

PRESS STATEMENT

Budapest, 6th March, 2006.

Home loans with life insurance

Budapest, 6th March, 2006. – Erste Bank Hungary is introducing a mortgage combined with life insurance in March, 2006. The essence of the new product is that clients pay life insurance premiums instead of traditional instalments on principal, the insurer puts the premiums into investment funds, and redeems the client's debt at a predetermined time.

Erste Bank retail division head Bernadett Tátrai said clients could save substantial amounts of money by taking out mortgages combined with life insurance. The monies collected as life insurance premiums are to be paid according to a repayment schedule, and thus clients could save money on the yields achieved with the invested premiums. Furthermore clients can claim a maximum annual tax break of HUF 100,000 for holding a life insurance policy, which further reduces instalments.

Life insurance policies are available for forint or forex-denominated, freely used market-priced mortgages, as well as subsidised home loans, if the loan period is 20 years. The insurance policy is a unit-linked insurance provided by Erste Sparkassen Biztosító, which offers insurance protection, as well as flexible savings opportunities through the optional asset funds (ERSTE GLOBE Financial Market Fund, ERSTE GLOBE Government Securities Fund, ERSTE GLOBE Property-dominated Mixed Asset Fund). Premiums paid by clients are deposited in the asset funds chosen by clients, thus the yields achieved on units in the fund contribute to scheduled repayments.

Yields of the optional asset funds:

Fund	Yield over the last 1 year (on 18 th January, 2005.)
ERSTE GLOBE Financial Market Fund	8.51 per cent
ERSTE GLOBE Government Securities Fund	10.69 per cent
ERSTE GLOBE Property Fund	6.39 per cent (yield achieved over past 3 months)

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