

Planning to buy property in Croatia? It's time for an Erste housing loan

Housing
loans for
foreign
nationals

You're not a Croatian national, but you've been considering buying property here? Don't know where to start? Erste Bank has the solution for you!

Special terms:

- mortgage is put on the property being purchased
- possibility of financing loan processing fees, additional fees relating to housing loans (public notary fees, court interpreter fees, attorney and other expenses)
- we approve interest rates on deposits 1 percentage point lower than the interest rates on standard savings

Purpose of loan: purchase of residential property

Amount of loan: from EUR 20,000.00 to 250,000.00 in the kuna equivalent, with a foreign currency clause in EUR

Payment period: up to 240 months

Payment methods: monthly, quarterly, half-year instalments, in kuna at the Erste median exchange rate for EUR on the day of maturity

Loan processing fees: 1.00% of the approved purchase amount (one-off)

I. HOUSING LOANS FOR FOREIGN NATIONALS

MODEL	INTEREST RATE*	EFFECTIVE INTEREST RATE	INSURANCE INSTRUMENTS	GUARANTEE DEPOSIT
Model I	6.50%-7.00%	7.09%-7.70%	mortgage ratio 1:1	30%
Model II			mortgage ratio 1:1.20	20%
Model III			mortgage ratio 1:1.50	10%

*depending on the assessment of client credit standing

Effective interest rate is calculated for an interest rate of 6.50% or 7%, for a loan of EUR 100,000.00 with payment period of 240 months, fee of 1% with a 10% guarantee deposit, and interest rate on the designated deposit of 4.40%.

This brochure is for informational purposes and is valid as of **1 April 2010**. The bank reserves the right to amend the listed conditions.
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II. HOUSING LOANS FOR FOREIGN NATIONALS WITH 6M EURIBOR

MODEL	MARGIN*	INTEREST RATE* (6M EURIBOR +margin**)	EFFECTIVE INTEREST RATE	INSURANCE INSTRUMENTS	GUARANTEE DEPOSIT
Model I	4 p.p. - 5 p.p.	4.99%-5.99%	5.31%-6.49%	mortgage ratio 1:1	30%
Model II				mortgage ratio 1:1.20	20%
Model III				mortgage ratio 1:1.50	10%

*depending on the assessment of client credit standing

**interest rate is the sum of the 6M EURIBOR and margin and is valid to 30 June 2010. Value of the 6M EURIBOR on 30 December 2009 was 0.99

Effective interest rate is calculated with the 6M EURIBOR according to the value in effect on 30 December 2009 (0.99) with a spread of 4 p.p., or 5 p.p., for a loan of EUR 100,000.00 with payment period of 240 months, fee of 1% with a 10% guarantee deposit, and interest rate on the designated deposit of 4.40%.

The **6M EURIBOR** is increased by the margin and rounded off to two decimal places. The interest rate is aligned at the end of the calendar half-year and is valid for the current half-year. The 6M EURIBOR rates may be verified on the REUTERS site.

Credit standing

- the necessary earnings of all participants in the loan is calculated upon request as a part of the total client credit standing

Mandatory insurance instruments

- statement of compliance on the seizure of earnings for each participant in the loan, notarised by a public notary
- promissory note of each participant in the loan
- statement pursuant to Article 183 of the Seizure Act (regular promissory note), notarised by a public notary
- for loans with a mortgage on the property, a promissory note is required from the spouse as a co-signer without an assessment of credit standing. If the co-signing spouse also serves to increase the credit standing, all the necessary documentation shall be provided.
- registration of the lien (mortgage) on the property in question
- minimum down payment of 30% or guarantee deposit of 10 to 30%

Necessary documentation

- filled out loan application form
- photocopy of passports of all participants in the loan
- confirmation of the Tax Administration of assignment of a personal identification number (OIB)
- confirmation of the employer on employment and wages received in the last three months, or the original last three salary slips for all participants in the loan, or confirmation from the client's home bank on account inflows in the past six months
- statement on political exposition
- statement on the use of personal data
- original excerpt from the land registry, no more than 30 days from the date of issue
- assessment of value of the property, except in cases of new property
- insurance policy of the mortgaged property with a transfer of rights to the bank (upon approval of the loan)
- open foreign currency and kuna a'vista account in Erste Bank

For purchase of residential property, it is necessary to have a sales contract notarised by a public notary.

For non-EU nationals:

- in addition to the above listed documentation, it is necessary to provide Consent from the Ministry of Justice for the acquisition of ownership over property.

The bank reserves the right to request additional documentation if necessary. The bank is not obliged to disclose the basis for its decisions concerning individual applications.

If the documentation is in a foreign language, it is necessary to submit a translation of the documentation into Croatia, and certified by a certified court interpreter.

Other:

- loans must be paid exclusively from kuna non-resident accounts
- Upon approval of the loan, it is necessary to submit a deposit of funds in a kuna or foreign currency account in the minimum amount of the sum of three instalments
- The bank retains the discretionary right to not approve long-term loans to natural persons unless the final maturity date of the loan implies that a participant in the loan will be over the age of 65.

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