

PRESS RELEASE
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Erste Bank designs on-line calculator to help customers

Budapest, 5th January 2005 – Effective as of 1 January, a Government Decree orders financial institutions to inform their customers of the total loan cost indicator (THM) even in case of housing loans. In order to help customers obtain information in this respect, Erste Bank Hungary Rt. has introduced a calculator on its web site, with the aid of which customers can calculate THM for any loan amount and any term.

The Government Decree stringently stipulates the form and the method that should be observed when displaying THM. In case of housing loans, the indicator should include the costs to be paid to the bank, and the value assessment of the collateral provided by the customer, and, in case of housing construction, the fees of on-site inspections as well. Banks shall also provide opportunity for their customers to learn about THM, its calculation method and other fringe costs (e.g. notary public fees) prior to signing the loan contract.

According to Erste Bank's Retail Business Line Director Bernadett Tátrai, a lot of information about THM, many of them contradictory, have surfaced since the Decree was published, therefore the Retail Division of the Bank decided to design a calculator that helps customers obtain information easier. The calculator shows not only the THM figure for a HUF 5-million loan amount for a term of 20 years, as stipulated by the Government Decree, but also the figures for any loan amount with any loan term. The loan cost calculator is accessible for all at Erste Bank's Hungarian home page, www.erstebank.hu

For example, within a couple of moments the calculator shows that the THM indicator for a housing loan with a supplementary state subsidy on interest is 8.26* per cent at Erste Bank, and that the housing loan subsidised by mortgage bond has a THM of 7.81* per cent for both the one-year and the five-year term in case of purchasing newly built residential property. In another example, Erste Bank offers a 6.22-percent THM for a Swiss Frank based, market-rated, income-based housing loan with a 6-month interest term.

(* in case of a HUF 5-million loan amount and a 20-year loan term)

Further information:

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