

- PRESS RELEASE -

## Erste Bank cuts interest rates for most newly approved cash loan models

Zagreb, July 6, 2010 – Erste&Steiermärkische Bank d.d. (Erste Bank) cut its interest rates on most newly approved cash loan models by an average of 1.1 percentage point this week. The change pertains to cash loans with and without client status, with and without a guarantor, with and without a security deposit, models with a life insurance policy and models with a residual value. Thus interest rates on these newly approved loan models range from 8.99% to 10.90%, depending on the model and the credit standing assessment. So far, interest rates in this segment ranged from 10.20% to 11.90%. At the same time, interest rates on newly approved revolving cash loans were cut as well and range from 10.50% to 11.75% now, depending on a client's assessed credit standing, as opposed to the previous range from 11.50% to 12.95%. In the cash loan model with a residual value the maximum loan amount was raised to EUR 30,000.00 (depending on credit standing assessment). Apart from the above, processing fees for some of the newly approved cash loans have been reduced by 0.5 percentage points.

**Table 1** Cash loan amount EUR 10,000 over 84 months, model without guarantor and security deposit with a realized client status

Interest rate	Fee	Effective interest rate	Loan amount	Repayment period	Monthly annuity amount	Total loan amount paid back	
Interest rates depend on a client's credit standing assessment and from this week they range from 8.99% to 9.90% for new loans	8.99% - new i. r.	2%	10.07%	10,000.00	84 months	160.84 EUR	13,510.55 EUR
	10.20% - old i. r.	2.5%	11.60%	10,000.00	84 months	167.05 EUR	14,032.02 EUR
	9.35% - new i. r.	2%	10.47%	10,000.00	84 months	162.67 EUR	13,664.44 EUR
	10.50% - old i. r.	2.5%	11.93%	10,000.00	84 months	168.61 EUR	14,163.05 EUR
	9.90% - new i. r.	2%	11.08%	10,000.00	84 months	165.50 EUR	13,901.72 EUR
	10.90% - old i. r.	2.5%	12.38%	10,000.00	84 months	170.70 EUR	14,338.74 EUR

In the first five months of 2010, Erste Bank granted a total of 11,450 cash loans with a total value of approximately HRK 650 million. Although the total value of the newly approved cash loans is around three percent lower compared to the same period last year, an increase of more than 25% in the number of realized loans is noticeable. Erste Bank generated a growth of 0.5% in the retail crediting segment in general in the first five months this year, while the banking marked an average drop of 0.1% at the same time. In accordance with this, Erste Bank posted an increase in its market share in this segment from 13.09% at the end of 2009 to 13.17% as of May 31, 2010.

### For all additional information:

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