Erste Bank Mortgage Covered Bonds
Covered Bonds / Austria

I. Programme Overview

Overview
Year of initial Rating Assignment: 2006
Total outstanding liabilities: EUR 5,358,027,905
Total Assets in the Cover Pool: EUR 7,124,133,368
Issuer Name: Erste Group Bank AG
Group / Parent Name: n/a
Main Collateral Type (>50%): Other
Other

II. Value of the Cover Pool

Collateral Quality
Collateral Score: 14.9%

III. Over-Collateralisation Levels

Over-collateralisation levels are provided on any of the following nominal basis or unstressed NPV basis or on stressed NPV basis.

NPV stress test where stressed: 100 bps

Current situation (note 4 & note 6)
Committed OC (Stressed NPV): 2.0%
Current OC (Unstressed NPV): 32.7%
OC Level necessary to maintain current rating: 23.0%

IV. Charts & Tables

Chart 1
Asset Types in Cover Pool

- Multi-Family assets, 37.1%
- Commercial assets, 25.3%
- Residential assets, 35.6%

Chart 2
Stressed Refinancing Needs per Quarter (% of liabilities) (note 7)

Period in years
0 1 2 3 4 5 6 7 8 9

Maximum Mismatch: 34%

Chart 3
Currency Mix before Swaps (2 Main Currencies)

- CHF
- EUR

[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] Based on the current TPI, this is the number of notches an “Issuer Rating” (as defined in Moody’s Monitoring Overview) can be downgraded before the covered bonds are downgraded.

[Note 3] The “Collateral Risk” combines the Collateral Score post haircut (if any) for eligible and ineligible (if any) assets which Moody’s gives value to in the cover pool. The Collateral Risk considers only the credit deterioration of the Cover Pool and here excludes certain related legal risks, such as set off. Market risks include refinancing risk, currency and interest rate mismatches and certain collateral related legal risks.

[Note 4] Committed OC means that the issuer should not have discretion to remove it without negative consequences under the law or otherwise. Any other OC is regarded as “not committed”.

[Note 5] 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. It is especially significant in the case of Issuers currently rated A1 as A2 or A3 as A1 as the necessary OC following a 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 stated here are subject to change at any time at Moody’s discretion.

[Note 6] 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. Reasons for such differences include: (i) Committee discretion, and/or (ii) TPI considerations.

[Note 7] 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 8] This assumes no prepayment.
V. Cover Pool Information - Residential Assets

Overview

Asset type: Residential
Asset balance: 2,532,832,184
Average loan balance: 93,632
Number of loans: 27,051
Number of borrowers: 24,365
Number of properties: 34,580
WA Remaining Term (in months): 214

Details on LTV

WA Unindexed LTV (*): 76.3%
WA Indexed LTV: n/d
Valuation type: Lending Value
LTV threshold: 60.0%
Junior ranks: n/d
Prior ranks: 32.6%

(*) Based on original property valuation. By operation of the Austrian Mortgage Bank Act, only loan parts within the first 60% LTV threshold are eligible for the cover pool. This requirement ensures that the 60% LTV threshold takes any prior ranks into consideration for the relevant cover test calculation. Based on the total loan amount, i.e. including the loan parts above the 60% LTV threshold (internal junior ranks), the weighted-average LTV of the residential mortgage loans is 76.3%. Moody’s has taken both these aspects into consideration in its analysis. Moody’s notes that the weighted-average LTV would only be 55.3% if the LTV calculation disregarded any prior, equal or junior ranking loans, which are ineligible in terms of the relevant cover test calculations.

Details on LTV

Performance

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

Multi-Family Properties

Loans to tenants of tenant-owned Housing Cooperatives: n/a
Other Type of Multi-Family Loans (***): n/a

n/d: information not disclosed by Issuer
n/a: information not applicable

(**) Should include Borrowers with a previous personal bankruptcy or Borrowers with record of court claims against them at time of origination

(***) This "other" type refers to loans directly to Housing Cooperatives and to Landlords of Multi-Family properties (not included in Buy to Let)

Chart A: Balance per LTV-band

Chart B: Percentage of residential assets

Chart C: Seasoning

Chart D: Interest Rate Type

Chart E: Main Country Regional Distribution
VI. Cover Pool Information - Commercial Assets

Overview

<table>
<thead>
<tr>
<th>Asset Type</th>
<th>Commercial</th>
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<tbody>
<tr>
<td>Asset balance</td>
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<tr>
<td>Average loan balance</td>
<td>403,322,4</td>
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<tr>
<td>Number of loans</td>
<td>11,016</td>
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<tr>
<td>Number of borrowers</td>
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<tr>
<td>Number of properties</td>
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<tr>
<td>Largest 10 loans</td>
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<tr>
<td>Largest 10 borrowers</td>
<td>14.2%</td>
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<tr>
<td>WA Seasoning (in months)</td>
<td>297</td>
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<tr>
<td>Main Countries:</td>
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Specific Loan and Borrower characteristics

<table>
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<tr>
<th>Characteristic</th>
<th>Percentage</th>
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<tr>
<td>Bullet loans</td>
<td>15.3%</td>
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<tr>
<td>Loans in non-domestic currency</td>
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<tr>
<td>Percentage of fixed rate loans</td>
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<tr>
<td>Loans in arrears ≥ 2 months</td>
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<tr>
<td>Loans in a foreclosure procedure</td>
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Details on LTV

| WA current LTV (*)              | 70.4% |
| WA Indexed LTV                 | n/a |
| Valuation type                  | Lending Value |
| LTV Threshold                   | 60.0% |
| Junior ranks                    | 0.0% |
| Prior ranks                     | 21.3% |

Chart A: Balance per LTV-band

- 80%: 19.0%
- 75%: 11.6%
- 70%: 11.6%
- 65%: 6.5%
- 60%: 4.1%
- 55%: 3.4%
- 50%: 7.2%
- 45%: 1.6%
- 40%: 13.4%

Chart B: Percentage of commercial assets

- Commercial assets: 62.4%

Chart C: Borrower Concentration

- 0%: 100%
- 10%: 90%
- 20%: 80%
- 30%: 70%
- 40%: 60%
- 50%: 50%
- 60%: 40%
- 70%: 30%
- 80%: 20%
- 90%: 10%
- 100%: 0%

Chart D: Property Type

- Multifamily: 59.4%
- Office: 16.1%
- Retail: 1.1%
- Industrial: 7.8%
- Hotel: 5.6%
- Mixed Use: 3.2%
- Land: 0.5%
- Other: 0.0%

Chart E: Main Country Regional Distribution

- Austria: 35.1%
- Tyrol: 17.1%
- Lower Austria: 13.3%
- Styria: 8.0%
- Vorarlberg: 7.7%
- Salzburg: 6.4%
- Carinthia: 3.9%
- Lower Austria: 3.0%
- Burgenland: 1.4%
- Upper Austria: 1.3%
### Chart A: Amortisation Profile (*)

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<tr>
<th>Years</th>
<th>Liabilities</th>
<th>Assets</th>
<th>Years</th>
<th>Liabilities</th>
<th>Assets</th>
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(*) Assumptions include no prepayment, no Swap in place in Cover Pool, and no further CB issuance.

**Legend:**

- Liabilities: The funds needed to be raised by issuers to meet the payment obligations of the issued covered bonds.
- Assets: The funds that can be used to meet the payment obligations of the issued covered bonds.

**Notes:**

1. The chart above depicts the expected amortisation profile of the covered bonds over the life of the instrument. The profile is based on the expected cash flows and the assumed prepayment scenarios.
2. The chart assumes no default or prepayment by the underlying issuers.
3. The chart assumes no change in the interest rates or the yield curve.
4. The chart assumes no changes in the economic or market conditions that could affect the cash flows of the covered bonds.
5. The chart is illustrative and does not represent the actual cash flows of the covered bonds.
6. The chart is intended for general information purposes and should not be relied upon for making specific investment decisions.

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