

Austrians to spend around 4.1bn Euros on their summer holidays

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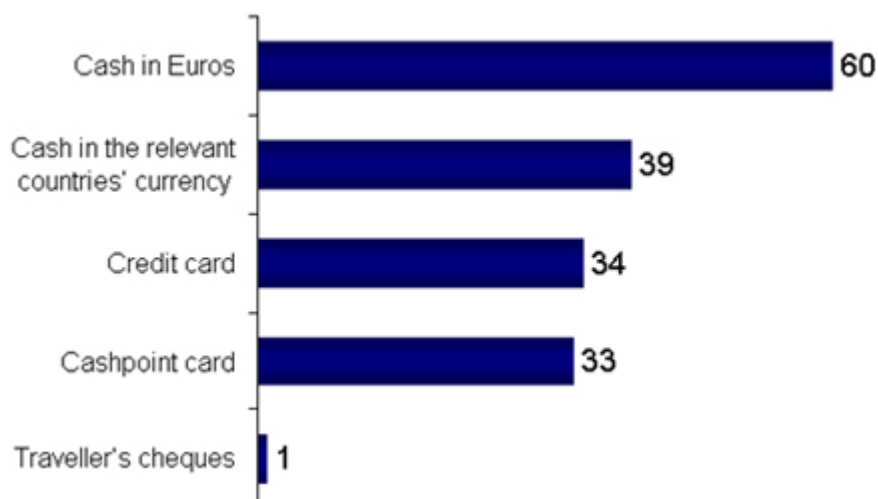
More than half of all Austrians go on holiday and budget for travel expenses of around 1,000 Euros

Cash is the preferred method of payment, over credit and debit cards

Holiday money: Erste Bank advises using a combination of some cash, debit and credit cards and to use banks for foreign exchange; avoid currency exchange booths

More than half of all Austrians (55%) are planning a summer holiday this year and are set to spend a total of around 4.1 billion Euros on them. This comes from a representative survey conducted by the market research institute Integral on behalf of Erste Bank. The average Austrian spends 1,062 Euros on their holidays. The most popular destination is Austria (21%), followed by Italy (16%), Croatia (11%) and Turkey (9%).

Cash tops credit and debit cards as the most common payment method on holiday



Austrians primarily pay for things on holiday using cash in Euros (60%), or in the relevant countries' currency (39%). One in three uses his or her credit or cash card. "Non-cash payments are becoming more and more popular, but the holiday maker's best tactic is to combine several different payment methods: that means using cash for small payments, such as for snacks or jumping in a taxi, and then using a credit card for paying for more expensive items, and also taking money out of the wall with your cash card," suggests Manfred Bartalszky, Head of Product and Channel Management for Erste Bank Oesterreich. The fact that traveller's cheques are becoming less and less popular for conventional travel is borne out by the latest survey, which indicates that just 1% of Austrians are using this payment method.

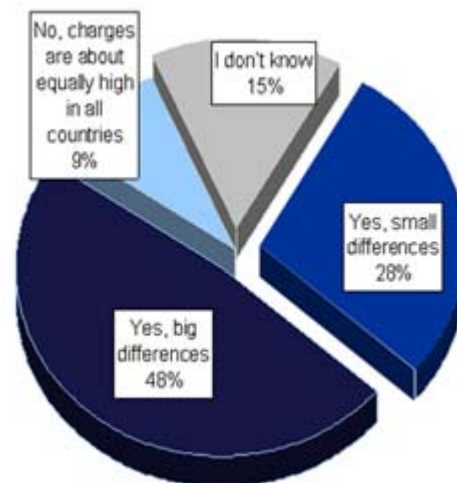
When asking Austrians what their preferred method of payment is on holiday the results indicate other forms: one in three say cash in Euros (32%), one in four say credit cards (26%), one in five prefer cash in the relevant countries' currency and just 14% mention debit cards. This obviously holds some advantage in EU member states with the Euro as their currency, since paying with a Maestro card (the ubiquitous cash card) is free. Customers of Erste Bank und Sparkassen can also take money

out of cash machines affiliated to the Erste Bank group.

One in seven Austrians get stung by charges

More than three-quarters of the population are aware of the varied amounts charged in fees when withdrawing cash from banks or when using foreign exchanges for cash in countries using foreign currencies: 28% pay small amounts, and 48% accept large margins. However, one in seven Austrians run the risk of getting stung by charges – 15% don't know that there are any. "Holiday makers should really do their homework about terms of payment and charges abroad before they set off, so they don't get any nasty surprises when seeing their balances on their return," warns Bartalszky.

Customers can even save on foreign exchanges before setting off on holiday, since commercial banks often offer this service at discount. Erste Bank Oesterreich offers customers just 1.5 percent on purchases made through their current accounts, compared to the usual three percent charge.



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Erste Bank experts warn about foreign exchange booths abroad: "Conditions in these places can vary wildly, since there are no standardised guidelines. Foreign exchange booths can set their own fees, and pretty much charge what they feel like. It generally makes sense to make fewer withdrawals but with large amounts, so as to avoid any minimum charges." Costs from basic cash machine withdrawals in your holiday destination country using a debit or cash card are the lowest. Withdrawing cash abroad from an ATM using Visa or MasterCard (credit cards) is considerably more expensive – so goes the advice from Erste Bank experts. Attention is also required when paying by Euro-based credit cards in non Euro countries. Bartalszky: "Particular attention needs to be paid here that the customer pays in the foreign currency. Because if you pay in Euros you're most likely going to get a mean exchange rate; the worst example here being the airports in London."

Credit cards score well on security

Credit cards and debit cards from Erste Bank und Sparkassen are recommended for their security. Should the cards go missing or get stolen the bank will pay for any losses, so long as the card holder has not been acting carelessly. And within a few days a replacement card will be made available.

Furthermore, many credit cards come with travel insurance packages. In addition to this protection, a Visa card or MasterCard card from the Erste Bank also includes additional travel cancellation insurance.

Example: A person is going on holiday to Turkey and would like have 600 Turkish lira (TRY) in cash.

Exchange options (exchange rate on 24 June 2011)

Exchange cash at a Erste Bank office in Austria

You pay EUR 277.95 at the day's exchange rate on 24 June 2011 at Erste Bank for 600 Turkish lira. This amount includes 3% fees (EUR 8.10). If you exchange the same amount using a customer account, the fee charged is only 1.5% (EUR 4.05); i.e. EUR 273.90.

Cash withdrawal using the ATM (MaestroCard) in the holiday country

The conversion is done at the day's exchange rate on 24 June 2011 for ATM cards issued by Erste Bank.

In EUR outside the EU	EUR 1.82 + 0.75%
In another currency	EUR 1.82 + 0.75 %

EUR 262.58 + fees of EUR 3.79 = total amount EUR 266.37

Cash withdrawal at the ATM using a credit card (Visa/Mastercard)

Cash withdrawal	
in EUR within the EU	3% of the amount, min. EUR 3.63
Cash withdrawal	
in another currency or	

in euro outside the EU 3% of the amount, min. EUR 3.63 + 1%

s credit card EUR 259.64 + fees EUR 10.39 = total amount EUR 270.03

In the holiday country paying directly with a card, e.g. restaurant, shop

MaestroCard EUR 262.58 + fees EUR 3.06 = total amount EUR 265.64

s credit cards 259.64 + fees 2.60 = total amount EUR 262.24

Travellers' cheques

Purchase of travellers' cheques by customer

Foreign exchange buy rate

1.00% commission, min. EUR 9.50

Selling of travellers' cheques by customer

Foreign exchange sell rate

0.625% commission, min. EUR 9.50

Versus branch office, the currency exchange booths at airports have the following terms:

Cash buy/sell: 7% commission, min. EUR 7.50

Booking against an own Erste Bank account: 1.5% commission, min. EUR 3.50

Buying travellers' checks: 3.5% commission – min. EUR 10.00 EUR 2.00 is charged per check.