

Erste banka placed close to EUR 450,000 in student loans in the first eight months of 2009

Zagreb, October 7, 2009 – In the first eight months of 2009, a total of 80 loans for studying expenses, i.e. tuition and the financing of other studying expenses, worth a total of EUR 450,000 were granted at Erste&Steiermärkische Bank d.d. (Erste banka), which is equally as much as in the same time period last year. Considering Erste banka’s favorable conditions for this kind of crediting, particularly Erste Club tuition loans and Erste Club loans for studying expenses, it is expected that the positive trend will continue in the upcoming future as well.

Most of these loans were granted for undergraduate and graduate studies, while fewer loans were granted for postgraduate studies. This is, of course, proportional to the number of students who opt for a certain form of education. At Erste banka, students can take out loans to take care of all their specific needs such as tuition fees for undergraduate and later on graduate studies in Croatia, but also abroad, as well as loans to cover housing, food, study tour or learning material expenses, or even for purchasing equipment.

Erste Club loans are primarily intended for users of Erste Club packages (includes an Erste Club checking account, electronic banking services such as Erste NetBanking, Erste mBanking, Erste Fon and Erste SMS, as well as Diners students cards), but also for all interested clients. If the person who takes out the loan is older than 25 or holds a permanent employment contract, the use of an Erste Club package is not mandatory. However, if a client has a current account with Erste banka and if he receives his regular monthly earnings in this account, he also has the right to a 0.3 to 0.5 percentage points more favorable interest rate on above-mentioned loans. The credit user has to be of legal age and a citizen of the Republic of Croatia. If the credit user does not hold a permanent employment contract or if the person is on maternity leave, a co-debtor with credit standing is mandatory for the realization of the loan, which is also the case with studies abroad.

Erste banka’s overall retail placements in the first eight months grew more than the market average, which also resulted in a market stake increase from 12.35 percent at the end of last year to 12.85 percent at the end of August this year. In overall placements (retail and business), Erste banka’s grew significantly faster this year than the market, it realized growth of 8.43 percent in the first eight months, while banking sector placements went up 3.85 percent at the same time.

The bank offers three student loan models:

Erste Club loans for schooling fees						
Purpose	The loan is intended for Erste Club package users to settle expenses for tuition, undergraduate and later on graduate studies in Croatia and abroad. The loan is paid out in full or in tranches according to the submitted documentation.					
Loan amount	up to 40,000.00 EUR, in the equivalent value in HRK with a currency clause					
Repayment period	up to 7 years, with the option of a 12 month grace period					
Interest rate*	5.60%	5.75%	6.10%	5.90%	6.05%	6.40%
Fee	1.00%, min. HRK 250					

S oko 2.000 zaposlenika, više od 700 tisuća klijenata koje uslužuje putem 124 poslovnice i više od 490 bankomata, Erste & Steiermärkische Bank d.d.predstavlja jednu od vodećih finansijskih institucija u Republici Hrvatskoj. Na dan 30.06.2009. Erste & Steiermärkische Bank d.d. imala je ukupnu aktivu od 47,5 milijardi kuna, neto dobit od 315,3 milijuna kuna te povrat od kapitala od 12,0 %.

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Effective interest rate	6.06%	6.22%	6.59%	6.38%	6.54%	6.91%
Client status	required			not required		
Security instruments	up to 10,000.00 EUR without additional security instruments from 10,000.01 to 20,000.00 EUR guarantor with credit standing or life insurance policy along with a 10% deposit or mortgage with a ratio of 1:1.5 from 20,000.01 to 40,000.00 EUR mortgage with a ratio of 1:1.5					

The effective interest rate was calculated with the listed conditions, a loan amount of EUR 40,000.00 and a repayment period of 84 months.

*depending on a client's appraised credit rating

Erste Club loans for expenses during schooling

Purpose	The loan is intended for Erste Club package users to finance schooling expenses during graduate and later on post-graduate studies in Croatia or abroad (housing, food, study trips, books and equipment)					
Loan amount	up to 40,000.00 EUR, in the equivalent value in HRK with a currency clause					
Repayment period	up to 7 years, with the option of a 12 month grace period					
Manner of use	single or monthly or quarterly installments until studies are completed (max. 7 years)					
Interest rate*	6.00%	6.15%	6.50%	6.50%	6.65%	7.00%
Fee	1.50%, min. HRK 250					
Effective interest rate	6.65%	6.81%	7.18%	7.18%	7.35%	7.72%
Client status	required			not required		
Security instruments	up to 10,000.00 EUR without additional security instruments from 10,000.01 to 20,000.00 EUR guarantor with credit standing or life insurance policy along with a 10% deposit or mortgage with a ratio of 1:1.5 from 20,000.01 to 40,000.00 EUR mortgage with a ratio of 1:1.5					

The effective interest rate was calculated with the listed conditions, a credit amount of EUR 40,000.00 and a repayment period of 84 months.

*depending on a client's appraised credit rating which is calculated in the bank

Erste Club consumer credits

Loan amount	up to 10,000.00 EUR, in the equivalent value in HRK with a currency clause					
Repayment period	up to 5 years					
Interest rate*	8.50%	8.65%	9.00%	9.00%	9.05%	9.40%
Fee	2.00%, min. HRK 250					
Effective interest rate	9.77%	9.92%	10.31%	10.21%	10.36%	10.75%

S oko 2.000 zaposlenika, više od 700 tisuća klijenata koje uslužuje putem 124 poslovnice i više od 490 bankomata, Erste & Steiermärkische Bank d.d. predstavlja jednu od vodećih finansijskih institucija u Republici Hrvatskoj. Na dan 30.06.2009. Erste & Steiermärkische Bank d.d. imala je ukupnu aktivnu od 47,5 milijardi kuna, neto dobit od 315,3 milijuna kuna te povrat od kapitala od 12,0 %.

Client status	required	not required
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The effective interest rate was calculated with the listed conditions, a credit amount of EUR 10,000.00 and a repayment period of 60 months.

*depending on a client's appraised credit rating

**Loans are approved in the equivalent value in HRK with a EUR currency clause.

Monthly installments are paid in HRK according to Erste banka's middle exchange rate for EUR on the payment day.

The biggest advantage of loans for expenses during schooling is that the loans can be used throughout one's studies (and up to 7 years) and during this time, interest is only charged for the amount used. Once the loan has been paid out in full or once an agreed-upon date has been reached, repayment begins in annuities. If a client does not wish to start repayment immediately, a grace period of one year can be arranged, during which the beneficiary only pays interest. Through this, the bank is trying to accommodate new graduates considering that finding employment after completing one's studies is definitely not an easy task.

Apart from above-mentioned models, Erste banka also offers loans for schooling fees and schooling expenses in cooperation with: the City of Bjelovar, Bjelovar-Bilogorje County, the City of Županja, Primorsko-Goranska County, the Faculty of Economy in Zagreb and the RRIF Finance Management College. These loans are additionally subsidized, depending on the conditions of cooperation, either in terms of interest rates, fees or interim interest.

For additional information:

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