

## ANNOUNCEMENT

### ON THE AMENDMENT OF THE SPECIFIC BUSINESS REGULATIONS PERTAINING TO REAL-ESTATE BACKED LOAN AND CREDIT AGREEMENTS FOR CONSUMERS

I. CIB Bank Zrt. (1027 Budapest, Medve u. 4-14.; Company registration number: 01-10-041004) hereby notifies its Clients that its **Specific Business Regulations for Consumers pertaining to Credit-Facility and Loan Agreements Secured by Real Estate** are amended as follows, with effect from 18 September 2017.

| Currently effective provisions   | Provisions effective from 18 September 2017   |
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| <p>5.2.8. If the cash debt affected by the interest-payment obligation under the Agreement – including the obligation to pay default interest – would, in the case of a change in the interest conditions, become interest-free or tied to a negative interest rate, then the cash debt shall – unless otherwise expressly agreed by the parties – be understood as being subject to a 0.01% interest rate until the interest exceeds this rate.</p> | <p>5.2.8. In the case of agreements concluded on or prior to 1 May 2004, if the cash debt affected by the interest-payment obligation under the Agreement – including the obligation to pay default interest – would, in the case of a change in the interest conditions, become interest-free or tied to a negative interest rate, then the cash debt shall – unless otherwise expressly agreed by the parties – be understood as being subject to a 0.01% interest rate until the interest exceeds this rate.</p> |
| <p>5.4.1. Upon disbursement of the Loan, the Bank shall, depending on the extent of the credit risk, charge a one-off disbursement fee with respect to the amount of the disbursed Loan.</p>   | <p>5.4.1. In order to cover its costs directly related to the disbursement of the Loan, the Bank shall, upon disbursement of the Loan, charge a one-off disbursement fee with respect to the amount of the disbursed Loan.</p>  |
| <p>5.6. Other fees and costs</p> <p>5.6.1. The specification of other fees and costs is set out in the Agreement – including the List of Conditions constituting an integral part thereof.</p>   | <p>5.6. Other fees and costs</p> <p>5.6.1. The Bank is entitled to charge the following fees and costs</p> <ul style="list-style-type: none"> <li>a) Collateral appraisal fee</li> <li>b) Collateral appraisal fee in the case of a technical inspection</li> <li>c) Commitment fee</li> <li>d) Certification fee</li> <li>e) Prepayment fee</li> <li>f) Contract amendment fee</li> </ul>  |

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|  | <ul style="list-style-type: none"><li>g) land registry administrative service fee, which is the fee for the registration in or deletion from the land registry, of the independent lien/mortgage relating to the property (properties) associated with the loan transaction as collateral and that secure(s) the loan</li><li>h) the fee for the TakarNet inquiry related to the electronically authenticated copy of the title deed, that is, the fee for the downloading of the electronically authenticated copy (copies) of the title deed(s) related to the property (properties) associated with the loan, either as the collateral for or as the target of the loan, from the computerised land registry system (TakarNet)</li><li>i) the fee for the TakarNet inquiry related to the map copy (site plan), that is, the fee for the downloading of the map copy (copies) related to the property (properties) associated with the loan, either as the collateral for or as the target of the loan, from the computerised land registry system (TakarNet)</li><li>j) Other fee, fee for separate procedure</li><li>k) Administration fee</li><li>l) monitoring fee, which is a fee payable for the Bank's collection activity, if the Client does not fulfil its payment obligation. Collection activity shall mean especially but without limitation: telephone calls, sending letters of reminder.</li><li>m) extraordinary monitoring fee: this fee is payable when, as a result of the customer's delay in payment under the credit-facility or loan agreement, the Bank conducts collection activity in the course of which, following several unsuccessful attempts to contact the customer at the contact details provided to the Bank (thus especially, but without limitation, by letter and/or via an electronic channel), an attempt is made to contact the customer</li></ul> |
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|                                     | <p>in person.</p> <p>n) customer rating fee, in the case of housing loans provided with a state interest subsidy in accordance with Government Decree 16/2016. (II. 10.) on housing-purpose state subsidies for the construction and purchase of new homes fee associated with the disbursement of the loan, which comprises the administrative, IT program-preparation, data-entry and risk-analysis administrative costs incurred in relation to the disbursement.</p> <p>5.6.2. The definitions, due dates and extents of other fees and costs applicable to the Individual Agreements are set out in the Agreement – including the List of Conditions constituting an integral part thereof.</p>  |
| <p>There was no such provision.</p> | <p>6.1.1.7. In the case of Agreements concluded after 1 May 2004 and provided that the interest is fixed in interest periods, the Bank may change the interest rate during the term of the loan on not more than five occasions, following the expiry of any individual interest period, and only in the extent specified in the Agreement and calculated applying the Interest Change Indicator published on the website of the National Bank of Hungary.</p> <p>6.1.1.7.1. The interest rate applicable to the new interest period must be determined taking into account the Interest Change Indicator of the 120th day before the expiry of the interest period.</p> <p>6.1.1.7.2. If, in the course of the interest modification, the Bank applied an interest rate that was more favourable than the rate permitted by the Interest Change Indicator, in subsequent interest periods it may offset the discount given in respect of the interest rate – up to the amount thereof – from the interest rate to be reduced.</p> <p>6.1.1.7.3. The Interest Change Indicator specified in the Agreement – or any component thereof – may not be unilaterally changed even after the</p> |

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|   | <p>interest period. If, however, the Interest Change Indicator has become unsuitable for its purpose due to a significant change in the circumstances determining its calculation, the National Bank of Hungary will remove it from its website, simultaneously indicating the Interest Change Indicator that will replace it.</p>  |
| <p>9.1.10. (in the case of a Loan with interest subsidy):</p> <p>(iii) after the disbursement, the Bank obtains information indicative of illegitimate use of the interest subsidy.</p> | <p>9.1.10. (in the case of a Loan with interest subsidy):</p> <p>(iii) the state tax authority or the competent body specified in the Subsidy Decree has determined the unauthorised use of the interest subsidy in a legally binding resolution.</p>   |
| <p>There was no such provision</p>  | <p>14. SPECIAL RULES PERTAINING TO THE CIB CERTIFIED CONSUMER-FRIENDLY HOME LOAN</p> <p>14.1. Deadline for credit appraisal</p> <p>The deadline for credit appraisal is 15 working days following the Acceptance, calculated from the availability of the appraisal related to the property offered as collateral. The Bank agrees to do everything it can to ensure that the appraisal is available as soon as possible following the acceptance. If the Bank certifies that the failure to meet the deadline was due to reasons beyond its control – including the fact that it requested additional information and, in the case of occurrence of any circumstances that were unforeseeable at the time of the Acceptance , it also requested documents in addition to those specified by the Bank as necessary for the acceptance of the loan application, as indicated in the “Checklist required for a loan application” document provided by the Bank to the Client – and that it did everything in its power in order to avoid it, then the duration of the failure shall not be included in the 15 working days. If the Bank does not appraise the credit application within the deadline for credit appraisal under this section, then, in the case of a delay not exceeding 2 working days, the Bank will waive the payment of half of</p> |

the disbursement fee or, in the case of longer delays, it will waive payment of the full disbursement fee.

14.2. Fate of original documents related to the application for the Loan in the event of a cancelled agreement

If the conclusion of the Individual Agreement does not take place and the Loan applicant requests, either at any of the Bank's branches in writing, or by post, the original versions of the documents that contain the data submitted by it and that are related to the services paid for by it as well as an extract of the appraisal related to the property offered as collateral, then the Bank will make available the same to the applicant within 7 working days following the receipt of the applicant's declaration, in the case of a personal procedure, free of charge, or, if sent by post, with the costs of postage charged. The Bank is obliged to return the documents containing the personal data either to the subject of the personal data or to the authorised person holding a notarised authorisation of full probative force. The Bank provides a form – also published on its website – on which the Loan applicant can submit its application.

14.3. Provision for land registry administration by the Bank

During the procedure for the retrieval of the title deed copy and the map copy related to the property constituting the target of, or the collateral for, the Loan and for the registration in the land registry of the mortgage/independent lien established as security for the Loan and the prohibition on alienation and encumbrance the Bank provides to the Client a comprehensive administrative service free of charge, and in the course of this service the Bank may only charge costs incurred in the extent determined by the relevant statutory regulation. At the Debtor's written request the Bank also provides for the land registry administration on the Debtor's behalf. The Bank provides a form – also published on its website – on which the

Debtor can submit its request.

#### 14.4. Deadline for disbursement

The deadline for disbursement is 2 working days following the time that the Client has fulfilled all the conditions for disbursement determined in the Agreement, or a subsequent date determined based on the Client's written request that may be freely amended until the conclusion of the Individual Agreement. If the Bank does not disburse any or all of the Loan by the above deadline, then, in the case of a delay not exceeding 2 working days, the Bank will waive the payment of half of the disbursement fee or, in the case of longer delays, it will waive the payment of the full disbursement fee. The Bank provides a form – also published on its website – on which the Debtor can submit its request.

#### 14.5. Interest Change Indicator

14.5.1. In the case of a CIB Certified Consumer-friendly Home Loan the Bank applies the "H2K" Interest Change Indicator published on the website of the National Bank of Hungary (MNB), on the basis of which the interest rate may change, depending on the chosen interest period, at 5 or 10-year interest periods, in the extent calculated by applying the "H2K" Interest Change Indicator.

#### 14.5.2. Description of the "H2K" indicator:

The Interest Change Indicator has 4 versions: 3-year (H2K3), 4-year (H2K4), 5-year (H2K5) and 10-year (H2K10) interest periods, where the formula is to be understood as indicating the yields of the corresponding terms.

The indicator is the difference between the 3-month average BIRS values applied in two consecutive interest periods.

$$H2K = BIRS_{t+1} - BIRS_t$$

where  $t$  indicates the number of interest periods, which may not be more than 6 (5 interest rate changes). This is exactly the 3-month mathematical average of the BIRS interest in the 3 months preceding the month of the 120th day prior to the accounting date of the interest period.

BIRS: the 3-month average of the BIRS, the maturity of which is adjusted to the length of the interest period, is the financial indicator that is independent of the Creditor's credit risk and reputation on the market, and that indicates the price at which the Creditor can replace its variable-interest funding source with a fixed-interest one, thereby providing to the consumer an unchanged interest rate/interest rate margin throughout the period.

The BIRS (Budapest Interest Rate Swap) quotes are published for maturities of 2, 3, 4, 5, 6, 7, 8, 9, 10, 12 and 15 years, and are quotes representing the arithmetic mean (mid-swap) of the buying and selling interest rates of the HUF interest rate swap (IRS) quoted by the banks to each other under average market conditions on the interbank market with respect to the given maturity, where the annual fixed rate (on a ACT/365 basis) for the given maturity is quoted as opposed to the 6-month BUBOR (ACT/360) quote. The Hungarian Forex Company operates the fixing procedure for the daily fixing of the Budapest Interest Rate Swap (BIRS) fixing together with the National Bank of Hungary. The BIRS rates are available on the MNB's website.

The National Bank of Hungary publishes the latest effective rate of the indicator on its website (<http://www.mnb.hu>).

The Bank may unilaterally modify the transaction interest rate, in the case of a loan with a 5-year interest period based on the "H2K5" version or, in the case of a loan with a 10-year interest period, based

on the "H2K10" version of the "HK2" Interest Change Indicator, after the expiry of each interest period.

#### 14.6. Changing of the interest period

14.6.1. On the final date of the Interest Period the Debtor has the option of changing, free of charge (except for any costs incurred outside the Bank's scope of interest), the length of the next Interest Period or to determine a fixed interest rate for the remaining part of the term, provided that the Bank sells Certified Consumer-friendly Home Loans on the final date of the Interest Period, applying the Interest Period chosen by the Debtor or with the fixed interest calculated for the entire term as well. The Bank shall notify the debtor of the possibility of modifying the Interest Period at least 90 days prior to the expiry of the Interest Period, together with providing information on the interest rate applicable after the final date of the Interest Period, as per section 6.4.3. The Debtor must notify the Bank of its intention to change the length of the Interest Period in writing, at least 30 days prior to the expiry of the Interest Period. In the case of a change in the Interest Period, the interest rate applied in the new Interest Period may not be higher than the value of the reference interest rate applied to the Loan for the new Interest Period, which serves as the basis for the Interest Change Indicator defined in section 14.4 and is valid on the 2nd day before the last working day of the month preceding the provision of information on the interest rate applicable after the final date of the Interest Period, as per section 6.4.3, increased by 3.5 percentage points.

#### 14.7. Prepayment

##### 14.7.1. Cost of prepayment

The prepayment fee may not exceed 1% of the prepaid amount.

The Bank shall not be entitled to a prepayment fee if the full or partial

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|  | <p>prepayment is made by the payment of the monthly deposit to a home savings fund, in the amount determined in the home savings fund agreement, from the savings available under the agreement until the date of the full or partial prepayment, or from the related state subsidy including any credited interest, upon the expiry of the home savings agreement.</p> <p>14.7.2. If – on the Value Date indicated by the Client for prepayment – the amount deposited by the Client for repayment provides coverage for the amount of all the outstanding Debt (full prepayment), the Bank shall close the loan and, within 7 working days, it shall issue to the Collateral Provider a declaration of consent necessary for the cancellation of the mortgage/independent lien on the property.</p> |
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Reason for the change:

- compliance with MNB request no. 38980-2/2017, on the basis of which certain unfair provisions have been amended.
- The introduction of a new Service for Clients:
  - Introduction of the CIB Certified Consumer-friendly Housing Loan based on MNB executive letter no. 111872-16/2017 entitled 'Executive letter regarding the evaluation of "Certified Consumer-friendly Housing Loan" applications and on the decision as to whether to grant a right to use such certification label"; and
  - Introduction of the CIB Freely Usable Mortgage-backed Loan ("CIB Equity Loan") with interest periods of 5 and 10 years.

We kindly remind you that if you do not inform the Bank, by the time the amendment goes into effect, of the fact that you do not accept the amendment, then the amendment shall be deemed to have been accepted by the Client.

**CIB Bank Zrt.**

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