

PRESS RELEASE

Budapest, 17 October 2011

Erste Lakás-takarékpénztár to go online

Budapest, 17 October 2011 – Founded by Erste Bank Hungary Zrt. with an equity of HUF 2 billion, Erste Lakás-takarékpénztár Zrt. [Erste Housing Savings Fund Co. Ltd.] has started operation. The company aims to secure a market share between 10 and 12 per cent in the years ahead, corresponding to the market position of Erste Bank Hungary and subsidiaries.

Imre Sztanó, Deputy CEO of Erste Bank Hungary Zrt. in charge of the retail division and also Chairman of the Supervisory Board at Erste Lakás-takarékpénztár, says the bank decided to establish its own fund because savings deposited in housing savings funds have been appreciated by an increase in regular household savings—particularly housing-purpose self-care—and changing conditions in the lending market, and therefore housing funds in the future will play a more decisive role than before both in the segment of savings and lending. Also, penetration in the Hungarian market is very low in international comparison, as the ratio of people with some savings in housing funds barely exceeds 12 per cent in Hungary, while the corresponding figure in Austria reflects 50 per cent.

In recent years, business focus has been shifted toward encouraging customer savings and active banking relations. By establishing Erste Lakás-takarékpénztár Zrt., the product range of the bank has been expanded by housing-purpose savings designs with government subsidy marketed by the housing savings fund and also by a forint-denominated loan design with favourable conditions to be offered to customers in the future, at the same time deepening the relationship between the bank and customers. An “in-house” housing savings fund has made it possible to develop sales synergies between housing fund savings and other products offered by Erste Group. It is the objective of the newly established company to secure a market share between 10 and 12 per cent in the years ahead, corresponding to the market position of Hungarian Erste Group, and become profitable within 5 years.

Krisztián Ungvári, President and CEO of Erste Lakás-takarékpénztár Zrt., says housing savings accounts are a savings design with government subsidy and established for housing purposes, which offers housing loan option after regular and equal monthly instalments are paid. A 30-percent government subsidy is available on amounts paid to housing savings fund accounts each year, but the subsidy may not exceed HUF 72,000 annually*.

ELTP recommends housing fund savings to private individuals, residential communities, and also to municipalities for public utility developments, underlining that the design is completely free of interest

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tax and may be launched with as low a payment as HUF 2,400 per month. With the exception of municipal contracts, the deposit component comes with the guarantee ensured by Országos Betétbiztosítási Alap [National Deposit Insurance Fund].

The President and CEO underlines that one of the advantages of the design is that savings accumulated in different housing savings accounts by several persons may be used cumulatively, along with the government subsidy, to achieve the same housing objective when next-of-kin are designated as beneficiaries. Accordingly, a multiple of the HUF 8 million contractual cap with a 10-year maturity may be achieved for housing purposes. Additionally, the maturities and savings amounts of the contract may be modified flexibly, as the contract may be adjusted until the savings are disbursed.

In connection with the launch of Erste Lakás-takarékpénztár, Erste is now offering its housing savings fund designs without account opening fees until the end of the year if customers pledge a two-year loyalty period. As a result, APYs up to 14.33 per cent are achievable */**.

The products of the company are available in the nationwide branch network of Erste Bank.

* The APY shown in the present example/release has been calculated on the basis of Government Decree 82/2010. (III. 25.) on methods of calculating deposit rates and securities yields, assuming a continuous HUF 20,000 monthly payment. The extent of the government subsidy is up to HUF 72,000 annually per contract and per customers, assuming a continuous, regular monthly payment. The APY of Klasszik Hozam [Classic Yield] with 0-percent account opening fee and with the government subsidy is 14.33 per cent, and 2.66 per cent without the government subsidy.

** When contracts are established for the product Klasszik [Classic] between 17 October 2011 and 31 December 2011, a 100-percent account-opening discount on fees is available, provided the customers pledges to pay savings contractually with direct debit for 2 years as per the conditions described in the Terms and Conditions.

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