

PRESS RELEASE

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Erste Nyugdíjpénztár: Above-average performance in 2008

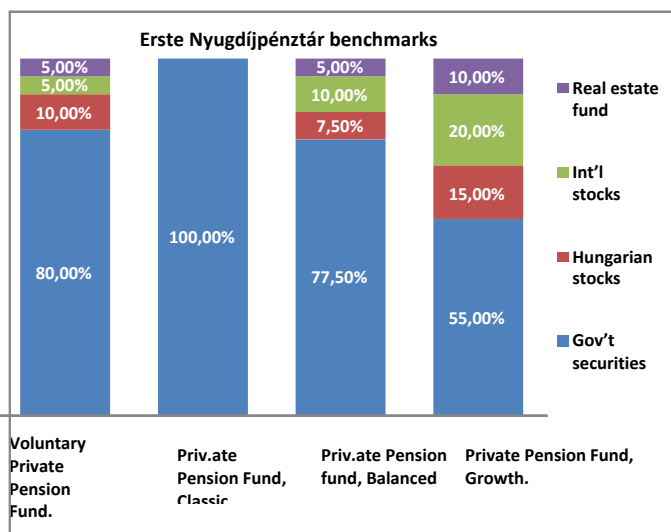
Ten-year average yield passes 9-percent mark

Budapest, 16 March 2009 – Erste Nyugdíjpénztár [Erste Pension Fund] concluded a successful year in 2008 from multiple aspects, as the consolidated membership of the voluntary and the private pension fund expanded by 18 per cent, and the assets of the fund increased by 5 per cent. Due to the global economic crisis, Hungarian private pension funds typically reported of high negative yields, but owing to its conservative investment policy Erste Nyugdíjpénztár managed a much better performance than the average.

Tamás Marusinecz, Chairman of the Board of Directors, underlines that Erste Nyugdíjpénztár has been pursuing a conservative investment policy for years, having a low ratio of stocks in each portfolio. Responding without delay to the financial crisis that has spilled over into Hungary, the stock ratio has been lowered further in each portfolio with effect 1 November 2008 and invested the influx of customer funds into government securities exclusively since. As a result of this decision, the yields of Erste Nyugdíjpénztár developed above the market average in 2008.

The Chairman emphasises the pension fund is a long-term investment, therefore 10-year maturities should be regarded, and it is not recommended to survey the results of a single year, as it would be out of context.

The average yield of for these past ten years achieved in the voluntary arm of Erste Nyugdíjpénztár (reflecting the performance of asset management) is 7.61 per cent annually, which exceeds the average inflation of the corresponding ten years (6.45 per cent annually). The asset growth index of this past ten-year period (reflecting the average asset growth of fund members' individual accounts) registered 6.23 per cent, and net yield for the year 2008 came in at -6.76 per cent, more favourable than the market average.



The Chairman underlines that the private pension division of Erste Nyugdíjpénztár has implemented the system of selectable portfolios with effect from 1 January 2008. The classic portfolio of the Pension Fund was proud to report a ten-year average yield of 9.02 per cent, which was the second-best result of all the portfolios of the Hungarian market of private pension funds according to the yield report released by the PSZÁF [Hungarian Financial Supervisory Authority], and the ten-year asset growth index reached 7.17 per cent.

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As a result of the new system, fund members closer to retirement or preferring more cautious investment policies increased their savings by 4.62 per cent when selecting the classic portfolio (2.19 per cent of the entire portfolio). The pension fund has reduced the stock ratios in its balanced and growth portfolios. Although the impacts of the economic environment were felt most in the latter two portfolios, the ten-year average yield of the balanced portfolio (which accounts for 17.5 per cent of total assets) registered 7.30 per cent, and the ten-year asset growth index was 2.4 per cent, providing some comfort for fund members. The balanced portfolio earned a -10.72 per cent yield in 2008. Despite negative sentiment in respect of riskier investments, customers opting for the growth portfolio have not lost any of their contribution, because the ten-year asset growth index of this design, accounting for 75.3 per cent of total assets, is 1.77 per cent. While the yield for the year 2008 came in at -21.57 per cent, the long-term, ten-year, average yield is 5.92 per cent.

Erste Nyugdíjpénztár is confident in the improvement of the economic environment and plans dynamic growth for the year 2009, as well.

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