

PRESS RELEASE

Budapest, 11 January 2012

Erste Bank: Conversion loan to be discontinued

Budapest, 11 January 2012 – In consideration of the legally stipulated deadline, Erste Bank Hungary Zrt. has stopped accepting applications for forint-denominated conversion loans as of 11 January 2012, being almost the last among Hungarian major banks to do so. The decision does not affect loan applications in progress, as assessment of applications already received will be managed in accordance with the regular process.

As stipulated by law, the deadline for verification of security available to make lump-sum repayment of forex loans expires on 30 January 2012. Until said date, assessment of conversion loans applied for by customers that indicated their intention to make mortgage repayment at preferential FX rates not later than 30 December 2011 shall also be concluded. It was the imminence of the deadline, the large number of applications in progress, and the shrinking of forint funds that prompted the bank to decide not to receive any more loan applications in connection with the mortgage repayment scheme.

Over 49,000 customers of the bank have sought information about the options offered by the mortgage repayment scheme since its launch, and more than 38,000 have filed applications with the bank. The latest data indicate 15,000 customers have repaid their loans to date, representing a HUF 116 billion loan portfolio.

Data compiled by Erste Bank indicate that more than 70 per cent of customers opting for the mortgage repayment opportunity used other savings rather than loans to make lump-sum payment on their currency loans. More than 20 per cent of mortgage repayment customers have employed Erste Bank loans or funds held with the bank to repay their FX loans.

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