



## Erste Bank: A New Model for Investing in Students

**With immediate effect, Erste Bank is offering a new form of student sponsoring. "For Best Students" invests in students: Tuition fees, living costs, and one-off costs. In exchange, the student transfers a share in his or her future salary to For Best Students. Good career prospects and personality are the decisive factors, collateral or a student's financial situation are immaterial.**

"The model is new in Austria. For Best Students invests in the career of students. We are sharing exclusively in their future success, and thereby become real partners", explains Peter Bosek, member of the management board. The preconditions for sponsorship are good career prospects the personality of students. "We want to offer an alternative to traditional student loans, and are taking into account that students are in most cases not able to offer any collateral apart from their effort and dedication", says Bosek. The investment facility potentially encompasses: 100% of tuition fees, living costs of up to € 1,000.- per month, as well as one-off costs of up to € 5,000.-. A surety or collateral are not necessary. In exchange, the student transfers a share in his or her future income to For Best Students for a time period agreed upon in advance.

The agreement only comes into force once the sponsorship recipient earns a monthly gross income exceeding € 2,000,-. Should the income of the sponsored individual fall back below the € 2,000,- threshold again, whether due to becoming unemployed or due to taking parental leave, For Best Students no longer receives a share. After the agreed time period has expired the payment obligation is extinguished, regardless of whether the student has paid more or less than the invested amount. The model is calculated individually according to the student's career plans and is geared to career prospects, the investment amount, the business sector, duration of the agreement, and the student's personality. "Financing studies only makes sense if students don't have to bear the risk. Students don't know in advance what payments they will be able to afford later. Studying should not be a question of one's finances, but of one's personal commitment to performance", Bosek states in closing.

[Additional information at www.forbeststudents.com](http://www.forbeststudents.com)