

REALITY MORTGAGE LOAN

GENERAL TERMS AND CONDITIONS

Goal:

- ◆ Purchase of properties (apartments, houses, villas, studios, etc.) that are finished or under construction at a rough construction stage;
- ◆ Finishing works, improvements, reconstruction and/or repairs;
- ◆ Buying shares of co-owned property;
- ◆ Refinancing the borrower's or a third party's loan liabilities granted by other banks.

Currency: BGN and EUR

Maximum Amount:

- ◆ For loans of up to BGN 500 000 / EUR 250 000:

1. In case the client is liable with all his/her property - "full liability" - up to 85% of the market value of the property accepted as collateral

1.1. In case the loan is intended for finishing works, improvements, reconstruction and repairs of real estate only

- up to 60% of the market value of the property accepted as collateral
- up to 70% of the market value of the property accepted as collateral for a maximum of 15 years.

In case the accepted collateral is a prefabricated concrete building - up to 85% of market value of the property approved by the Bank. The lapsed lifetime of the property shall be no more than 55 years on the loan maturity date.

2. In case the creditor satisfies itself up to the value of the real estate offered as collateral - "limited liability"

- up to 55% of the market value of the property accepted as collateral.
- up to 50% of the value of the property, accepted as collateral, in case it is a prefabricated concrete property

If the accepted collateral is a prefabricated concrete property, the lapsed lifetime of the property shall be no more than 55 years on the loan maturity date.

Repayment Term: up to 30 years (360 months)

Collateral: For loans in BGN and EUR:

- ◆ First-ranking (contractual or legal) mortgage in favour of the Bank on a property (finished or at a stage of completion to Act 15)
- ◆ Pledge on the borrower's future receivables from employment / official / civil relationships / contract for management and control / pension
- ◆ Pledge on cash receivables in all accounts opened in the name of the Borrower at Cibank.

If the purpose of the credit transaction is a purchase of property completed to a rough construction stage (Act 14), then another property acceptable to the bank shall be offered as collateral.

In case the client chooses the limited liability option under which the creditor satisfies itself up to value of the property accepted as collateral, the above mentioned collateral shall not be registered.

Disbursement:

In one or more stages (in tranches) depending on the purpose of the loan and/or the arrangements in the preliminary contract for the sale of the property.

Repayment:

The loan shall be repaid in equal monthly annuity installments, including principal and interest or in equal principal repayment installments and deductible interest. The number of installments corresponds to the number of months in the loan repayment term.

Covenants:

A loan is granted only to persons, who:

- ◆ ensure a transfer of their salary to an account at the Bank or submit a document certifying periodic transfers of salaries issued by another bank.

Bonuses:

- ✓ A MasterCardStandart / Visa Classic revolving credit card with a pre-approved limit of up to 5% of the approved mortgage loan (the max. of BGN 5,000). Additional information about the revolving credit card is available of the website of the Bank.

INTEREST RATES AND FEES**Interest Rates (per annum):**

Loan interest rates are variable and are formed as the sum of the reference interest rate of CIBANK for loans in BGN or EUR plus a margin, as follows:

For loans in BGN and EUR	from 3.95% (reference interest rate of 0.70% + margin of 3.25 points)
	from 3.95% (reference interest rate of 0.50% + margin of 3.45 points)

The interest rate may change in case of change of the RIR of CIBANK.

The RIR of CIBANK is determined in accordance with a Methodology approved by the Bank for calculation of the reference interest rate of CIBANK JSC (Methodology). The Methodology contains a clearly defined calculation procedure (formula), which states the type, quantity and relative weight of the separate components – market indexes and indicators or a combination thereof. The market indexes and indicators are announced on a monthly basis in the interest rate statistics of the BNB/ECB. Direct reference to the documents published by the BNB/ECB is provided at the website of CIBANK. The Methodology and the values of the market indexes and indicators which are used for calculation of the current value of the RIR are published at the website of the Bank.

The RIR is 0.70% for loans in BGN, and 0.50% for loans in EUR; it is valid until further change by the Bank.

The existing RIR may change twice a year in case of change as to 30 June and 31 December of the values of the market indexes and indicators based on which the RIR has been determined. A change in the value of RIR takes effect as of 1 August and 1 February only if the difference between the existing RIR and the new one in absolute value equals or exceeds 0.5%. The new RIR may be higher or lower than the existing one. The new RIR affects the size of monthly repayment installments which are due from the month following the month as of which the new RIR takes effect.

The Bank notifies the Clients about the new RIR by displaying it in prominent places in the offices of the Bank and on its website before the change enters into force.

Representative examples of loans that are repaid in equal monthly annuity installments according to these interest rates:

Loan amount	Loan term (in months)	Interest rate	Monthly repayment installment		Total amount	APR*
			count	amount		
50 000 BGN	240	3.95%	240	301.67 BGN	74,374.66 BGN	4.39 %
50 000 EUR	240	3.95%	240	301.67 EUR	73,950.13 EUR	4.31%

*Upon calculating the APR, it is assumed that the loan is disbursed immediately and in full; the interest is unchanged from its original amount and will be repaid along with principal payments; one-off due expenses other than interest are paid on the day of conclusion of the loan agreement; costs which are due periodically, other than interest, are unchanged from their original amounts and will apply until expiration of the specified loan period; the mortgaged real estate is insured in favor of the Bank until final repayment of the loan for an amount not less than 100% (one hundred percent) of the amount of outstanding principal on the loan.

Upon calculating the APR, the following costs are taken into account:

One-off due expenses:

Fee for review of loan documentation 120 BGN/60EUR,

Fee for opening a current account 2 BGN/1 EUR,

Fee for real estate valuation in case the property is an apartment 130 BGN/66.47EUR

Periodically due expenses:

Monthly account service fee (including an account statement sent via electronic channels (email, web portal) 2.50 BGN/1.25 EUR.

Annual insurance premium for the real estate, calculated as 0.19% (zero point nineteen percent) of the insurance amount equal to 100% (one hundred percent) of the outstanding principal of the loan. The total due insurance premium for the real estate (approximate amount) for the entire period of the loan is 1 120.79 BGN/EUR

The calculation of APR does not include any notary fees for establishment, renewal, modification and deletion of the mortgage and the state fee for registration of the mortgage, which are payable by the borrower.

Fees and Commissions:

- ◆ One-off review fee of BGN 120.00 / EUR 60.00
- ◆ One-off fee for valuation / revaluation of the property offered as collateral in accordance with the tariff of the respective licensed valuer
- ◆ Opening a current account fee 2 BGN/1 EUR
- ◆ Monthly account service fee, (including an account statement sent via electronic channels (email, web portal) 2.50 BGN/1.25 EUR
- ◆ Commitment Commission:
0% - for mortgage loans disbursed within 1 month from the date of signing of the loan contract;
0.50% per annum on the non-disbursed part (tranche, stage) after the first month from the date of signing of the loan contract.
- ◆ Renegotiation of the price parameters of the loan - 1% of the outstanding loan
- ◆ Renegotiation of the non-price parameters of the loan - BGN 30