

## PRESS RELEASE

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### Swiss Franc loan interest rates slashed deeper by Erste

Interest levels of the bank's CHF loans are now reminiscent of pre-crisis times

**Budapest, 25 March 2010 – Erste Bank Hungary has trimmed the interest rates of existing CHF-based mortgages some more. The extent of the current reduction is 0.3 per cent and 0.5 per cent depending on the loan design. Combined with a 0.3-percent rate cut across the board last December, the interest rates of Erste Bank's Swiss franc-denominated mortgages have slumped to levels last seen before the height of the financial crisis.**

The rate reduction affects the entire CHF-denominated loan portfolio of the bank, amounting to more than 100,000 loan contracts. With regards to the rate cut, Imre Sztanó, Deputy CEO in charge of the bank's retail business, has underlined that Erste Bank Hungary has been constantly monitoring the development of funding costs of lending, and will continue this practice in the future, and changes in funding costs are effected in customer rates in line with the stipulations of the Code of Conduct for Banks and relevant legal requirements. A decrease in funding costs has made it possible for the bank to lower the rates of CHF loans for the second time in a short period of time, returning to pre-crisis levels.

Lowered interest rates are valid from the valuation day of the interest term applicable for individual loan contracts. Customers will be notified of the modified interest rate and the amount of their new monthly instalment in writing after the valuation day of the interest term.

The rate cut and, consequently, the price modification have had an impact even on loans that had their interest rate valuation day on 16 March 2010, but in case of loans with a one-year interest term customers might not see a reduction in their monthly instalment before early next year, Imre Sztanó added.

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