

**Erste Bank sets handling fee to zero**

Erste Bank introduces mortgage without handling fee

**Budapest, 5<sup>th</sup> April, 2007 – Erste Bank Hungary has introduced a freely used mortgage with no handling fees on 2<sup>nd</sup> April, 2007. The attractive condition will apply during the entire run of the construction. The loan comes with an interest rate of 5.99 per cent (total charge for loan is 6.9 per cent). The 0 per cent handling fee makes monthly fees attractively low.**

Erste Bank retail division head Imre Sztanó said the Swiss franc-denominated freely used 6-month loan secured against collateral comes with a 0 per cent handling fee. The 5.99 per cent interest (total charge for loan is 6.9 per cent) combined with the waived handling fees has reduced monthly fees greatly: monthly fees on the loan are substantially lower than instalments on earlier Erste Bank loans of a similar amount – excluding special offers. Mr Sztanó said the monthly fees were highly competitive when compared to other products on the market.

A period of grace is available for the loan with a 0 per cent handling fee, and clients can opt for combined products, for instance the freely used mortgage combined with a home savings product or life insurance. The loan is available without proof of income, but with proof of income the loan amount can be as much as 100 per cent of the collateral's value. Erste Bank's current special offer means that clients can apply for the loan without having to pay valuation or notary's charges. Clients who receive their wages on a bank account held with Erste Bank, and have two group collection order arrangements with the bank can save a proportion of the disbursement commission as well.

Mr Sztanó added that Erste Bank's stock of retail loans exceeded HUF 500bn by the end of 2006, pushing its share of the retail lending market to 10.6 per cent. Erste Bank controlled 20.2 per cent of the market for freely used mortgages in December, 2006, with Swiss franc-denominated loans accounting for 70 per cent of the loans.

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