0%

Of which 0% needs to be commited.

Sensitivity scenario CB anchor

		OC consistent with current rating
Scenario 1: CB anchor is lowered by	1 notch	15.0%

IV. Timely Payment Indicator & TPI Leeway

Timely Payment Indicator (TPI):	High
TPI Leeway:	4

Extract from TPI table - CB anchor is CR Assessment + 1 notch

CR Assessment	High
Aa1(cr)	Aaa
Aa2(cr)	Aaa
Aa3(cr)	Aaa
A1(cr)	**Aaa**
A2(cr)	Aaa
A3(cr)	Aaa
Baa1(cr)	Aaa
Baa2(cr)	Aaa
Baa3(cr)	Aa1

Legal framework

Does a specific covered bond law apply for this programme:	Yes, Austrian
Main country in which collateral is based:	Austria
Country in which issuer is based:	Austria

Timely payment

Refinancing period for principal payments of 6 months or greater:	No
Liquidity reserve to support timely payments on all issuances:	No

(note 1) The data reported in this PO is based on information provided by the issuer and may include certain assumptions made by Moody's. Moody's accepts no responsibility for the information provided to it and, whilst it believes the assumptions it has made are reasonable, cannot guarantee that they are or will remain accurate. Although Moody's encourages all issuers to provide reporting data in a consistent manner, there may be differences in the way that certain data is categorised by issuers. The data reporting template (which Issuers are requested to use) is available on request.
(note 2) This assumes the Covered Bonds rating is not constrained by the TPI. Also to the extent rating assumptions change following a downgrade or an upgrade of the Issuer, the necessary OC stated here may also change. This is especially significant in the case of CR assessments of A3(cr) or Baa1(cr), as the necessary OC following a 1 notch downgrade may then be substantially higher than the amount suggested here as market risks are considered more critically by Moody's at this time. In any event, the necessary OC amounts stated here are subject to change at anytime at Moody's discretion.
(note 3) This is the minimum OC calculated to be consistent with the current rating under Moody's expected loss model. However, the level of OC consistent with a given rating level may differ from this amount where ratings are capped under the TPI framework and, for example, where committee discretion is applied.
(note 4) The OC consistent with the current rating is the minimum level of over-collateralisation which is necessary to support the covered bond rating at its current level on the basis of the pool as per the cut-off date. The sensitivity run is based on certain assumptions, including that the Covered Bonds rating is not constrained by the TPI. Further, this sensitivity run is a model output only and therefore a simplification as it does not take into account certain assumptions that may change as an issuer is downgraded, and as a result the actual OC number consistent with the current rating may be higher than shown. The OC required may also differ from the model output in situations when committee discretion is applied. In any event, the OC amounts stated here are subject to change at any time at Moody's discretion.

V. Asset Liability Profile

Interest Rate & Duration Mismatch (note 5)

Fixed rate assets in the cover pool:	29.0%
Fixed rate covered bonds outstanding:	9.4%
WAL of outstanding covered bonds:	7.5 years
WAL of the cover pool:	7.3 years

Swap Arrangements

Interest rate swap(s) in the Cover Pool:	No
Intra-group interest rate swap(s) provider(s):	No
Currency swap(s) in the Cover Pool:	No
Intra-group currency swap(s) provider(s):	No

Chart 3 :
Stressed refinancing needs per quarter (% of liabilities)

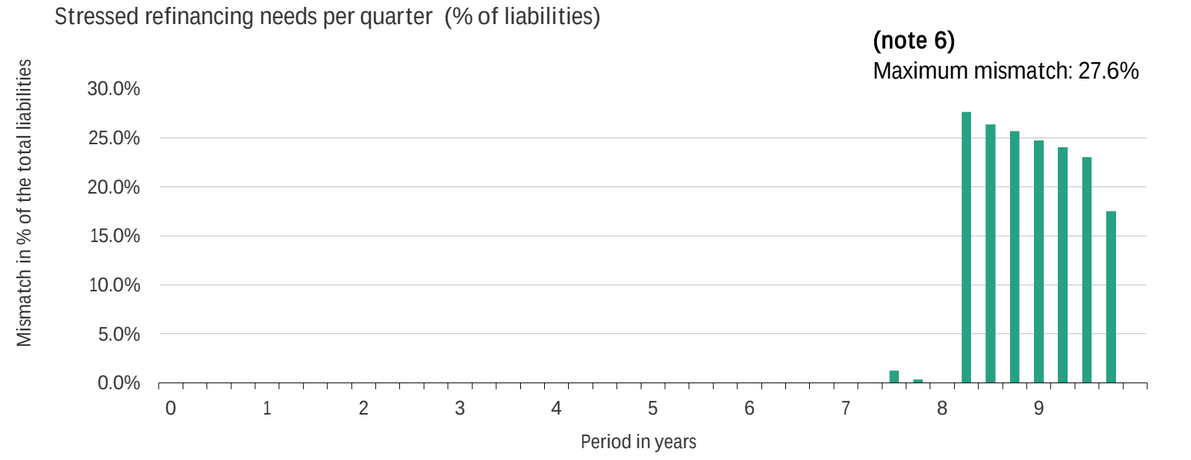


Chart 4:
Currency mix before swaps (3 Main Currencies)

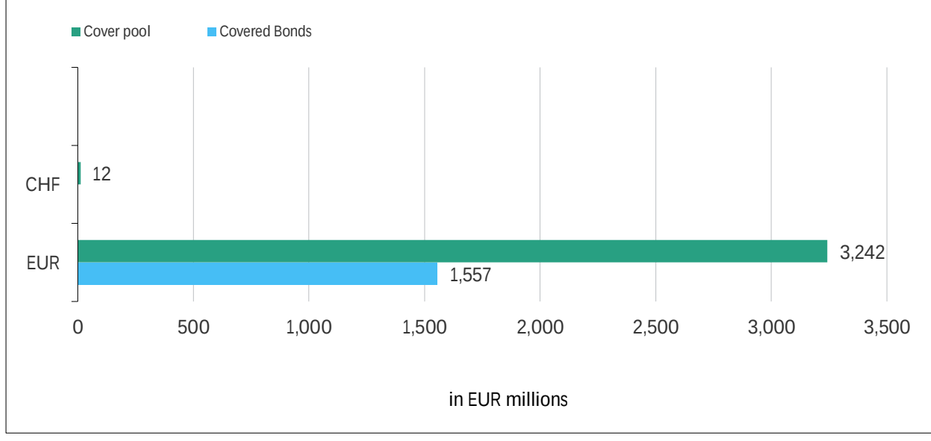
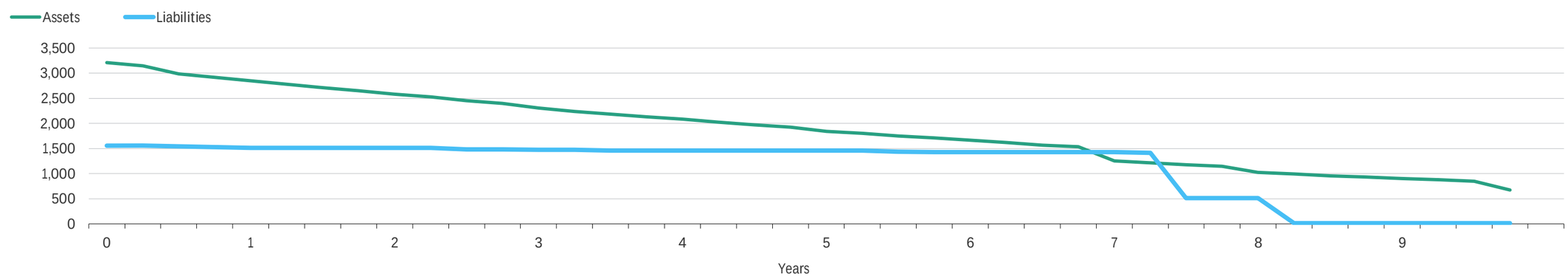


Chart 5 :
Amortisation profile (in millions) (note 7)



VI. Performance Evolution

Chart 6 :
Collateral Score

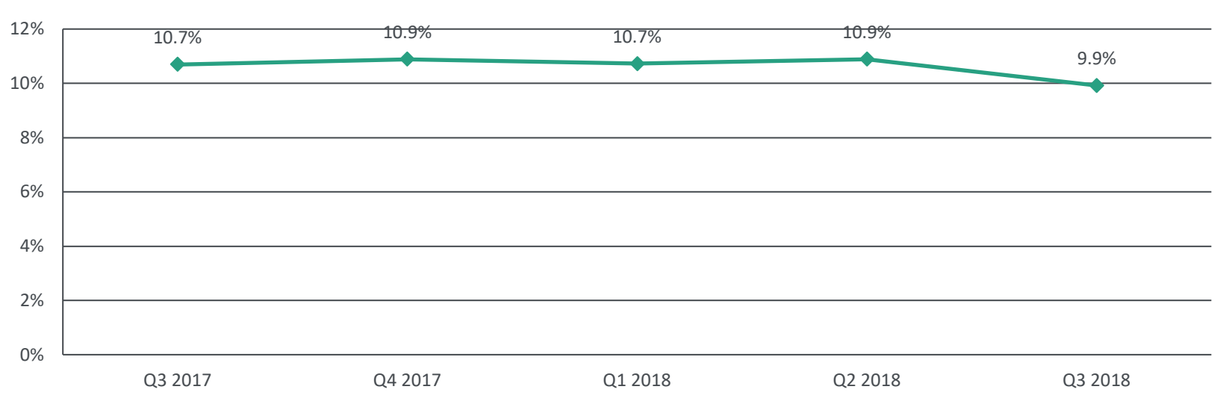


Chart 7 :
Cover Pool Losses

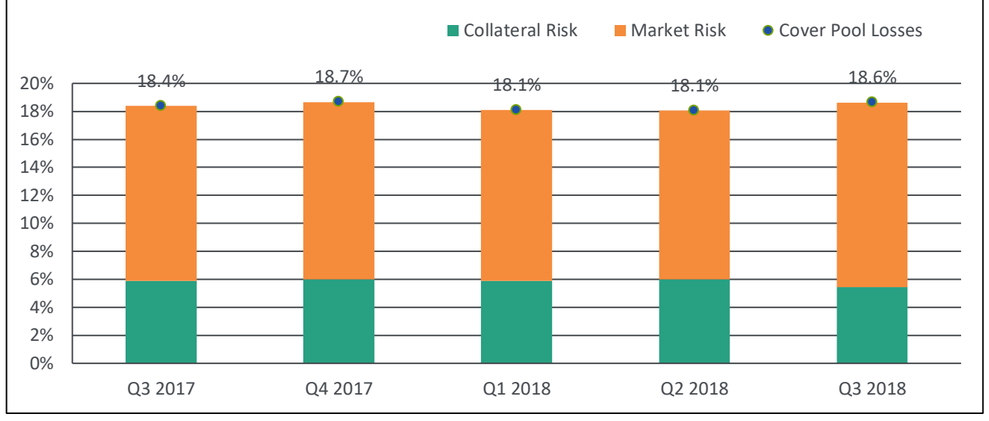
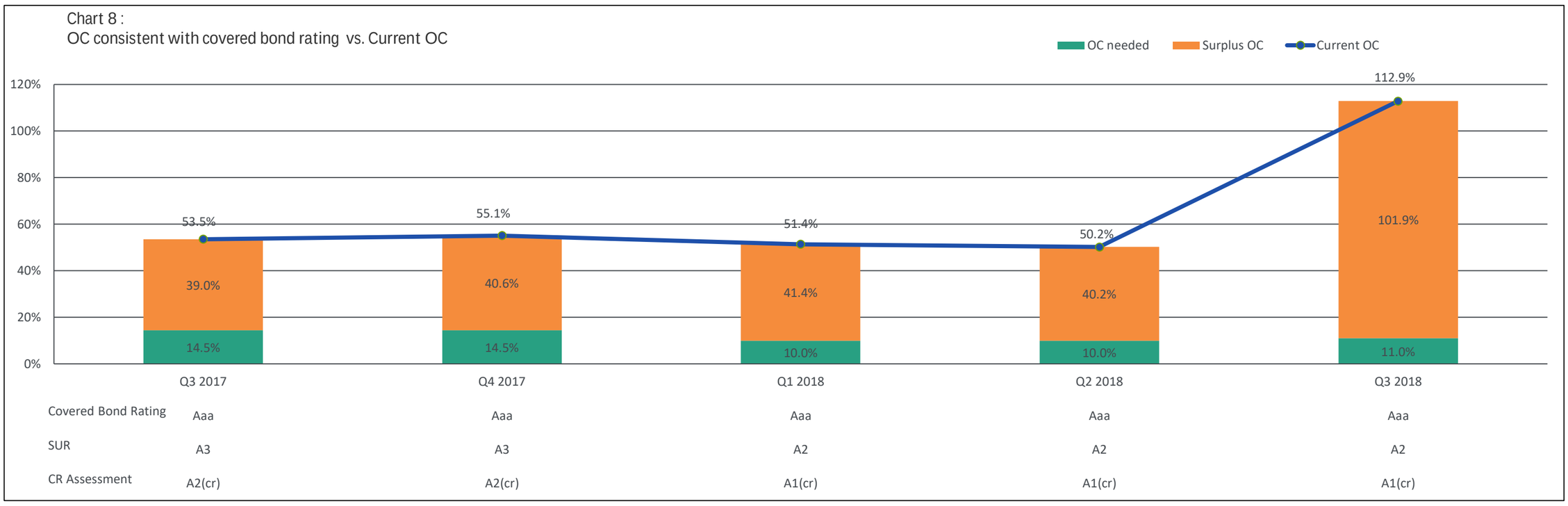


Chart 8 :
OC consistent with covered bond rating vs. Current OC



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(note 5) This assumes no prepayment.
(note 6) Based on principal flows only. Assumptions include no prepayments, principal collections limited to the portion of assets that make up the amount of the liabilities plus committed OC, no further CB issuance and no further assets added to the cover pool.
(note 7) Assumptions include no swap in place in Cover Pool, no prepayment and no further CB issuance.

VII. Cover Pool Information - Public Sector Assets

Overview

Asset type:	Public Sector
Asset balance:	3,183,191,296
WA remaining Term (in months):	153
Number of borrowers:	1,672
Number of loans / bonds:	5,984
Average exposure to borrowers:	1,903,823

Specific Loan and Borrower characteristics

Repo eligible loans / bonds:	100.0%
Percentage of fixed rate loans / bonds:	27.4%
Percentage of bullet loans/ bonds:	21.8%
Loans / bonds in non-domestic currency:	0.4%

Performance

Loans / bonds in arrears (≥ 2months - < 6months):	0.0%
Loans / bonds in arrears (≥ 6months - < 12months):	0.0%
Loans / bonds in arrears (≥ 12months):	0.0%
Loans / bonds in a foreclosure procedure:	0.0%

Table A : Borrower type by country

	Austria	Croatia	Hungary	Other	Totals
Direct claim against supranational	0.0%	0.0%	0.0%	0.0%	**0.0%**
Direct claim against sovereign	1.2%	0.0%	0.0%	0.0%	**1.2%**
Loan with guarantee of sovereign	0.9%	1.8%	0.6%	0.0%	**3.2%**
Direct claim against region/federal state	12.9%	0.0%	0.0%	0.0%	**12.9%**
Loan with guarantee of region/federal state	18.9%	0.0%	0.0%	0.0%	**18.9%**
Direct claim against municipality	46.8%	0.0%	0.0%	0.0%	**46.8%**
Loan with guarantee of municipality	14.2%	0.0%	0.0%	0.2%	**14.4%**
Others	2.6%	0.0%	0.0%	0.0%	**2.6%**
	97.5%	**1.8%**	**0.6%**	**0.2%**	

Chart B:
Percentage of public sector assets

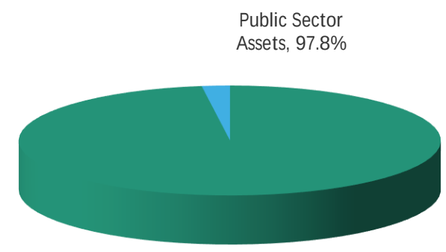


Chart C:
Borrower concentration

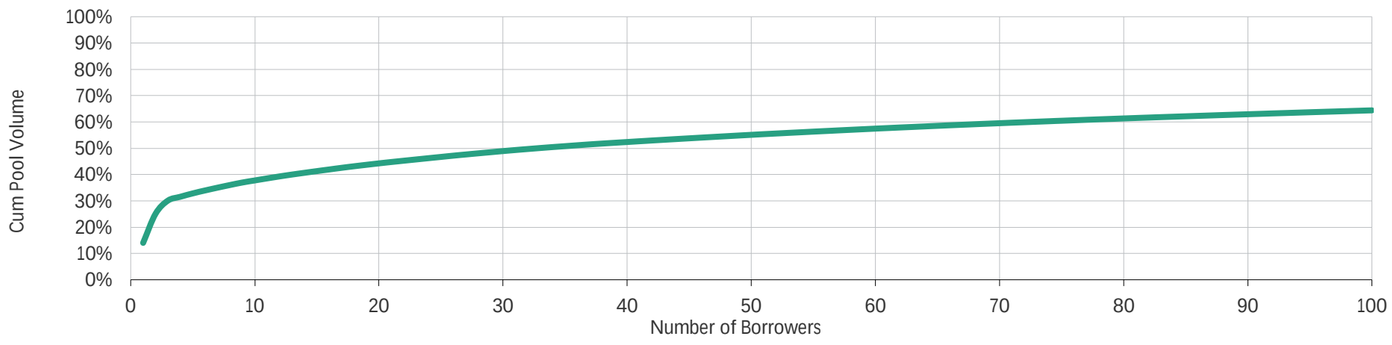


Chart D:
Pool distribution by country exposure rating

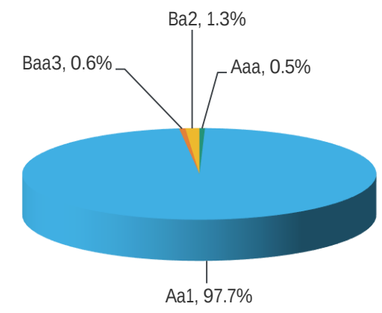


Chart E:
Main country regional distribution

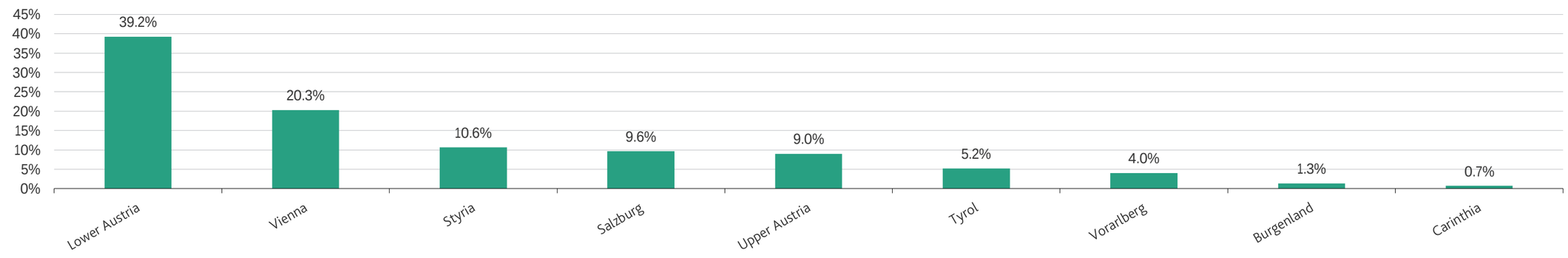


Chart F:
Distribution by country exposure, rating

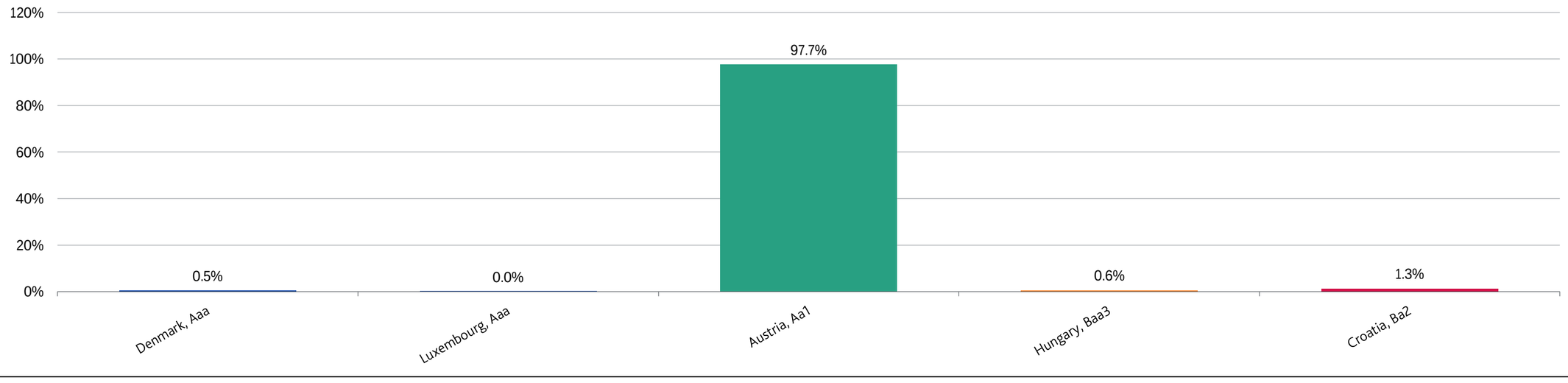


Table A and Chart C are based on debtor data. Charts D, E and F are based on guarantor data or, on unavailability of such information, on debtor data, as reported by the issuer.

VIII. Cover Pool Information - Supplementary Assets

Overview

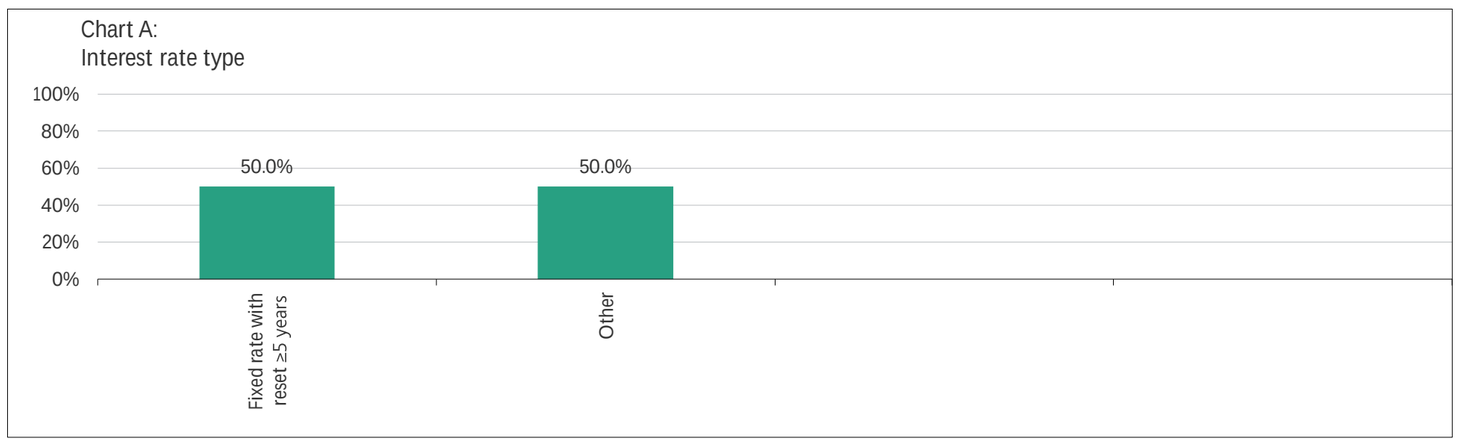
Asset type:	Supplementary Assets
Asset balance:	70,000,000
WA remaining Term (in months):	36
Number of assets:	2
Number of borrowers:	2
Average assets size:	35,000,000
Average exposure to borrowers:	35,000,000

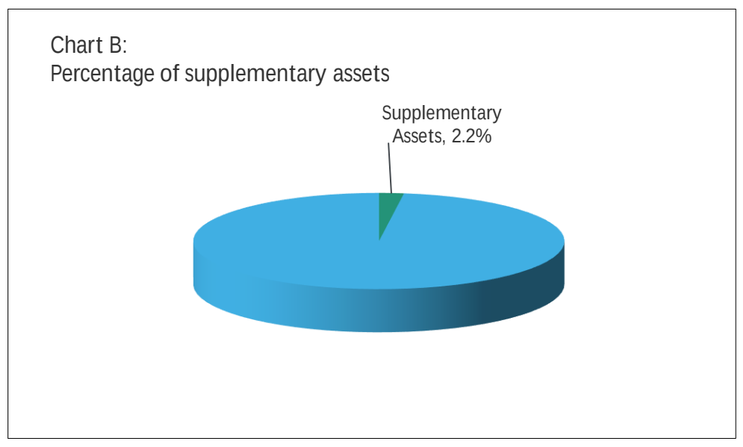
Specific Loan and Borrower characteristics

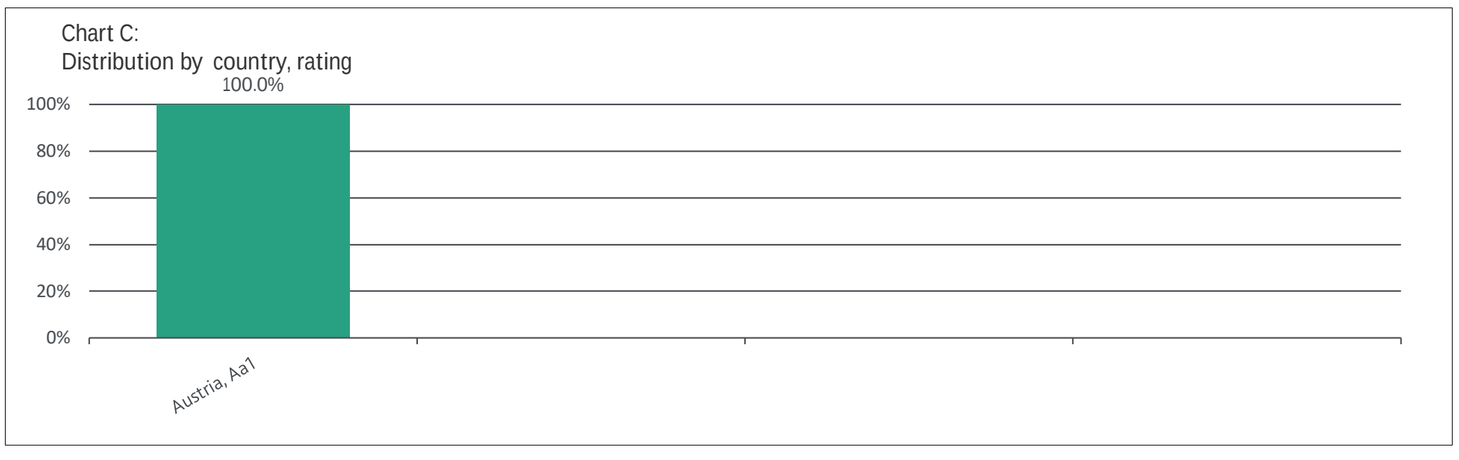
Repo eligible assets:	50.0%
Percentage of fixed rate assets:	50.0%
Percentage of bullet assets:	50.0%
Assets in non-domestic currency:	0.0%

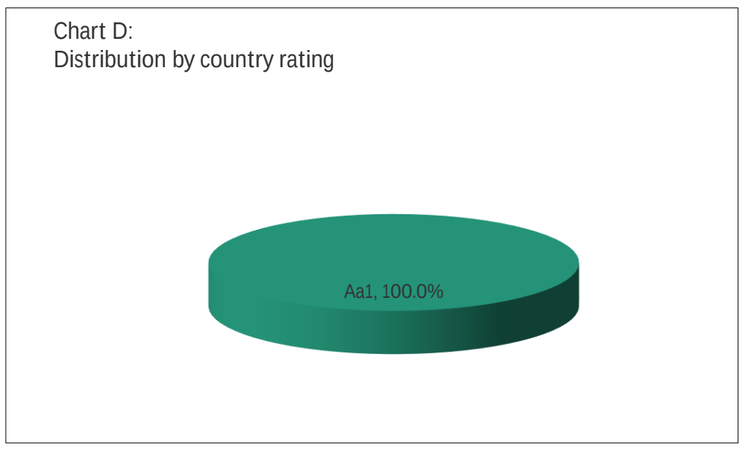
Performance

Assets in arrears (≥ 2months - < 6months):	0.0%
Assets in arrears (≥ 6months - < 12months):	0.0%
Assets in arrears (> 12months):	0.0%
Assets in a enforcement procedure:	0.0%









IX. Liabilities Information: Last 50 Issuances

ISIN	Series Number	Currency	Outstanding Amount	Issuance Date	Expected Maturity	Legal Final Maturity	Interest Rate Type	Coupon	Principal Payment
AT0000A1KCH8	n/d	EUR	500,000,000	01/03/2016	01/03/2027	01/03/2027	Floating rate	m03EUR01 + 0 bps	BULLET
AT0000A18QR7	n/d	EUR	10,000,000	02/07/2014	02/07/2019	02/07/2019	Floating rate	m06EUR01 + 0 bps	BULLET
AT0000A17ZY6	n/d	EUR	900,000,000	21/05/2014	21/05/2026	21/05/2026	Floating rate	m03EUR01 + 0 bps	BULLET
AT000B009410	n/d	EUR	30,000,000	25/05/2011	25/05/2021	25/05/2021	Fixed rate	3.750%	BULLET
AT000B009402	n/d	EUR	9,506,005	17/05/2011	31/01/2026	31/01/2026	Zero Bond	Zero	BULLET
QOXDBA012768	n/d	EUR	3,000,000	23/04/2010	23/04/2030	23/04/2030	Fixed rate	4.000%	BULLET
QOXDBA009384	n/d	EUR	10,000,000	09/09/2009	09/09/2024	09/09/2024	Fixed rate	4.330%	BULLET
AT000B009352	n/d	EUR	5,000,000	13/08/2009	13/06/2019	13/06/2019	Fixed rate	4.125%	BULLET
QOXDBA008014	n/d	EUR	10,000,000	15/06/2009	27/09/2019	27/09/2019	Fixed rate	4.640%	BULLET
QOXDBA007974	n/d	EUR	5,000,000	04/06/2009	04/06/2019	04/06/2019	Fixed rate	4.570%	BULLET
QOXDBA008006	n/d	EUR	10,000,000	04/06/2009	04/06/2024	04/06/2024	Fixed rate	4.980%	BULLET
QOXDBA007941	n/d	EUR	1,000,000	29/05/2009	29/05/2019	29/05/2019	Fixed rate	4.460%	BULLET
AT000B009337	n/d	EUR	10,000,000	29/05/2009	29/11/2019	29/11/2019	Fixed rate	4.500%	BULLET
QOXDBA007933	n/d	EUR	15,000,000	28/05/2009	28/05/2024	28/05/2024	Fixed rate	5.000%	BULLET
QOXDBA007156	n/d	EUR	10,000,000	06/05/2009	07/05/2029	07/05/2029	Fixed rate	4.890%	BULLET
QOXDBA007099	n/d	EUR	15,000,000	04/05/2009	04/05/2022	04/05/2022	Fixed rate	4.800%	BULLET
AT000B009246	n/d	EUR	3,000,000	05/05/2008	05/05/2026	05/05/2026	Fixed rate	4.913%	BULLET
AT000B009121	n/d	EUR	10,000,000	02/10/2006	02/10/2021	02/10/2021	Fixed rate	4.330%	BULLET
AT0000135868	n/d	EUR	79,940	21/02/1994	21/02/2019	21/02/2019	Fixed rate	7.125%	BULLET

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