

PRESS RELEASE

Budapest, 23rd April, 2008

Erste mortgages for small and micro-businesses

No initial charges

Budapest, 23rd April, 2008 – Erste Bank Hungary has introduced new housing loans and American mortgages for small and micro-businesses. The Erste Business Mortgages are available in four denominations (forint, Swiss franc, euro or US dollar), with a maximum loan of HUF 100m over a 1 to 15-year run. The loans are available for companies, private businesses or civil organisations with annual net turnover of no more than HUF 500m. The bank has waived credit application and contracting charges until 30th June, 2008.

Erste Bank SME division director Anikó Biczó said SMEs were at the centre of the bank's strategy, and the bank's share of the market for SMEs exceeded 20 per cent. The new loan constructions are tailored for small and micro-businesses. The new mortgages offer a quick and simple solution for small and micro-businesses with cash-flow problems, as the collateral-backed loans mean that the financial situation and past achievements of the client are less relevant. Clients need not show a business plan, even, Ms Biczó said. The loans are also available to businesses ineligible for subsidised or start-up loans.

Erste Bank's Board Member, responsible for retail and micro-businesses Imre Sztanó said the amount of the Erste Business Mortgage depended on the collateral offered, but could be as much as HUF 100m. The loans are available in four denominations (forint, Swiss franc, euro or US dollar), without clients needing to hold an account in the given denomination. The loans are available over a period of less than a year, or as a long-term construction. The short-term mortgages are available for between six and 12 months, while the long-term loans are available for between one and 15 years. Principal instalments are due monthly or quarterly, and interest is paid monthly (the variable rate is set monthly). Clients opting for a long-term loan can apply for a six-month period of grace, in which only interest and management costs are payable, but instalments on principal are not collected.

In case of property-backed mortgages, the property the client is buying will serve as collateral, but if additional collateral is offered, the mortgage could correspond to up to 100 per cent of the purchase price, and no deposit is required. The freely-used mortgages can be used to develop the business, and can also be used to redeem an existing loan taken out from another bank. A large variety of properties can be used as collateral. The collateral can be offered by the client, a private individual or even another business.

Further information:

Adrienn Illés – Communications specialist
Erste Bank Hungary Nyrt.
1138 Budapest, Népfürdő u. 24-26.
Tel: (06 1) 268 4371 Mobile: (+36) 20 468 8709
Fax: (06 1) 268 4085
e-mail: adrienn.illes@erstebank.hu

Emese Danks – Communications director
Erste Bank Hungary Nyrt.
1138 Budapest, Népfürdő u. 24-26.
Tel: (06 1) 268 4347 Mobile: (+36) 30 499 6358
Fax: (06 1) 268 4085
e-mail: emese.danks@erstebank.hu