

## PRESS RELEASE

Budapest, 18 February 2010

### Erste introduces new Forint loan with government subsidy

Favourable interest rates and special-offer fees

**Budapest, 18 February 2010 – The newly devised forint-denominated housing loan with government subsidy, officially named “Government subsidy loan for youth and families with children”, has been made available by Erste Bank Hungary, as well. The loan is to be used for constructing or purchasing a new home, or for renovation purposes. Depending on the extent of subsidy, the annual interest is between 3.48 per cent (APR: 6.48 per cent) and 4.97 per cent (APR: 8.14 per cent).**

Imre Sztanó, Erste Bank Hungary’s Deputy CEO in charge of retail division, has said the loan is available to singles, married couples, and couples living in domestic partnership that hold no residential properties, subsidised loans or housing leasing contracts. The new loan product is designed for purchasing or building new homes, or to renovate existing homes. In case of applying for a loan to build or buy a home, an age limit has been installed.

In accordance with Government Decree No. 134/2009, the new loan product may only be disbursed and repaid in Forints.

The loan has a one-year interest term with maturity ranging between 1 and 35 years, and the government subsidy on the interest is due in the first 20 years of maturity. The new product may be applied for in combination with Fundamenta Housing Savings Fund and life insurance, as well.

The initial interest of the loan is 4.33 per cent plus 2.52 per cent management fee (APR: 7.42 per cent) when a couple raising one child intends to use this loan design to finance the purchase of their new home.

The interest subsidy for home construction and purchase is progressive depending on the number of children. The more children the family has, the higher the extent of subsidy on the interest. The largest percentage of subsidy is given in case of six children or more.

Imre Sztanó has said the maximum loan amount is subject to the location of the targeted real estate and the loan type as well, for up to HUF 5 million may be disbursed for renovation, and financing a new home in Budapest and county seats is limited at HUF 12.5 million, while the same condition for other communities is capped at HUF 10 million.

The gross purchase price or construction cost in Budapest and county seats may not exceed HUF 25 million – and HUF 20 million in other communities – but the price of plot is excluded.

In conjunction with the implementation of the loan design dubbed *Government subsidy loan for youth and families with children*, Erste Bank is now introducing various special offers in fees, allowing loan applicants to save a lot in addition to ensuring favourable interest rates for them. In case of loans taken out against income verification and collateral, Erste Bank reduces the loan disbursement fee by 50 per cent but by at least HUF 40,000, and the fee of property appraisal is also scraped off the loan disbursement fee. This special offer is available to loan applicants that have their wage transferred to an account held with Erste Bank from which two direct debits or wire transfers are effected each month.

#### Additional information:

**Ms. Adrienn Illés** – Communication Specialist  
**Erste Bank Hungary Nyrt.**  
1138 Budapest, Népfürdő u. 24-26.  
Phone: (06 1) 268 4371 Mobile: (+36) 20 468 8709  
Fax: (06 1) 373 2705  
E-mail: [adrienn.illes@erstebank.hu](mailto:adrienn.illes@erstebank.hu)

**Ms. Emese Danks** – Director of Communication  
**Erste Bank Hungary Nyrt.**  
1138 Budapest, Népfürdő u. 24-26.  
Phone: (06 1) 268 4347 Mobile: (+36) 30 499 6358  
Fax: (06 1) 373 2705  
E-mail: [emese.danks@erstebank.hu](mailto:emese.danks@erstebank.hu)