

**General Information regarding
The Credit Agreements for Consumers in
relation to Residential Immovable Property
Law of 2017**

PART 1: Creditor

Bank: Ancoria Bank Ltd

Registration No.: HE324539

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Banker's Name:

Telephone no.:

PART 2: Main features of the Credit Agreements falling within the scope of the Law

1. Purposes for which the credit facility can be used:

- (a) For any legitimate purpose provided that the credit facility is secured by either a mortgage on residential immovable property, or secured by a right related to residential immovable property.
- (b) For the acquisition or the retention of property rights in land or in existing or under construction buildings, provided that the physical person to whom the credit is granted is acting as a consumer.

2. Securities

The Bank may request any of the following types of security depending on the type of credit:

- Mortgage on the financed or any other immovable property within the territory of the Republic of Cyprus or
- Assignment of your rights on a Sales Agreement or
- Letter of Guarantee issued by a local Bank
- Mortgage Clause in favour of the Bank on your home insurance
- Assignment of your rights to a Life Insurance policy for an amount equal to at least the amount of the credit facility.
- Assignment of Receivables / Income
- Lien on a cash deposit
- Personal Guarantees
- Any other type of security deemed necessary

3. Duration of Agreement

The repayment term of your loan can be up to 35 years, provided that you do not exceed 65 years of age at the maturity date of the credit facility, depending as well on the type of loan product that you choose and the purpose of the loan. The minimum and the maximum duration of the credit agreement, which is valid today, is determined per product as follows:

Product Category	Duration
Housing Loan for Primary Residence / Holiday House	5 – 35 years
Housing Loan for the acquisition of a house as an investment	5 – 25 years
ECO Home Improvement Loan	1 – 10 years
Students Loan	5 – 15 years
Car Loan	1 – 7 years
Cash Collateral Loan (not for residential purposes)	6 months – 10 years
Digital Loans	6 months – 2 years

Note:

The Bank will evaluate your request in case you need to modify the repayment term of your loan. Terms and conditions apply.

4. Interest types available and Benchmarks

The Bank offers the following options in terms of type of interest rates:

- a) Floating Interest rate which changes from time to time during the term of the credit agreement. The floating interest rate consists of the Base Rate plus margin.**

The Base rates available for credit facilities in EUR are the following:

- For loan products: Bank’s Base Rate for Housing Loans (BBRH) /Euribor.
 - BBRH will be determined and varied by the Bank from time to time without the collaboration of the Debtor.
 - The EURIBOR (Euro Interbank Offered Rate), which means the rate of interest for loans in euro, administered by the European Money Markets Institute (EMMI), or any successor thereto, for a period equal to the interest period.
- For personal loans (except housing loans) and overdraft accounts: Bank’s Base Rate Consumer (the “BBRC”),
 - BBRC will be determined and varied by the Bank from time to time without the collaboration of the Debtor.

More information on the Base Rates referred to above, can be found on the Bank’s website.

With the conclusion of the agreement, the margin of the interest rate on your credit facility remains unchanged throughout the duration of the agreement. Notwithstanding the above, the margin may be increased by written agreement between the parties or reduced by the Bank.

With the floating interest rate option, the monthly instalment of your facility will vary whenever the Base Rate is varied.

Floating interest rates can carry risks that can impact your financial stability and well-being. Some of the major risks are the following:

Fluctuating monthly payments

If interest rates rise, monthly payments can increase, potentially straining your budget and making it more difficult to meet your repayment obligations.

Uncertainty in Financial Planning

Floating rates introduce uncertainty into financial planning for your household, as it becomes challenging to predict future expenses.

Potential for higher total interest cost

If interest rates rise significantly over your loan term, you could end up paying much more in interest than you would have in a fixed rate loan.

Risk of Default

Sharp increases in interest rates can lead to unaffordable monthly payments into your loan, increasing the risk of default. This can lead to serious consequences such as loss of your property and financial hardship.

b) Fixed Interest Rate for the first 2 or 3 years of loan duration, and a Floating Base Rate for the remaining loan duration. This option applies for housing loans only.

Borrowing with a fixed interest rate can carry several risks. Some of them are the following:

Higher Initial Rates:

Fixed-rate loans often start with higher interest rates compared to variable-rate loans. This means you might pay more in interest, especially if rates stay low over time.

Opportunity Cost:

If market interest rates decrease after you've locked in a fixed rate, you won't benefit from lower payments, unlike variable-rate loans that adjust downward.

Inflexibility:

Fixed-rate loans usually don't offer much flexibility. If you need to refinance or change your loan terms, you may face fees, penalties, or challenges with early repayment.

Inflation Risk:

If inflation rises significantly, the value of your fixed monthly payments decreases in real terms, which may benefit you. However, if inflation remains low, you might be paying more in comparison to current rates.

c) Variable interest rate for loan products that are fully secured with a cash pledge.

5. Available Currencies

Currencies in which the Bank provides credit facilities

- EUR - Euro

6. Foreign Currency

Irrespective of the currency of the credit facility granted to you, a credit agreement in foreign currency means an agreement which:

(a) is expressed in a currency other than the currency in which you receive your income or keep the assets from which the credit is to be repaid, or

(b) is expressed in a currency different to the national currency of the member state of your residence.

You are hereby warned that in case of a foreign currency credit facility you are exposed to several risks that you should be able to assess prior to concluding the relevant credit agreement. Some of the key risks are the following:

Exchange Rate Risk

If your income is in different currency, you face the risk that the foreign currency in which your loan is denominated may appreciate relative to your income currency. This would make your payments more expensive in terms of your own income. For example, if your earnings are in Euro and you take a loan in US\$, an appreciation of the dollar against the Euro would increase the cost of repaying the loan in Euro.

Interest Rate Risk

Interest rates may differ between currencies. A loan in a foreign currency might have a lower interest rate than the one in your domestic currency, which could be attractive. However, if the foreign currency appreciates, the cost of repayment can offset any initial savings.

Economic Instability

If there is economic instability in your country, leading to currency depreciation, it could drastically increase repayment burden. This is particularly problematic in times of economic crisis or inflation.

Default Risk

The increased cost of repayment due to currency fluctuations can lead to a higher likelihood of default, particularly if you cannot afford the higher payments.

Legal and Regulation Risks

You may face legal complications if you cannot repay your loan, particularly if there are cross-border implications or if your loan agreement is governed by the laws of another country.

7. Total Annual Effective Percentage Rate (APR)

The APR expresses the annual effective interest rate of your credit facility, which results if the total cost, in addition to the interest, also includes other charges, taking into account the time of payment of each amount during the repayment period of the facility.

Indicative Example for the calculation of APR

Housing Loan for the purchase of an immovable property with a market value of €125.000 for residential use for a loan amount of €100.000:

Own contribution	Total Interest Rate	APR*	Loan Duration
20%	3,43%	4,30%	35 years
Initial Bank Fees	Monthly Instalment	Total Cost of Credit*	Total Payable Amount*
€0	€409,33	€ 71,917.21	€188,579.68

* The amounts/percentages may vary due to changes in the loan interest rate and/or insurance premiums during the loan repayment period.

For the purpose of calculating the APR above, the following are included:

- Borrowing rate: BBRH (Bank's Base Rate for Housing Loans) 1,83 % + Margin 1,60% = 3,43%
- One-off charges:
 - (a) Processing fees: €0
 - (b) Documentation fees: €0
 - (c) Property Valuation Fees: €150
 - (d) Artemis Search Fees at the Central Information Registry (Artemis): €17
 - (e) You will need to pay a fee for the registration of a mortgage which equals 1% of the mortgage amount plus €10 payable at the Land registry Offices: €1.010

Regular Charges (not taken into consideration in the APR calculation):

- (a) Group Life Policy / Life insurance Policy securing the loan: 3.75 per thousand on the balance of the loan, annually. (This cost refers to the Group life policy with Universal Life according to the company's coverage acceptance criteria. The cost of life insurance with other insurance companies is not known).
- (b) Insurance against fire: €213 annually (The cost of insurance premiums depends on the value of the property, the insurance company, and the coverage package you choose).
- (c) Maintenance Fees: €0
- (d) Renewal Fees: €0

APR is calculated on the basis of the following assumptions:

- The full amount of the loan is disbursed upon the opening of the loan

- The Loan Agreement will remain in effect for the entire term agreed and
- The debit interest rate remains the same for the entire duration of the loan.

Indications for possible additional costs not included in the total cost of credit:

- Expenses arising from breach of contractual obligations
- Fees relating to the transfer of immovable property.

8. Repayment Options

Depending on the purpose of the facility and the product you choose, you have the following options with regards to the repayment method:

- Grace period - where for a specified period, you will only pay the interest accrued on the Loan as per the periodicity of payments (frequency of each instalment) agreed pursuant to the loan Agreement. It is provided that the amount of the capital remains due and must be repaid on the basis of the repayment schedule agreed between us (applicable for housing and student loans).
- In monthly/quarterly/half - yearly instalments comprising of capital and interest.
- You have the ability to suspend up to two monthly instalments per year, as long as the Bank is informed at least one month prior to the date of the instalment, with a maximum of 24 instalments during the duration of your loan period. This option applies for Housing Loans used for Primary Residence only. Terms and conditions apply.

Warning: Compliance to the terms and conditions of the agreement is not a guarantee for the settlement of the total amount of credit under the credit agreement.

Indicative Reasons:

- (a) Increase in the debit interest rate, in the case of floating interest rate.
- (b) Exchange rate fluctuations, in case the credit agreement is in a foreign currency
- (c) Increase in charges.

9. Early Repayment

You have the right to fully or partially repay your loan at any time during the term of the contract, provided you give the Bank written notice of five (5) days.

In the case of early repayment, the total cost of your facility is reduced by the amount consisting of interest and charges for the remaining period of the contract.

According to the law, during a floating interest period, no early repayment compensation is required. During any fixed interest period, compensation equals to the cost to the creditor for placing back on the interbank market of an amount equal to the amount of the early repayment. The amount of the compensation depends on the difference in interest rates in the interbank market, between the time when the fixed rate starts and the repositioning of the early repayment capital, the early repayment amount, and the remaining time until the end of the fixed interest period.

In any case of early repayment, the Bank may claim additional administrative costs not exceeding EUR 100.

10. Property Valuation

It is necessary to carry out a valuation by an independent valuer appointed by the Bank on behalf of the Bank for both the property to be purchased and any other property that will be mortgaged in favour of the Bank as collateral. The cost of the valuation is borne by the consumer.

11. Ancillary Services

Required additional services to grant the facility depending on the type of the facility are the following:

- Life insurance securing the credit facility.
- Fire and earthquake insurance throughout the repayment period of your loan, for both the property to be purchased and any other property that will be mortgaged in favour of the Bank as collateral.

The Bank shall accept an insurance policy from a supplier different to his preferred supplier, where such policy has a level of guarantee equivalent to the one the bank has proposed.

12. Warnings

POTENTIAL CONSEQUENCES OF NON-COMPLIANCE WITH THE OBLIGATIONS UNDER THE CREDIT AGREEMENT

- (a) The Bank has the right to terminate the credit facility agreement and demand immediate payment of all amount due including capital, interest, default interest, commission, fees, charges and any other expenses,
- (b) Legal or other proceedings may be initiated against you and your guarantors/security providers for debt repayment, in addition to legal and other costs until full and final settlement,
- (c) The Bank may exercise its right to set-off and/or lien
- (d) The Bank may impose default interest 2% in excess of the applicable debit interest rate
- (e) The Bank may charge in any of your accounts the costs of sending the informative letters to you/your guarantors/ security providers for any instalments due/excesses
- (f) It may make credit granting difficult due to your entry in the Artemis Registry
- (g) The Bank may proceed with sale and/or seizure of the mortgaged property

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