

PRE-CONTRACTUAL INFORMATION FORM FLEXI MORTGAGE LOANS

Items	Description
Introduction	This document is not a mandatory legal offer. Presented confidential figures are a reliable presentation of the bank products that will offer due to current market terms and conditions, based on given information. However, these figures can fluctuate according to the market conditions. Giving the information does not intend that the bank is obliged to provide loan.
1. Bank	BANKA KOMBËTARE TREGTARE (BKT) SH.A Adress: Rruga e Vilave, Lundër 1, Tirana Web Adress: www.bkt.com.al E-mail: info@bkt.com.al Phone number: 042 266 288
2. Purpose of product	Mortgage lending aim is to satisfy the individuals personal needs (home and house construction or reconstruction).
3. Product description	<p>This product will be used for the purpose foresight in point 2 and as guarantee the bank will ask mortgage of a real estate property. Real estate properties to be mortgage are Land, buildings and any other solid properties that are incorporated, stable and continuously part of the land or building. The property to be mortgaged can be different from the property credit subject.</p> <p>The appraisal report of the mortgage will be prepared by independent appraisal authorized from the bank and this expense will be covered by the applicant. In all cases the coverage ratio of the collateral by using Immediate Liquidation Value must be minimum 120% of the approved loan amount or by using Open Marke Value the coverage ratio must be 150% of the approved loan amount. For the agriculture land the coverage ratio of the collateral by using Immediate Liquidation Value must be minimum 160% of the approved loan amount.</p> <p>The loan repayment will be performed on equal monthly installments (principal + interest) according to the repayment schedule and not as a lump sum payment at the end of the maturity.</p> <p>The bank may finance up to 80% of the property value (based at the Sale Contract), meantime that the customer participation must be at least 20% of the property value. If the customer participation is higher the monthly installment will be lower.</p>
4. Interest rate for Home Loan/House Construction Loan (shows interest rate type and duration of the define period, CCY ALL/EUR)	<p><i>Interest rate for Flexi Term Mortgage</i> ALL Currency</p> <p><i>Affluent customers¹ :</i> <i>1Y T-bill + 1.3 % (changing each 12 months not less than 2.8 %)</i></p>

Salary paid customers²:

1Y T-bill + 1.5 % (changing each 12 months not less than 3 %)

Salary paid customers from any bank³:

1Y T-bill + 1.7 % (changing each 12 months not less than 3.2%)

Standard retail customers:

1 Y T-Bill + 2.2% (changing each 12 months not less than 3.7%)

EURO Currency

For collateral same as credit subject

1 Year Euribor +3.75% (changing each 12 months not less than 3.75%)

For collateral different from credit subject

1 Year Euribor +4% (changing each 12 months not less than 4%)

**The requested loan can be granted in EURO currency only in cases when the value of investment is greater than or equal to 70,000 Euro*

*** The mortgage interest rates that are part of different offers launched by BKT are not subject of this kind of adjustment*

In cases when the customer chose a flexi-term mortgage than the loan maturity will adjust as below:

Example 1: Increase in the 1 Y T- Bill by 0.5%

Standard retail customers T-Bill+2.2%

	Interest Rate	Loan Amount, Outstanding	Monthly Instalment	Maturity (months)
1st year	4.35%	ALL 5,000,000	ALL 44,631	144
2nd year	4.85%	ALL 4,675,508	ALL 44,511	149*

**In order to keep the same monthly installment the maturity of the loan will be increased up to 149 months from the disbursement date.*

Example 2: **Decrease** in the 1 Y T- Bill by 0.5%
Standard retail customers T-Bill+2.2%

	Interest Rate	Loan Amount, Outstanding	Monthly Instalment	Maturity (months)
1st year	4.35%	ALL 5,000,000	ALL 44,631	144
2nd year	3.85%	ALL 4,675,508	ALL 44,597	140*

**In order to keep the same monthly installment the maturity of the loan will be decreased up to 140 months from the disbursement date.*

The maximum interest rate up to which changes of the maturity can be executed differs for different product categories

For all the categories mentioned above the customers may choose to have life insurance premium or to take a higher interest rate of the loan. In case he chooses the latter, options are:

- If the customer is up to 45 years old, IR will be 0.5% higher than the applied interest rate for the respective category**
- If the customer is over 45 years old, IR will be 1% higher than the applied interest rate for the respective category**

5. Effective interest rate

The effective interest rate (EIR) defines the total cost that the client will afford for the loan, including also interests, commissions and any other expenses that the client affords regarding the loan contract, within its conditions. For the purpose of calculating the EIR, the total cost does not include expenses that are not known at the time of the calculation, expenses to be paid by the customer in case of failure to comply with the terms stated in the contract, costs payable by the customer regarding the loan contract about third parties (for example, the notary, the Tax authority, the Real estate registration office) and any other expenses obligatory for the registrations and guarantees; expenses for insurance and/or guarantees not mandatory, expenses for commissions applied in case of unused funds and commission expenses for changing the contractual conditions. EIR will be calculated with the assumption that:

	<ul style="list-style-type: none"> - the loan contract is valid for the maturity as agreed and - the parties fulfill their obligations according to the conditions and date as given in the loan contract and - the interest rate and other expenses that are included in the EIR calculation will remain unchanged (fix) till the end of the loan maturity.
6. Loan amount and its currency	Maximal Loan Amount – Up to 50,000,000 ALL; 400,000 EUR Loan Currency – ALL / EUR
7. Loan contract maturity for Mortgage Loans	Maximal period for Home/ House Construction Loan ALL loans up to 12 years at disbursement date, adjustable up to 25 years according to 1Y T-Bill volatility. EURO loans up to 12 years at disbursement date, adjustable up to 20 years according to 1Y EURIBOR volatility
8. Loan disbursement	<ul style="list-style-type: none"> - As condition for loan disbursement, the borrower should open one or more current accounts at BKT, called “Loan Account”, through which bank will make loan disbursement and the borrower will make installment repayment. - Loan withdrawal will be done through: cash withdrawal, electronic withdrawal, issuing a Check from the client to the bank, payment-request by handwriting in favor of third parties. - During the disbursement period, if the Bank determines that the borrower has not fulfilled the predetermined conditions as provided in the Loan Contract signed by both parts, Bank has the right in the resolving of this contract by associating with the repayment of the borrowed amount used up to that moment and also the relevant interest.
9. Number and frequency of payments	The loan repayment will be performed on equal monthly installments. The number of installments varies due to loan to maturity.
10. Loan's instalment amount	Installment = Principal amount + interest amount
11. Repayment schedule (repayment plan)	The revision of the base rate will be applied each 12 months for example Treasury Bill, so in all cases the interest rate formula for each customer will be revised in the 12 installment of the next year up to loan maturity.

Loan terms and EIR calculation table

Loan Amount	4,000,000	Leke
Loan Maturity (no of installment)	144	Months
Applicant's Age	27	Years Old
Gender	Female	
Type of Customer	Salary Paid Through BKT	

Interest Rate (=)	(Yearly Treasury Bill)	Plus (+) (Spread)
3.45%	1.95%	1.50%
Commission Rate	1.0%	40,000 Leke
Life Insurance Premium	~ 0.45%-0.65% of loan amount	2,560 Leke
Property Insurance Premium	~ 0.07%-0.15% of loan amount	2,611 Leke
Others (if)		Leke
Monthly installment		33,962.75 Leke
Effective Interest Rate (EIR)		3.65%
		* 4,890,635.44

EIR calculation Table (Effective Interest Rate)

*The total amount of principal and interest due is calculated with the above interest rate. This total amount is subject of change in case of changes of the Treasury Bills and of the minimum rate applied according to the chosen product.

Repayment schedule table (repayment plan)

Currency	Loan Amount	IR (in %)	Maturity in Years	Maturity in Months	Monthly Installment
Leke	4,000,000	3.45%	12	144	33,962.75
Month	Beginning Balance	Interest	Principal Repayment	Monthly Installment	Ending Balance
1	4,000,000	11,500.00	22,462.75	33,963	3,977,537
2	3,977,537	11,435.42	22,527.33	33,963	3,955,010
3	3,955,010	11,370.65	22,592.09	33,963	3,932,418
4	3,932,418	11,305.70	22,657.04	33,963	3,909,761
5	3,909,761	11,240.56	22,722.18	33,963	3,887,039
6	3,887,039	11,175.24	22,787.51	33,963	3,864,251
7	3,864,251	11,109.72	22,853.02	33,963	3,841,398
8	3,841,398	11,044.02	22,918.73	33,963	3,818,479
9	3,818,479	10,978.13	22,984.62	33,963	3,795,495
10	3,795,495	10,912.05	23,050.70	33,963	3,772,444
11	3,772,444	10,845.78	23,116.97	33,963	3,749,327
12	3,749,327	10,779.32	23,183.43	33,963	3,726,144

12. Additional costs irreversible in cases when they are applicable

Expenses for the appraisal report (varies from ALL 7,500 – ALL 30,000 VAT included based on type of property to be evaluated)

The expense mentioned above is categorized like expense before the approval and is covered from the applicant, regardless the final decision.

	This expense cannot be avoided from the applicant. This service it's not offered from the bank but from the authorized experts.	
13. Other additional costs	Type of expenses	Value
	Legal and Notary Expenses	Loan Contract ~ ALL 3,000 Mortgage Contract depending on loan amount as below: Loan amount ALL 1- 500,000 ~ ALL 2,000 Loan amount ALL 500,000 – 1,500,000 ~ ALL 3,000 Loan amount ALL 1,500,000 – 5,000,000 ~ ALL 4,000 Loan amount ALL 5,000,000 – 15,000,000 ~ ALL 6,000 Loan amount ALL 15,000,000 – 50,000,000 ~ ALL 8,000 Loan amount ALL 50,000,000 – 100,000,000 ~ ALL 10,000 Loan amount over ALL 100,000,000 ~ ALL 15,000
	Life insurance premium	~ 0.45%-0.65% of loan amount (depends on the value of the loan, age and gender of the applicant)
	Mortgage Expenses	For loan amount ALL 1,000,001 - ALL 10,000,000 ~ ALL 15,000 For loan amount over ALL 10,000,000 ~ ALL 25,000
	Collateral insurance premium	~ 0.07%-0.15% of loan amount (depends on the loan value, type and location of property)
	Disbursement commission	1% of the loan value 0% Purchase of Loan from other banks (only in cases when the contract of the loan to be purchased contains early repayment comision.)
	The above mentioned loan origination related costs are considered as post approval loan application costs. These costs are inevitable and mandatory for the applicant before the disbursement date. The expenses of mortgage, notarization of the loan contract and the commitment commission will be paid only at start; meanwhile the life insurance and property will be repeated on yearly basis.	
14. Prepayment (if applicable)	<ul style="list-style-type: none"> - 2% of the prepaid loan amount in case the period between the prepayment and the loan maturity is more than 1 year. - 1% of the prepaid loan amount in case the period between the prepayment and the loan maturity is less than 1 year. 	
15. Official communication	All notifications and communications between the parties will be made in writting and with the consent of both parties, delivered directly to the	

<p>between parties</p>	<p>person or by registered mail in the address specified in the Loan contract or when possible through stable means of communication (e-mail address specified in the loan contract, disc, CD-ROM, DVD).</p> <p>The borrower/Guarantor declares and admits that all notifications made through these addresses will be considered as received. The client may present to the Bank his reclaims about the notification, within 15 calendaric days.</p> <p>The borrower/Guarantor is obligated to inform the Bank in case of any change regarding his addresses within 15 calendaric days. For as long as he did not inform about the new address, he has no right to contest the notifications / communications made to his previous address.</p>
<p>16. The right to withdraw from the loan contract</p>	<p>The client has the right to withdraw from the Loan contract within a period of 7 calendaric days from the date of the signing of the contract. In case when the loan amount has been disbursed in the client's account and he decides to withdraw from the loan contract, then he commits to repay the principal amount and all interest/penalties obligations, as well as other possible bank expenses with other third parties as a result of this disbursement.</p>
<p>17. Internal schemes of complaint</p>	<ul style="list-style-type: none"> - Present a written complaint in any branch. - Visit in any branch - Through phone (+355 42 266 288) call center - Through e-mail info@bkt.com.al
<p>18. Other Penalties</p>	<ul style="list-style-type: none"> - If the bank finds that the customer has not used the loan for the stated purpose it may ask for the total liquidation of the outstanding loan amount and accumulated interests or otherwise if it finds appropriate it can apply a commission of 1% over the disbursed loan amount. - If the borrower fails to pay commission and interest, the bank has the right to charge a commission 4 (four) % in ALL and 3 (three)% in Euro, on monthly basis over the unpaid commissions and interest amounts. - If the borrower cannot pay in time the matured installment (interest or principal), the Bank apart of the normal interest rate, has the right to apply a penalty of 4 (four) % in ALL and 3 (three)% in Euro on monthly basis, calculated on the unpaid due installment (inters + principal) for the period in which he is in delay, based on terms and conditions of this contract.
<p>19. The validity of the precontractual information</p>	<p>The precontractual information is valid for a period of 7 calendaric days from the date of the signing of this information by the client.</p>

____/____/____/____
(City , dd,mm,yyyy)

Customer's Name Surname

(Signature)

Branch Employee: Name Surname

(Signature and Seal of the bank)