MOODY'S
INVESTORS SERVICE

Erste Group Bank - Public Sector - Covered Bond Programme

Covered Bonds / Austria

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Click here to download data into Excel & to see Glossary of terms used

Reporting as of: 31/12/2014
Data as provided to Moody's Investors Service (note 1)

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

To improve consistency across all POs published for Q4 2014, this publication does not fully reflect the methodology changes contained in "Moody's Approach to Rating Covered Bonds" published on 16 March 2015.

I. Programme Overview

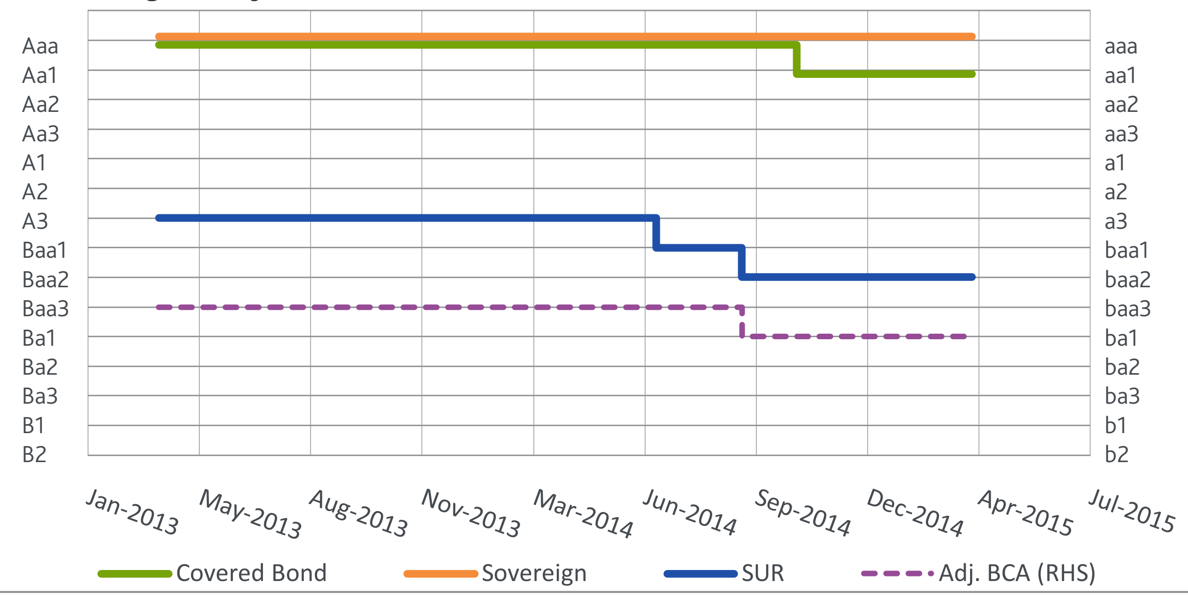
Overview

Year of initial rating assignment:		2007
Total outstanding liabilities:	EUR	2,466,138,797
Total assets in the Cover Pool:	EUR	3,521,226,962
Issuer name / Senior Unsecured Rating / Adjusted BCA (note 2):		Erste Group Bank AG / Baa2 On review for Downgrade / ba1
Group or parent name /Senior Unsecured Rating/ Adjusted BCA:		n/a
Main collateral type:		Public Sector

Ratings

Covered bonds rating:	Aa1 On review for Upgrade
Entity used in Moody's EL & TPI analysis:	Erste Group Bank AG
SUR (note 3):	Baa2
Adjusted BCA:	ba1
CB anchor (note 4):	SUR + 1 notch
Debt Ratio:	5-10%
Senior unsecured claim used for Moody's EL analysis:	Yes

Chart 1 :
Rating history



II. Value of the Cover Pool

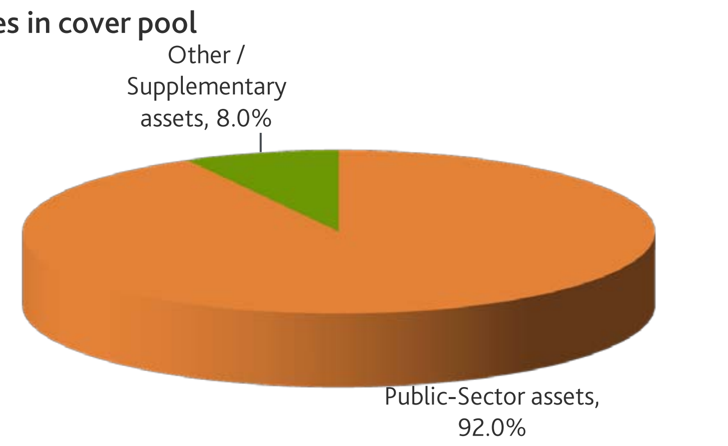
Collateral quality

Collateral Score:	4.9%	
Collateral Score excl. systemic risk:	n/a	

Cover Pool losses

Collateral Risk (Collateral Score post-haircut):	2.4%	*16%*
Market Risk:	12.4%	*84%*
	14.8%	*(100%)*

Chart 2 :
Asset types in cover pool



III. Over-Collateralisation Levels (notes 5 & 6 & 7)

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.
NPV stress test where stressed: Static

Current situation

Committed OC (Unstressed NPV):	3.0%
Current OC (Unstressed NPV):	41.5%
OC consistent with current rating:	11.0%

Sensivity scenario CB anchor

		OC consistent with current rating
Scenario 1: CB anchor is lowered by	1 notch	12.5%

IV. Timely Payment Indicator & TPI Leeway

Timely Payment Indicator (TPI):	High
TPI Leeway:	1

Extract from TPI table - CB anchor is SUR + 1 notch

SUR	High
A2	Aaa
A3	Aaa
Baa1	Aaa
Baa2	**Aaa**
Baa3	Aa1
Ba1	Aa2
Ba2	Aa3-A2

Legal framework

Does a specific covered bond law apply for this programme:	Yes, Mortgage Bank Act
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) Potential review actions on any adjusted BCA will not be reflected by this PO. Please check www.moodys.com .
(note 3) We may use a senior unsecured rating or a deposit rating, depending on a case-by-case analysis of the most appropriate reference rating for the CB anchor.
(note 4) Where the SUR already incorporates material levels of government support, the CB anchor may be positioned at SUR+0 regardless of the debt ratio. We will determine, on a case-by-case basis, the relevant level of support that would trigger the exception, but the level may apply to senior unsecured ratings that incorporate more than three notches of government support.
(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. This is especially significant in the case of Issuers currently rated A2 or A3, 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 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 where ratings are capped under the TPI framework and, for example, where committee discretion is applied.
(note 7) Of which 1.0% needs to be provided on a committed form.

V. Asset Liability Profile

Interest Rate & Duration Mismatch (note 8)

Fixed rate assets in the cover pool:	28.4%
Fixed rate covered bonds outstanding:	80.9%
WAL of outstanding covered bonds:	3.1 years
WAL of the cover pool:	8.4 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) (note 9)
Maximum mismatch: 54.9%

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

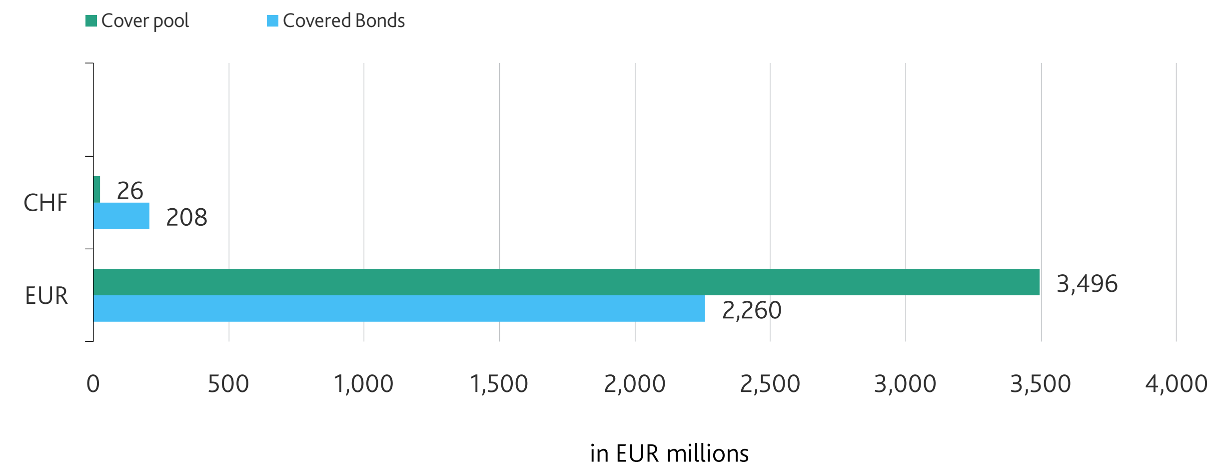
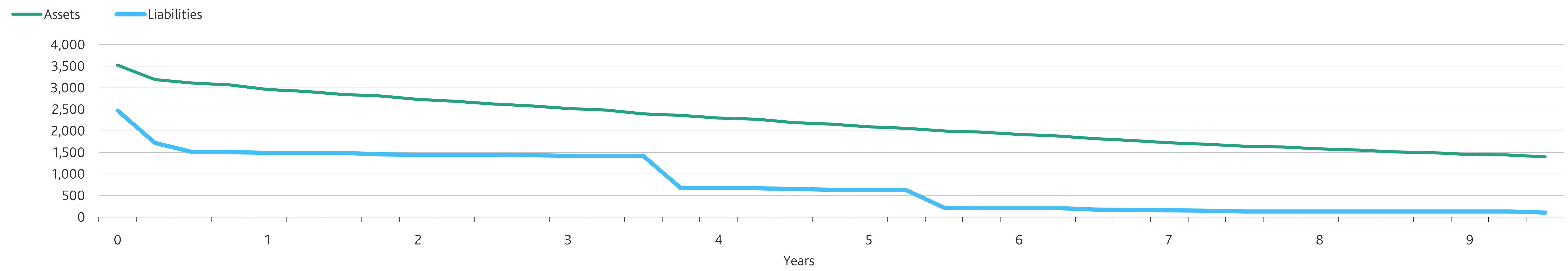


Chart 5 :
Amortisation profile (in millions) (note 10)



VI. Performance Evolution

Chart 6 :
Collateral Score

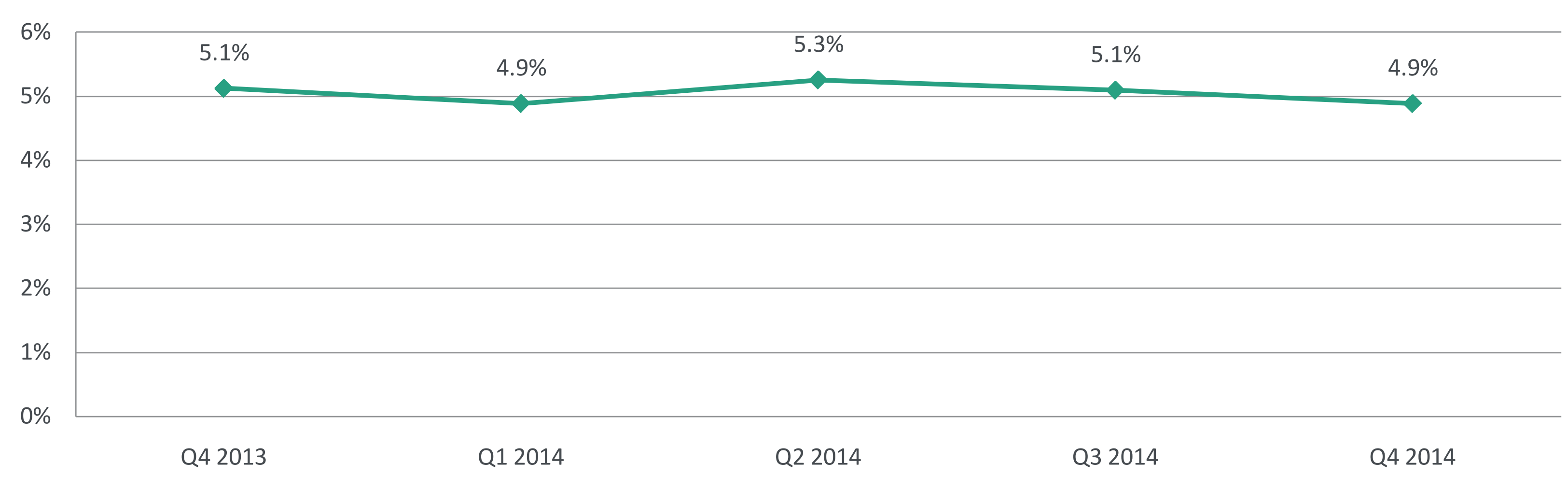


Chart 7 :
Cover Pool Losses

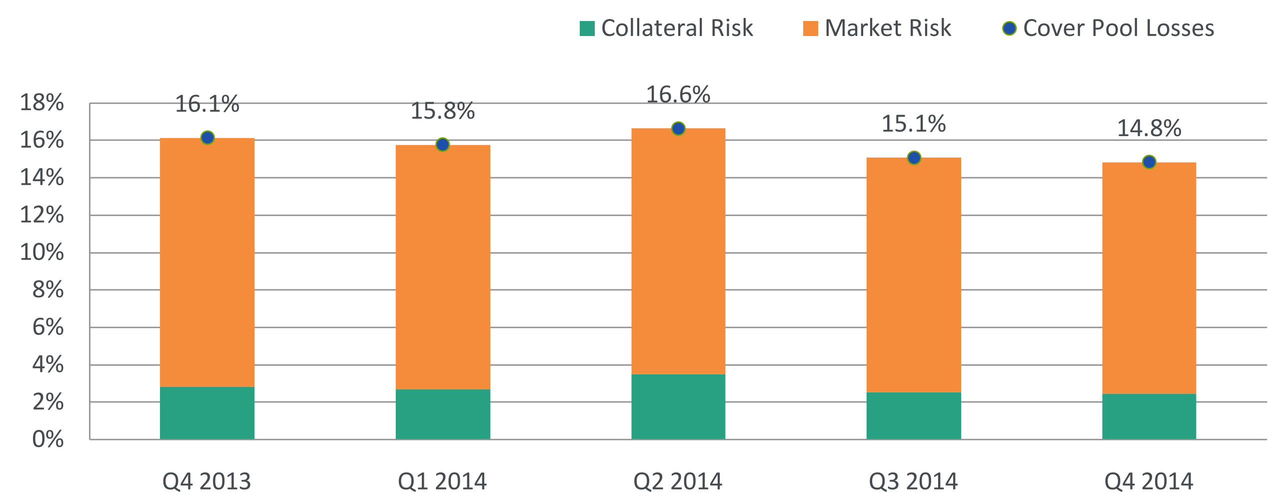
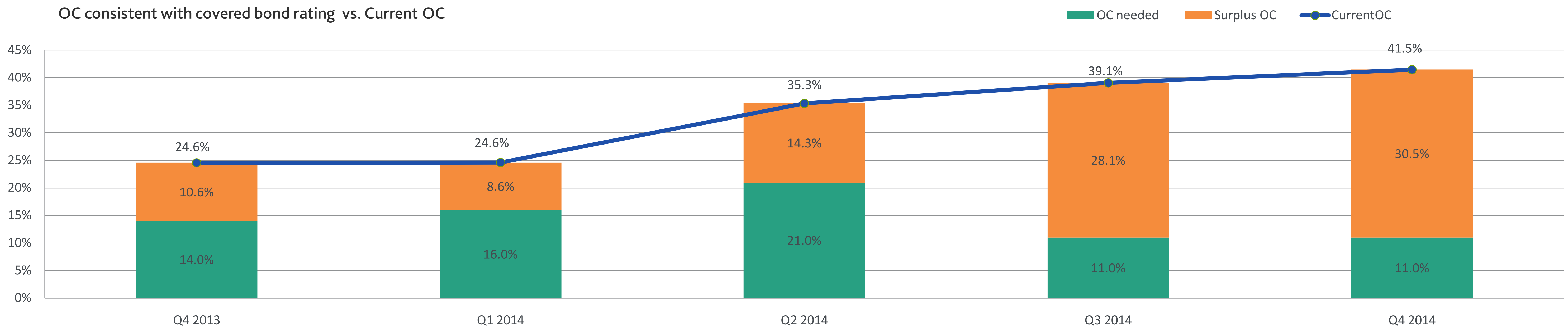


Chart 8 :
OC consistent with covered bond rating vs. Current OC



	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014
Covered Bond Rating	Aaa	Aaa	Aaa	Aa1	Aa1
SUR	A3	A3	Baa2	Baa2	Baa2

(note 8) This assumes no prepayment.
(note 9) 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 10) Assumptions include no prepayment, no swap in place in Cover Pool, and no further CB issuance.

VII. Cover Pool Information - Public Sector Assets

Overview

Asset type:	Public Sector
Asset balance:	3,240,827,946
WA remaining Term (in months):	165
Number of borrowers:	2,027
Number of loans / bonds:	6,726
Exposure to the 10 largest borrowers:	34.7%
Average exposure to borrowers:	1,598,830

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

Specific Loan and Borrower characteristics

Repo eligible loans / bonds:	100.0%
Percentage of fixed rate loans / bonds:	25.3%
Percentage of bullet loans/ bonds:	25.6%
Loans / bonds in non-domestic currency:	0.8%

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	Romania	Other	Totals
Direct claim against supranational	0.0%	0.0%	0.0%	0.0%	**0.0%**
Direct claim against sovereign	0.6%	0.0%	0.0%	0.0%	**0.6%**
Loan with guarantee of sovereign	2.5%	2.0%	1.3%	0.6%	**6.4%**
Direct claim against region/federal state	21.9%	0.0%	0.0%	0.0%	**21.9%**
Loan with guarantee of region/federal state	19.4%	0.0%	0.0%	0.2%	**19.6%**
Direct claim against municipality	35.3%	0.0%	0.0%	0.0%	**35.3%**
Loan with guarantee of municipality	15.1%	0.0%	0.0%	0.1%	**15.2%**
Others	0.9%	0.0%	0.0%	0.0%	**0.9%**
	95.8%	**2.0%**	**1.3%**	**0.9%**	

Chart B:
Percentage of public sector assets

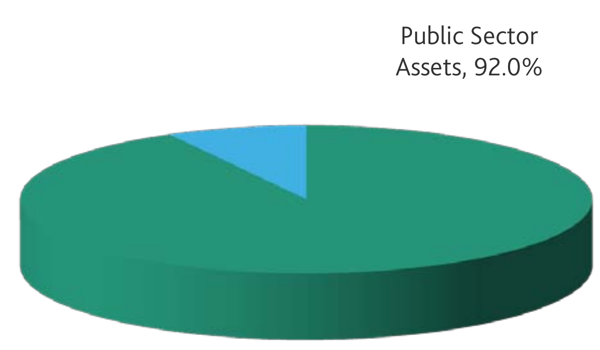


Chart C:
Borrower concentration

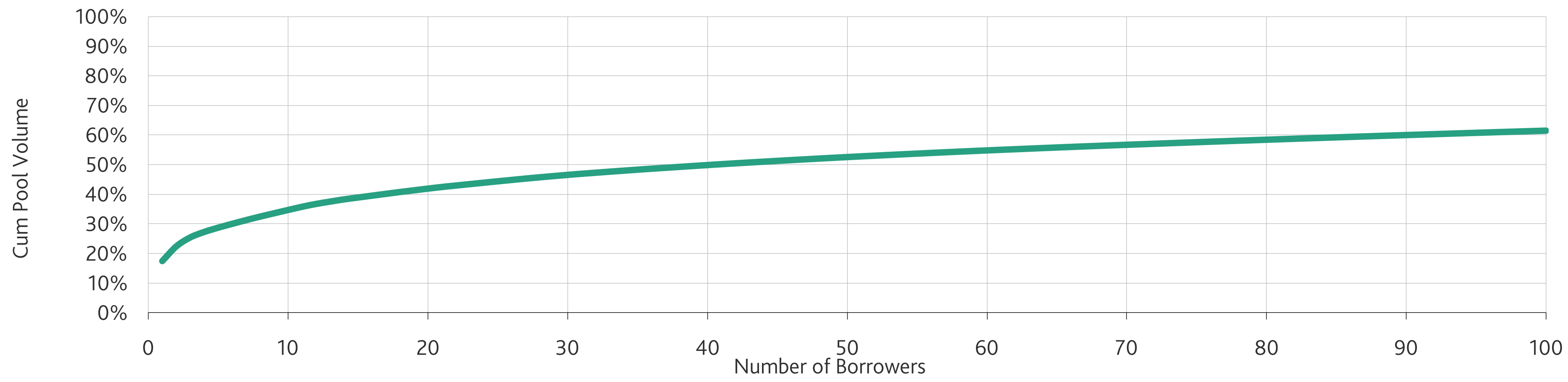


Chart D:
Pool distribution by country exposure rating

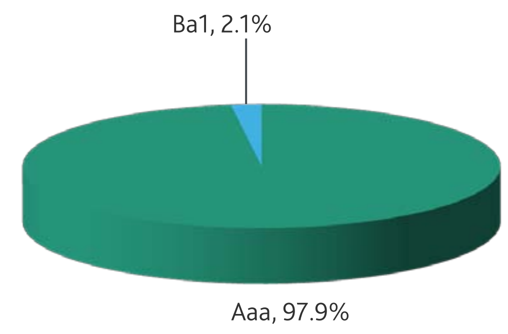


Chart E:
Main country regional distribution

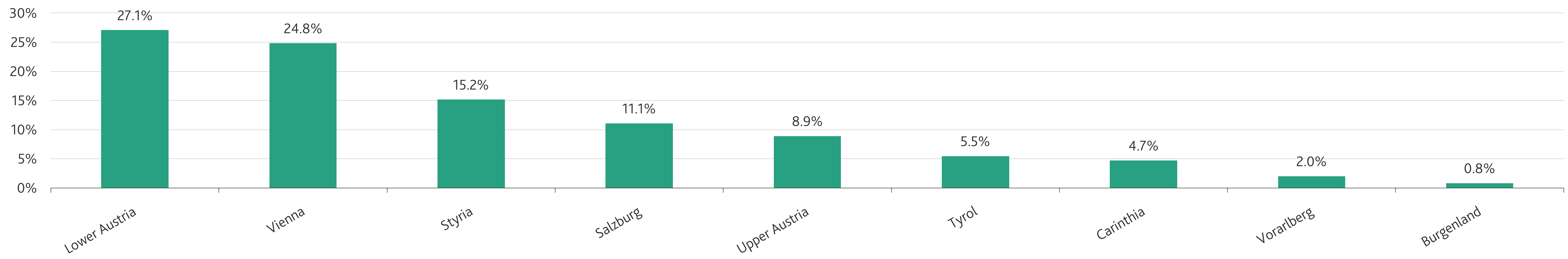


Chart F:
Distribution by country exposure, rating

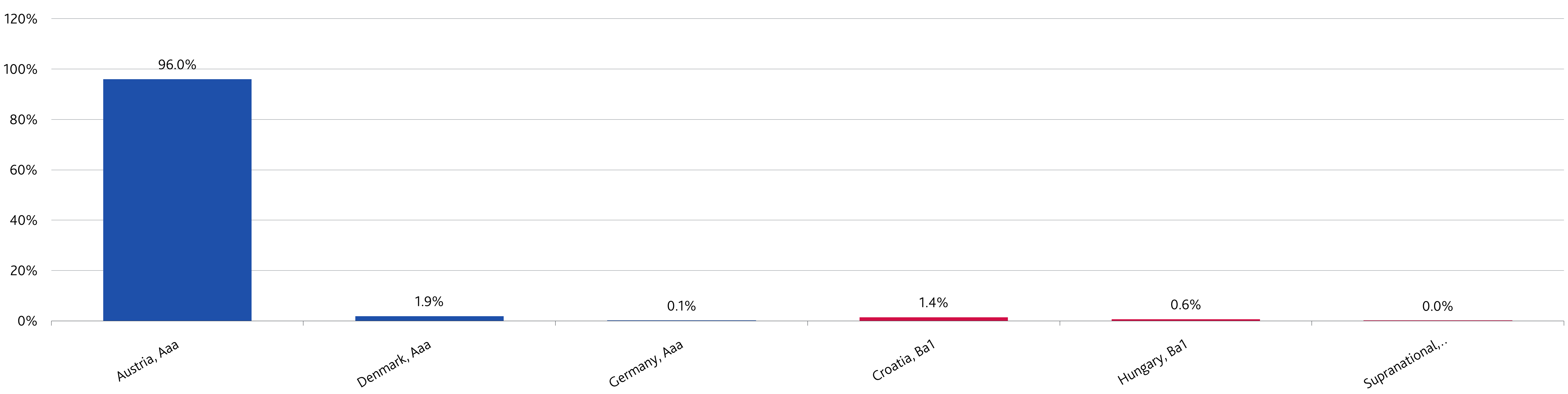


Table A and Chart C are based on debtor data. Charts D, E and F are based on guarantor data or, on unavailability of such information, on debtor data, as reported by the issuer.

VIII. Cover Pool Information - Supplementary Assets

Overview

Asset type:	Supplementary Assets
Asset balance:	280,399,016
WA remaining Term (in months):	87
Number of assets:	15
Number of borrowers:	4
Average assets size:	18,693,268
Average exposure to borrowers:	70,099,754

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

Specific Loan and Borrower characteristics

Repo eligible assets:	100.0%
Percentage of fixed rate assets:	90.7%
Percentage of bullet assets:	100.0%
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%

Chart A:
Interest rate type

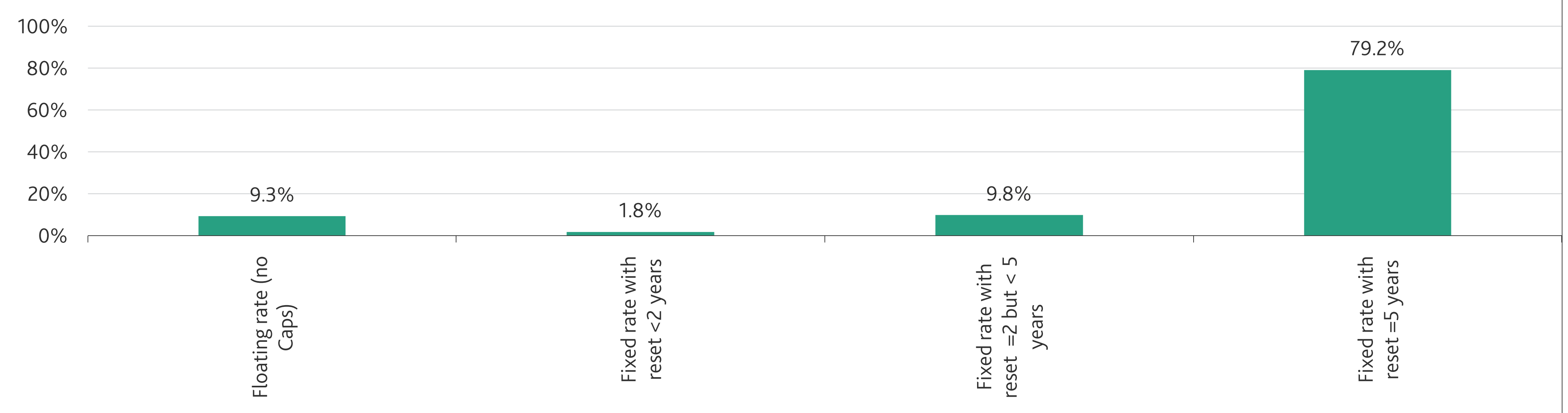


Chart B:
Percentage of supplementary assets

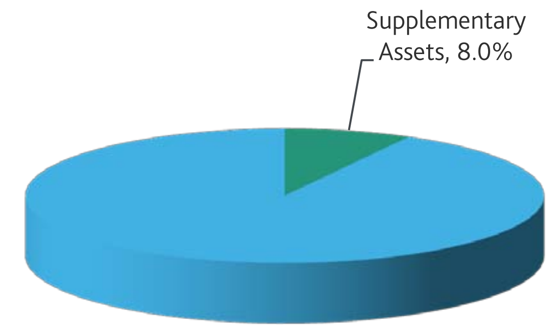


Chart C:
Distribution by country, rating

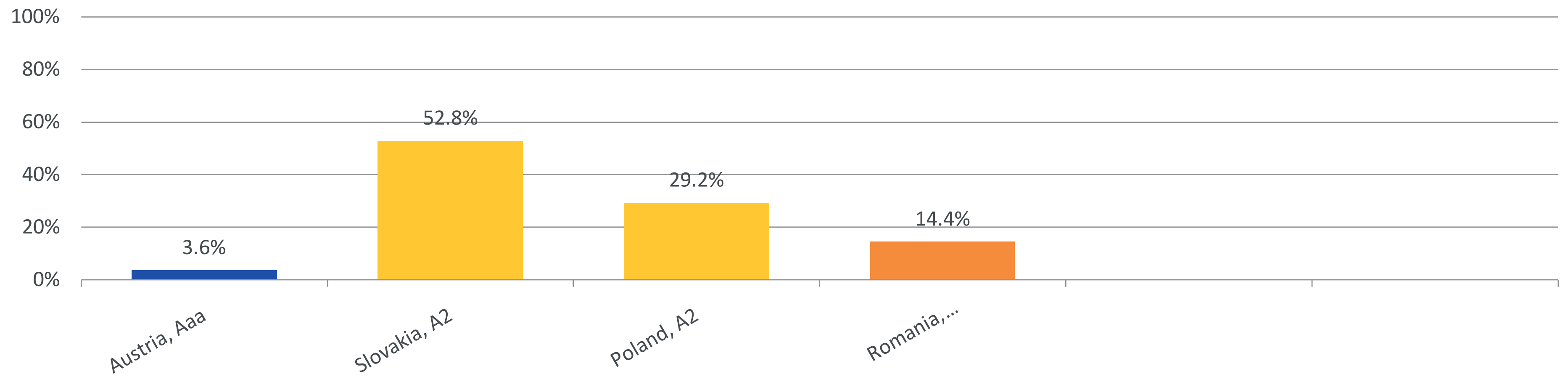
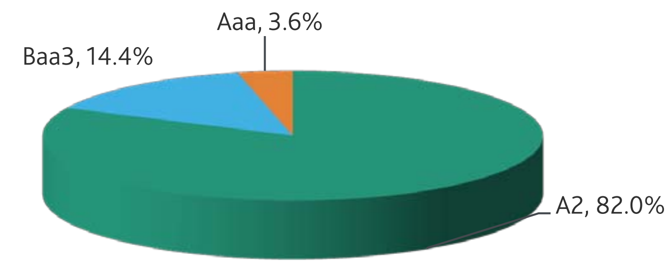


Chart D:
Distribution by country rating



Appendix 1: Liabilities Information: Last 50 Issuances

ISIN	Series Number	Currency	Outstanding Amount	Issuance Date	Expected Maturity	Legal Final Maturity	Interest Rate Type	Coupon	Principal Payment
AT0000A18QR7	n/d	EUR	10,000,000	30/06/2014	02/07/2019	02/07/2019	Floating rate	EUR6 + 0 bps	BULLET
AT0000A17ZY6	n/d	EUR	400,000,000	21/05/2014	21/05/2020	21/05/2020	Floating rate	EUR3 + 0 bps	BULLET
XS0673643093	n/d	EUR	750,000,000	06/09/2011	05/09/2018	05/09/2018	Fixed rate	3.000%	BULLET
AT000B009428	n/d	EUR	35,000,000	20/07/2011	19/07/2016	19/07/2016	Floating rate	EUR3 + 37 bps	BULLET
AT000B009410	n/d	EUR	30,000,000	25/05/2011	24/05/2021	24/05/2021	Fixed rate	3.750%	BULLET
AT000B009402	n/d	EUR	6,304,819	17/05/2011	30/01/2026	30/01/2026	Fixed rate	0.000%	BULLET
QOXDBA017742	n/d	EUR	4,000,000	02/05/2011	14/12/2016	14/12/2016	Fixed rate	3.375%	BULLET
QOXDBA015571	n/d	EUR	5,000,000	20/01/2011	19/01/2021	19/01/2021	Fixed rate	3.760%	BULLET
QOXDBA012768	n/d	EUR	3,000,000	23/04/2010	23/04/2030	23/04/2030	Fixed rate	4.000%	BULLET
XS0493198948	n/d	EUR	750,000,000	09/03/2010	09/03/2015	09/03/2015	Fixed rate	2.750%	BULLET
AT000B009360	n/d	EUR	25,000,000	20/10/2009	19/10/2015	19/10/2015	Floating rate	EUR3 + 20 bps	BULLET
QOXDBA009384	n/d	EUR	10,000,000	09/09/2009	08/09/2024	08/09/2024	Fixed rate	4.330%	BULLET
AT000B009352	n/d	EUR	5,000,000	13/08/2009	12/06/2019	12/06/2019	Fixed rate	4.125%	BULLET
QOXDBA008014	n/d	EUR	10,000,000	15/06/2009	26/09/2019	26/09/2019	Fixed rate	4.640%	BULLET
QOXDBA008006	n/d	EUR	10,000,000	04/06/2009	03/06/2024	03/06/2024	Fixed rate	4.980%	BULLET
QOXDBA007974	n/d	EUR	5,000,000	04/06/2009	03/06/2019	03/06/2019	Fixed rate	4.570%	BULLET
AT000B009337	n/d	EUR	10,000,000	29/05/2009	28/11/2019	28/11/2019	Fixed rate	4.500%	BULLET
QOXDBA007941	n/d	EUR	4,000,000	29/05/2009	29/05/2019	29/05/2019	Fixed rate	4.460%	BULLET
QOXDBA007933	n/d	EUR	15,000,000	28/05/2009	27/05/2024	27/05/2024	Fixed rate	5.000%	BULLET
AT000B009329	n/d	EUR	3,351,563	11/05/2009	30/09/2017	30/09/2017	Fixed rate	0.000%	BULLET
AT000B009311	n/d	EUR	6,008,366	11/05/2009	30/06/2018	30/06/2018	Fixed rate	0.000%	BULLET
AT000B009303	n/d	EUR	10,191,137	11/05/2009	22/12/2017	22/12/2017	Fixed rate	0.000%	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	03/05/2022	03/05/2022	Fixed rate	4.800%	BULLET
AT000B009287	n/d	EUR	1,500,000	27/04/2009	27/04/2017	27/04/2017	Fixed rate	4.050%	BULLET
QOXDBA003106	n/d	EUR	10,000,000	18/06/2008	17/09/2020	17/09/2020	Fixed rate	5.010%	BULLET
AT000B009246	n/d	EUR	3,000,000	05/05/2008	04/05/2026	04/05/2026	Fixed rate	4.913%	BULLET
CH0036700091	n/d	CHF	250,000,000	13/02/2008	13/04/2015	13/04/2015	Fixed rate	3.125%	BULLET
AT000B009212	n/d	EUR	7,000,000	23/08/2007	23/08/2017	23/08/2017	Fixed rate	4.720%	BULLET
AT000B009188	n/d	EUR	15,585,474	13/02/2007	13/02/2022	13/02/2022	Fixed rate	0.000%	BULLET
AT000B009170	n/d	EUR	20,000,000	01/02/2007	01/02/2032	01/02/2032	Fixed rate	4.650%	BULLET
AT000B009139	n/d	EUR	1,700,000	06/12/2006	06/12/2017	06/12/2017	Floating rate	CMS + 0 bps	BULLET
AT000B009121	n/d	EUR	10,000,000	02/10/2006	02/10/2021	02/10/2021	Fixed rate	4.330%	BULLET
AT000B009105	n/d	EUR	9,500,000	30/08/2006	30/08/2021	30/08/2021	Fixed rate	4.410%	BULLET
AT000B009014	n/d	EUR	22,000,000	15/02/2006	15/02/2026	15/02/2026	Fixed rate	4.125%	BULLET
AT000B009006	n/d	EUR	16,000,000	26/01/2006	26/01/2026	26/01/2026	Fixed rate	3.910%	BULLET
AT0000201355	n/d	EUR	10,000,000	02/12/2005	02/12/2025	02/12/2025	Fixed rate	4.125%	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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