

PRESS RELEASE

Budapest, 6 July 2010.

Erste Bank: Updated rules of mortgage lending

Changes affect retail lending alone

Budapest, 6 July 2010 – On the basis of the recently published bill and substantive information released by the Ministry of National Economy in the meantime, Erste Bank Hungary Nyrt. has decided to continue to provide micro businesses with forex loans that are secured with real estate as collateral either fully or partly. In cases of in-progress retail contracts with the loan applications already approved, the bank still disburses loans in the original currency, provided the loan contracts are signed before the law becomes effective.

Pursuant to the draft bill, the new law does not apply to economic entities and private entrepreneurs, thus previously implemented restrictions in the scope of micro business have been lifted as of 6 July 2010 (the bill describes private entrepreneurs as the sole exception from the ban in the scope of natural persons, thus the restrictions remain in force for licensed traditional small-scale producers and private individuals bearing tax ID numbers).

In respect of retail forex loan applications that have been approved before 1 July 2010, the bank continues to disburse the loans in the specified foreign currencies, provided the contract agreement is signed before the law comes into force.

In respect of retail forex loan applications that were received before 1 July 2010 but have not been decided yet, the loan assessment will be made in forints and in case of an affirmative result the loan will be disbursed in forints only.

With effect from 1 July 2010, Erste Bank Hungary has continued not to receive new loan applications for mortgages denominated in currencies other than the forint.

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