

PRESS RELEASE

Budapest, 19th September, 2007

Erste Bank offers parcel loan

Budapest, 19th September, 2007 – Erste Bank Hungary's market-priced housing loans can be used to buy parcels as of September this year. The loans can be forint, Swiss franc or euro-denominated. The minimum loan is HUF 500,000, and the credit ceiling is HUF 30m.

Erste Bank retail division head Imre Sztanó said the main conditions of the parcel loan corresponded to those of a 'normal' market-priced housing loan: the loans are available as property or income-based loans; they come with a period of grace and in three different denominations (forint, Swiss franc and euro). Erste Bank will not investigate whether the lot is eventually built in, and thus it is not a problem if construction does not start immediately, or if the project is then financed from sources other than the bank. Clients who also take out a construction loan can use that loan to finance the remainder of the parcel purchase price.

The financing ratios of the parcel loan correspond to those of the bank's effective market-priced housing loans. One condition is that the lot must be classified as 'exempted undeveloped urban area' or 'undeveloped urban area' by the Land Registry and must be free from all encumbrances (with the one exception of a local council's repurchase option under obligation of development).

Mr Sztanó said Erste Bank's constantly evolving range of products and services made it one of the most popular retail lenders on the market. Erste Bank controlled 10.7 per cent of the retail lending market at the end of July with overall loans of HUF 572bn. Erste Bank controls a 12 per cent share of the market for housing loans with its stock of HUF 351bn.

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