

HOUSING LOANS

General Information

1. PURPOSE OF GRANTING THE LOAN

The Bank offers housing loans covering the following needs:

Housing Loan for the purpose of:

- Purchasing a residence or a plot of land
- Construction / repair of residence

2. INTEREST RATE

For the repayment of the loan, the following interest rate will apply:

- a) Floating rate from the outset or;
- b) Fixed rate for an initial period of 3, 5, 10, 15, 20, or 25 years and then floating rate until the end of the initial period

2.1 Floating Interest Rate

The floating interest rate consists in:

- Euribor 3m
- Spread
- The Contribution set out in L. 128/75

The **Euribor 3m** is considered to be the arithmetic mean (rounded upward up to four (4) decimal points) of the interest rates that are offered at the interbank market of Brussels, at 11 am (Brussels time) for deposits in Euro, of a 3-month duration.

The **Spread** is considered to be the Bank's profit margin. The spread remains fixed throughout the duration of the loan, and is expressed as a percentage.

The **contribution of L. 128/75** is considered to be the co-efficient of 0.12% which is added up to the interest rate of housing loans, and is attributed to the Greek State.

The floating interest rate may change every month (period of interest rate change). The Bank, in every period of interest rate change, applies the each time Euribor 3m of the last business day of the previous period of interest rate change. The Bank applies the each time Euribor 3m, as per above, based on the relevant announcement of Reuters (or another valid agency) made through the internationally acknowledged information electronic systems. If for any reason the determination of the Euribor 3m is not possible on that date, it is agreed that the Euribor applying on the immediately previous day on which such determination is possible, shall be taken into account. In the case that the Euribor 3m rate is negative, a zero rate shall apply instead.

The floating interest rate changes according to the percentage change of the Euribor 3m. This, in effect, means that if the Euribor 3m rate is reduced, the same will occur to the applicable interest rate (and, consequently, the instalment of the loan), whereas if the Euribor 3m rate is increased, the same will respectively occur to the interest rate and the instalment of the loan. As a result, the amount of

instalments of the loan, throughout its duration, directly depends on the course of the Euribor 3m rate, and therefore the amount of instalment owed each time may differ.

The Debtor must understand how the floating interest rate operates and, therefore, accept that it may increase.

Euribor constitutes a benchmark, as set out in Article 3, Paragraph 1, point 3 of the Regulation (EU) 2016/1011. The payable amount of the loan's instalment with floating interest rate is determined on the basis of this benchmark. Euribor is provided and checked by its administrator, i.e. the European Money Markets Institute – EMMI (see EMMI's web-page, EMMI <https://www.emmi-benchmarks.eu/>).

The EMMI is situated in the European Union (its seat is in Brussels), and is responsible for the management of provisions that determine Euribor, for the collection and analysis of data that determine this price for different durations, and for the publication of the aforementioned benchmark in a way that secures equal and easy access to those using it, such as, for instance, credit institutions. The EMMI does not appear in the public register of administrators and benchmarks kept by the European Securities and Markets Authority (ESMA) pursuant to the provisions of article 36 of the Regulation (EU) 2016/2011. The EMMI is not, for the time being, obliged to apply for a license or to register with the public register kept by the European Securities and Markets Authority. In the case that the EMMI does not secure a license or is not registered with the public register, as of January the 1st, 2020 the transitional provisions set out in Article 51 of the Regulation (EU) 2016/1011 shall apply for Euribor. Moreover, Euribor is not registered with the public register kept by the European Securities and Markets Authority, but the EMMI has a deadline by December 31st, 2019, to reform the said benchmark according to the requirements of the relevant legislation. In the case that the Euribor is not registered with the public register, as of January the 1st, 2020, the transitional provisions set out in Article 51 of the Regulation (EU) 2016/1011 shall apply. The EMMI is, among other things, obliged, on the basis of the aforementioned Regulation, to provide notice of the possibility that factors, including external factors beyond its control, may necessitate changes to, or the cessation of, the Euribor, and to advise credit institutions that the changes in Euribor, or the cessation thereof, may have an impact upon the financial contracts that reference this benchmark.

In relation to the above, when the Bank is notified of a possible material change to, or cessation of Euribor, it will carry out the actions set out in the Action Plan, pursuant to article 28 paragraph 2 of the Regulation (EU) 2016/1011 (Plan), which has been approved by the Bank's Management Committee on 4/9/2018, taking every necessary measure, in order for Euribor to be replaced in the case that the latter is modified or ceases to exist, by providing adequate justifications as to its decision.

This means that, in case of a modification of or a cessation to the Euribor, the lending interest rate shall be composed by the benchmark that replaced Euribor, which will be deemed acceptable by the Bank, on the basis of the Plan, plus the margin which is fixed, and the contribution of L.128/75. The Plan is permanently displayed at the Bank's web-page (<https://www.eurobank.gr/el/omilos>).

2.2 Fixed Interest Rate

When a fixed interest rate applies to the said agreements, the said rate is agreed from the outset, and shall remain unchanged throughout its period of validity. Upon expiry of the fixed interest rate period, the said rate will automatically become floating. Throughout the period of fixed interest rate, the loan's instalment shall remain unchanged.

2.3 Default Interest Rate:

In the case that the each time debts from the loan are not repaid on the agreed date, they shall bear default interest which is equal to the contractual interest rate, as will have been determined on the day that the borrower becomes in default, increased by the each time maximum percentage allowed by the law and the competent authorities, which currently is 2.50%. The defaulted interest shall be paid at the default interest rate, and the accrued interest, if not repaid, shall be capitalized every six months.

2.4 Calculation of Interest – commencement, interest period and time-basis of calculation:

Loans shall bear interest on a monthly base from the time of disbursement and are credited into the deposit account that the borrower must open and keep with the Bank (at no expenses). The interest is calculated by way of the amortization schedule in relation to the owed principal of the loan, on the basis of a 365-day calendar year. The repayment of the loan is effected by payment of the instalments which are collected automatically from the aforementioned deposit account.

3. HOUSING LOANS

The Bank offers its customers the following housing loan product:

3.1 Housing Loan – Euribor based Floating Rate

Housing Loan at a floating rate throughout its duration on the basis of Euribor 3m.

In the aforementioned programme, there are additional **discounted interest rates** depending on the profile of the borrower and his/her deposit/investing relationship with the Bank.

3.2 Housing Loan – Fixed Interest Rate for 3, 5, 10, 15, 20, or 25 years

Housing loan programme at a fixed interest rate for an initial period of 3, 5, 10, 15, 20, or 25 years. Upon expiry of the fixed interest rate period, the interest rate shall automatically become floating (as per 3.1), linked to a 3-month Euribor, at a minimum duration of 1 month.

4. DURATION OF THE LOAN

The duration of the loan may be agreed to be from 2 to 25 years, depending on the loan programme that will be selected by the customer.

5. LOAN CURRENCY

The Bank offers housing loans in Euros.

6. FORMS OF SECURITY

In order for the Bank to secure its claims deriving from the loan, the following may be requested:

- ❑ **Prenotation of mortgage on real estate**, within the territory of Greece (for instance, on a residence, business premises, plot of land). The prenotation of mortgage is created for an amount which corresponds to 120% of the amount of the loan.
- ❑ **Pledging and assignment of a deposit or an insurance/investing product** (cash collateral, etc.)

When the loan is secured by a prenotation of mortgage, a technical check on the property on which the prenotation is to be created shall always take place; this includes a valuation on the property. Such valuation is carried out by use of reliable valuation standards, pursuant to article 1 of L. 4152/2013, by independent valuers (not belonging to the Bank's staff) who are professionally adequate and registered with the Register of Certified Valuers referred to in L. 4152/2013. The cost of the valuation

shall be borne by the borrower, and is listed in the Loan's Expenses here below. Also, an attorney who collaborates with the Bank shall carry out a legal check in the competent land registry/cadastral office.

7. SERVICING OF THE LOAN

The repayment of the loan is effected by the payment of instalments, which are drawn automatically from a specific savings account, which the borrower needs to keep for the purposes of servicing the loan.

The payment of instalments concerning housing loans is made on a monthly base, and the payment of the instalment must be effected on the 1st business day of every month.

8. FLEXIBILITY IN REPAYMENT THE LOAN

The Bank gives the borrower, through the service of flexible loan repayment, the possibility:

- ❑ To pay a reduced instalment by 50% (half an instalment), for a period of up to 6 months every year.
- ❑ To avoid paying one instalment per year.
- ❑ To pay an increased instalment by 100% (double instalment), for a period of up to 6 months every year.

These possibilities are provided upon request of the borrower, and provided that the loan is serviced normally, without any overdue debts. The terms and conditions of the flexible repayments are described in detail in the loan agreement.

9. LOAN EXPENSES

9.1 LOANS SECURED BY A PRENOTATION OF MORTGAGE

<p>One-off Expense for a Legal – Technical Check on the Property This refers to the fee of the lawyer and the engineer who will check the property that will be secured, and it is deducted from the amount of loan when disbursed.</p>	<p>€750</p>
<p>Fees and Charges of the Land Registry / Cadastral Office This refers to the fees and charges with regards to the registration of the prenotation in the competent Land Registry or Cadastral Office, and is calculated, in any case, on the amount of the prenotation.</p>	<p>Land Registry: 0.775% Cadastral Office: 0.875%</p>
<p>Expenses concerning Consent for the Registration of a Prenotation of Mortgage and Expenses for the Issuance of Certificates / Copies of the Cadastral Sheet and the Summary for the Registration of Prenotation This refers to the retentions due to the cash receipt vouchers paid in advance to the Bar Association and to the expenses for the stamps on the legal documents, and is set pursuant to the decisions of the local Bar Associations. It also refers to the expenses for the issuance of certificates / copies of the cadastral sheet and the summary of the registration of prenotation provided by the Land Registry / Cadastral Office, per property, as the case may be (if the prenotation must be registered in more than one land registries or cadastral offices, these expenses will be taken into account accordingly).</p>	<p>from €187</p>
<p>One-Off Expense concerning Consent and Registration of Prenotation of Mortgage</p>	<p>from €300</p>

It refers to the fee of the (external) lawyer for appearing at the court which will decide on the prenotation of mortgage, and it is deducted from the amount of loan when disbursed. This expense is determined pursuant to the decisions of the local Bar Associations.	
One-off Expense for the Declaration of Encumbrance in the Cadastral Office This expense is paid in the case that the property is situated in a region under cadastral survey, and refers to the fee of the (external) lawyer for submitting a declaration concerning the prenotation of mortgage to the Cadastral Office. It is deducted from the amount of loan when disbursed.	€37 Per property
Fixed Cadastral Survey Fee This expense is paid in the case that the property is situated in a region under cadastral survey, and refers to the fee collected by the cadastral office in order to register the encumbrance. It is paid to the lawyer who collaborates with the Bank, who, in turn, pays it to the relevant cadastral office.	€35 Per horizontal property / main area €20 Per horizontal property / ancillary areas
Expenses for the issuance of a Cadastral Extract / Cadastral Diagram It refers to the expenses for the issuance of a Cadastral Extract / Cadastral Diagram, per property, prior to the registration of a prenotation of mortgage, in order for such documents to be delivered to the court.	€45 Per property
Expense for an Inspection concerning Progress of the Work in the Property It refers to the fee paid to the (external) engineer in order to confirm progress of the work in an unfinished property which is provided as security.	€60 Per inspection

9.2 LOANS BY PLEDGING & ASSIGNING A DEPOSIT OR AN INSURANCE/INVESTMENT PRODUCT

One-Off Expense for the Approval of the Loan The one-off expense for the approval of the loan, by blocking cash or instruments (cash collateral) is deducted from the amount of loan when disbursed.	€250
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9.4 OTHER EXPENSES

Expense for the Service by a Bailiff of Agreements / Notifications / Extra-judicial Documents It is paid in the case that a pledge agreement must be served, and it refers to the expense for such service.	€43 Per service
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In the case that it is required to register a prenotation of mortgage for more than one properties, in order to secure the claim of the Bank, the aforementioned expenses are reduced with regards to the additional property, and are replaced by a one-off additional security expense.

The invoicing and the expenses are finalized at the Loan's Final Approval. The candidate borrower shall be informed in detail, by the Bank's Form of Final Approval (Binding Offer), which he/she must take and study prior to the signing of the Loan agreement.

10. INSURANCE COVERAGE

Insurance of the Property (Fire – Earthquake)

Fire and earthquake insurance of the property to be provided as security, is compulsory for all mortgage loans, and its cost is defined on the basis of the construction value of the property to be provided as security. The relevant expenses shall be borne by the borrower; the latter must keep the property over which a prenotation has been created, insured throughout the duration of the loan, with an established insurance company of his choice. The insurance contract must be delivered to the Bank and must bear a statement by the insurance company that the Bank is the beneficiary of the insurance indemnity, as per the special term concerning the Pledgee or Mortgagee set out by the Hellenic Association of Insurance Companies, as each time in force.

11. INDICATIVE EXAMPLE OF GRANTING A LOAN

11.1 Housing Loan at a floating rate

For a loan amount of €100,000 (total amount of credit), at a nominal annual floating rate of 4.10%, which was agreed to be repaid in 360 monthly instalments, and for a security (by way of registering a prenotation of mortgage) amounting to €120,000, the total cost of the credit shall be €85,221, that is, for interest, the amount of €76,467, for the cost to evaluate the property to be secured (expense of legal/technical check) €750, for fire and earthquake insurance, €8,004; therefore the total amount to be paid by the borrower for the repayment of the loan (total repayment amount) shall be €185,221, and the Annual Percentage Rate of Charge (APRC), according to the Law, shall be 4.77%.

For the aforementioned example, the following complimentary assumptions are taken into account: an agreement which shall apply throughout the agreed duration is in place; the interest rate shall not change throughout the duration of repayment, as was set on the date of disbursement of the Loan; a 365-day year; an insurance of the property through Eurolife FFH for the whole duration of the loan, with an annual payment of premium, is in place; and the instalments are being paid by the debtor in a timely manner.

12. EARLY REPAYMENT OF THE LOAN

It is possible to proceed to an early (total or partial) repayment of the loan, at any time and without any charge.

13. OFF-SET – HELLENIC DEPOSIT AND INVESTMENT GUARANTEE FUND (TEKE)

In case of overdue debts arising from a loan agreement, the Bank, without any previous statement on its part, is entitled to proceed to an off-set with any counter-claim of the borrower and the guarantor (if any) against the Bank, including the counter-claim arising from the balance of their deposit accounts which are kept at the Bank. In this case, the amount that may be granted as a compensation by the Hellenic Deposit and Investment Guarantee Fund (TEKE), pursuant to the provisions of L. 4370/2016, shall emerge following the off-set of the balances of their deposit accounts with the claims of the Bank arising from the loan agreement provided that the debts from that agreement became due and payable on, or prior to, the date that the credit institution became unable to fulfil its obligations. For more information, please visit www.teke.gr

14. GENERAL WARNING

In case of a delay in repayment any owed amount, the unpaid amount shall become immediately due and payable upon the mere lapse of the day (designated payment day) on which the said amount is

payable, and it shall bear interest from the following day at the each time maximum allowed default interest rate (see above, “Default Interest Rate”). The Bank, in case of a default on the part of the borrower, is entitled to assign the notification with regards to an overdue debt, to debtor notification companies, stipulated in L. 3758/2009, and to transmit, for that purpose, the necessary personal data of the persons involved in the loan agreement (debtors and guarantors (if any)).

In case of non-compliance with the obligations that arise from the loan agreement, the Bank may terminate the agreement. Upon termination of the agreement, the whole balance of the loan, to the extent that it is outstanding in terms of principal, interest (contractual and default interest), the contribution of L. 128/75, as each time in force, expenses and other charges, becomes immediately due and payable, and is disbursed at the maximum default interest rate. In this case the debtor is required to pay the total amount of the debt, and the Bank is entitled to announce the termination of the agreement to TEIRESIAS S.A., (archive of information on economic behavior), the aim of which is to protect the credit and transactions, and is situated in Athens, Alamanas 2 & Premetis, Marousi, 151 25. Non-repayment of the total amount of the loan by the borrower following termination may result in that the debt may be claimed at the courts (enforcement procedure) and, finally, that there may be an enforced sale of the property (auction). In this case, the borrower shall bear the total cost of the real expenses and fees of lawyers, bailiffs, enforcement procedure, etc., as set out by the law, by decisions of the Bar Associations etc.

15. CONTACT DETAILS

For any information or clarification, you may call Europhone Banking on **210 95.55.000** (from a land line) / 24/7, 365 days a year.