



GENERAL INFORMATION ON HOUSING CONSUMER LOANS WITH LIEN RIGHTS AGREED FOR NATURAL PERSONS WHO MATERIALIZE THEIR REGULAR INCOME IN A EURO-AREA MEMBER STATE

1. Information about the credit institution						
Name of credit institution	Privredna banka Zagreb d.d.					
Address	Radnička cesta 50, Zagreb					
Phone no.	01 636 0000					
e-mail	pbz@pbz.hr					
Fax no.	01 636 0063					
Web page	www.pbz.hr					
2. Credit institution authority						
Name of authority	Hrvatska narodna banka					
Address	Trg hrvatskih velikana 3, Zagreb					
Web page	www.hnb.hr					
3. Product main feature description						
Loan type	Housing consumer loan.					
Currency	The loan may be granted with EUR currency clause.					
Loan users	<p>Natural persons (consumers) – non-residents residing in an euro-area* EU member state or residents** who materialize regular income in EUR in an euro-area EU member state.</p> <p>The loan user may be the aforementioned natural person (consumer) who meets the loan terms and conditions as pursuant to the Bank's rules, and who, together with the loan application, has submitted documents required for loan solvency assessment, for providing proof of loan purpose, as well as other documentation for the loan materialization, where needed, provided that the minimum age at loan application has to be 30 years and the maximum age at the final loan maturity may be 60 years.</p> <p>* 19 euro-area member states are: Austria, Belgium, Cyprus, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Portugal, Slovakia, Slovenia and Spain</p> <p>** Under the Foreign Exchange Act residents are understood as natural persons with a place of residence in the Republic of Croatia or natural persons staying in the Republic of Croatia on the basis of a valid residence permit for a minimum period of 183 days, except diplomatic and consular representatives of foreign countries and their family members. All other natural persons are understood to be non-residents.</p>					
Loan purpose	<p>Purchase of a housing property in the Republic of Croatia (apartments, family homes including respective plots, housing properties under construction), with mandatory self-contribution of the loan user amounting to a minimum of 30% of the purchase price.</p> <p>The loans may be granted for the purchase of garages, parking lots, garage parking lots and/or storage facilities, provided that the loan user has previously or simultaneously materialized a loan for the purchase of a property as referred to hereunder. The loans may be used to finance holiday condos, holiday homes and cottages.</p>					
Loan amount	<table border="1"> <tr> <td>Mortgage loans</td> <td>EUR 20,000 – 350,000</td> </tr> </table> <p>The loan amount depends on the total exposure towards the Bank and the estimated value of the property.</p>	Mortgage loans	EUR 20,000 – 350,000			
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Duration/Tenure	<p>5 - 30 years,</p> <p><i>The loans which are granted:</i></p> <ul style="list-style-type: none"> - to non-residents can be granted for a maximum repayment of up to 20 years - at a fixed interest rate can be granted for a maximum repayment of up to 10 years. <p><i>It is possible to agree a 12-month grace period.</i></p>					
Interest rate	<table border="1"> <thead> <tr> <th rowspan="2">Interest rate and APRC</th> <th>FIXED INTEREST RATE</th> <th>VARIABLE INTEREST RATE</th> </tr> </thead> <tbody> <tr> <td>3.98% annually, fixed (APRC 4.38%)¹</td> <td>3.34% annually, variable (APRC 3.71%)²</td> </tr> </tbody> </table>	Interest rate and APRC	FIXED INTEREST RATE	VARIABLE INTEREST RATE	3.98% annually, fixed (APRC 4.38%) ¹	3.34% annually, variable (APRC 3.71%) ²
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		3.98% annually, fixed (APRC 4.38%) ¹	3.34% annually, variable (APRC 3.71%) ²			
CLIENTS MAY SELECT WHETHER THEY WILL AGREE A VARIABLE OR A FIXED INTEREST RATE.						
<p>The variable interest is defined as the sum of the fixed and the variable part.</p> <p>The variable part of the interest consists of the variability parameter.</p> <p>6M NRS1 EUR as of June 30, 2021 amounts to 0.11%. The variable interest rate displayed shall remain valid until December 31, 2021.</p> <p>A client may observe the exact APRC calculation from the ESIS (European Standard Information Sheet), which they will be handed in prior to the agreement signing.</p> <p>¹ APRC is calculated for the loan amount of EUR 70,000.00 and the repayment period of 10 years, in addition to the property valuation cost, property insurance policy premium and the life insurance policy according to the amounts listed in the representative example. The APRC calculation includes the compound interest for a period of a month.</p> <p>² APRC is calculated for the loan amount of EUR 70,000.00 and the repayment period of 20 years, in addition to the property valuation cost, property insurance policy premium and the life insurance policy according to the amounts listed in the representative example. The APRC calculation includes the compound interest for a period of a month.</p>						
IR calculation method	Decursive proportional calculation method					
Collaterals	<ul style="list-style-type: none"> • Promissory note issued by all loan participants (loan user, co-debtor) and attested (solemnized) by a public notary • Lien rights for the financed property acceptable for the Bank exclusively • Basic risk insurance policy for the property put under lien and • Loan user's life insurance policy with redemption value amounting to 10% of the loan amount. <p>The Bank shall not accept collaterals which are located or issued outside the Republic of Croatia.</p>					
Property valuation	<p>Property valuation is conducted in accordance with the regulation providing for the property valuation.</p> <p>The cost of property valuation is met by the loan user.</p>					
Loan utilization method	The loan is discharged as a cashless transaction into the seller's account at the intermediate exchange rate of the CNB on the day of discharge.					



Ancillary services	<p>The loan user is under obligation to agree the property insurance policy for the entire duration of the mortgage, or during the existence of the claim.</p> <p>The Bank shall accept an insurance policy that meets the prescribed conditions, is issued by an insurance policy endorsed by HANFA and as listed below: ADRIATIC OSIGURANJE d.d., AGRAM LIFE osiguranje d.d., Allianz Hrvatska d.d., CROATIA osiguranje d.d., EUROHERC osiguranje d.d., GENERALI OSIGURANJE d.d., GRAWE Hrvatska d.d., HOK - OSIGURANJE d.d., Hrvatsko kreditno osiguranje d.d., MERKUR OSIGURANJE d.d., OTP osiguranje d.d., TRIGLAV OSIGURANJE d.d., UNIQA osiguranje d.d., Wiener osiguranje Vienna Insurance Group d.d., Wüstenrot Životno osiguranje d.d.</p> <p>If the loan user contracts the insurance policy through the Bank as an insurance distributor, the Bank will make an informative calculation of the insurance premium costs before the policy is contracted, as well as provide all other pre-contractual documentation in accordance with insurance regulations to decide on acceptance of insurance conditions.</p>
Loan repayment	<p>The loan may be repaid in equal monthly annuities or monthly installments. An EUR currency clause loan shall be repaid in HRK, by applying the intermediate exchange rate of the CNB as of the day of payment.</p>
4. Loan expenses	
Loan application processing fee	No fee charged.
Early loan repayment fee	No fee charged for early partial or full loan repayment.
Other expenses	<p>Public notary costs (solemnization of the loan agreement, solemnization of the Promissory note, attestation of cancellation clauses and the rest of credit documentation for which attested signing is prescribed by law). Registration/cancellation of the lien rights to the benefit of the Bank for the property put under lien and the obtaining of a land registry excerpt. Property valuation costs. If a standing order was agreed, the fee shall be charged as pursuant to the Bank's Tariff.</p>
5. Risks	
Exchange rate (currency) – for EUR currency clause loans	<p>The exchange rate is formed under the influence of a financial market's supply and demand. Since the exchange rates and variables affecting them constantly fluctuate, there is exchange rate risk present. Currency risk is the insecurity of local currency's value compared to the foreign exchange value due to exchange rate changes. The exchange rate change may actually reduce or increase the value ratio between two currencies and thus the amount of the agreed obligation. Therefore, it is possible for the contractual obligation denominated in HRK to change due to the exchange rate fluctuation.</p>
Interest rate risk	<p>Housing loan interest rate changes depend on:</p> <ul style="list-style-type: none"> the 6M NRS1 EUR fluctuation for loan with EUR currency clause which is determined depending on the fluctuation within the Croatian banking sector. <p>The national reference rate (NRS) is the average cost of resources of the Croatian banking sector (banks and savings banks) for a specific past period (of 3, 6, or 12 months), the source type (natural persons' deposits, deposits of non-financial sector legal entities, all other banks' finance sources) and the relevant currency (HRK, EUR, USD, CHF), i.e. the NRS is an average interest paid by the banking sector to obtain funds required for its lending activities and it is determined quarterly.</p> <p>The 6-month NRS is calculated on basis of the data on natural persons' EUR deposits and it is marked as 6M NRS1 for EUR. Over a specific period, the 6M NRS1 EUR may increase or decrease and therefore, and in accordance with the General terms and conditions of Privredna banka Zagreb d.d., Zagreb in providing loans to natural persons and an individual loan agreement, the interest rate will be changed as well. By agreeing a variable interest rate and by accepting the General terms and conditions of Privredna banka Zagreb d.d., Zagreb in providing loan services to natural persons, a client shall also accept the variable interest rate risk due to the change of the 6M NRS1 EUR over the course of the contractual relationship.</p> <p>The Croatian National Bank calculates and publishes the NRS on its web page (www.hnb.hr/nrs) on basis of the data it disposes of which were gathered for regulatory purposes (https://www.hnb.hr/statistika/statisticki-podaci/financijski-sektor/drugemonetarne-financijske-institucije/kreditne-institucije/pokazatelji-poslovanja-kreditnih-institucija) in accordance with Art. 162 of the Credit Institutions Act (OG, No. 159/2013.,19/2015.,102/2015.,15/2018.,70/2019.,47/2020., 146/20), together with the NRS calculation methodology and the NRS publication calendar.</p> <p>Should NRS no longer exist, the Bank shall use an interest rate (including any spread or adjustment) which could be formally proposed by the regulator, i.e. authority as determined by the Act on Implementation of Regulation (EU) 2016/1011 on indexes used as reference values, i.e. generally accepted market practice or financial industry proposals, of which PBZ shall timely notify the client.</p>
Job or partial income loss risk	<p>Apart from the risk related to the exchange rate fluctuation and the interest rate change, there is the risk related to the loan repayment due to possible income or partial income loss (job loss, personal income reduction etc.).</p>
Possible consequences of contractual obligation non-fulfillment	<p>If a client failed to meet contractual obligations, either due to losing their job or for another reason, prior to the cancelling of the agreement, the Bank shall undertake collection measures of the outstanding receivables, which shall include, but shall not be limited to, sending notifications and reminders, activating agreed collaterals (promissory note etc.), which might result in a seizing/notarial procedure and sales of the property under lien etc. in the end.</p> <p>On missing, i.e. late payments the Bank shall calculate and collect legal penalty interest, which applies in accordance with the regulation. The penalty interest rate is determined for each half year, by increasing the average interest rate on the credit balances granted for a period longer than a year to non-financial companies as calculated for the reference period preceding the current half year, by three percentage points, and which on the day this General information were made amounted to 5.61% annually. The average interest rate for the reference period is published by the Croatian National Bank on each January 1 (for the period May 1 – October 31) and on July 1 (for the period November 1 – April 30) in the National Gazette.</p> <p>In case the loan agreement was cancelled and/or forced collection procedure was initiated, actual costs may occur for the loan user and they may be: the cost of initiating and managing forced collection procedure with a public notary, courts or Financial Agency (legal and public notary costs incurred during a seizure and/or litigation procedure, advances, including fees and fees calculated in accordance with tariffs, court fees), the cost of delivering legally enforceable seizures and other payments to Financial Agency, the cost of fees with the purpose of insurer status checks with HZMO (Croatian Pension Insurance Institute) and other registers, the cost of checking residence, as well as assets check with courts, legal entities and other authorities in accordance with the provisions of the Seizure Act managing records and registers, as well as any other costs incurred during liability collection, the type and amount of which are determined by regulations, depending on the type of procedure, i.e. respective court decision, possible litigation costs.</p>



6. Additional information	
Granting procedure for a housing consumer loan	<p>Submitting loan application: A client will submit their loan application in a Bank's branch office. Together with the application the client will submit required documentation necessary to estimate loan solvency (a credit report must be attached for non-residents, as well as loan users' payrolls containing information on employment, which both have to be translated into Croatian) and confirm the purpose of the loan. It is also necessary to attach the property value estimation for the property put under lien, not older than 12 months. The property valuation may be agreed in the Bank as well, in which case the estimate is performed by PBZ Card d.o.o. in accordance with pricelist which may be found on their web.</p> <p>Loan application processing: After collecting documentation the Bank will process the loan application. During the processing, the Bank may use the client data it possesses or the data provided by the client. If the Bank cannot estimate loan solvency or determine the acceptability of the collaterals on basis of the documents delivered, it may request from the client additional documentation. If the client did not want to provide information or documentation required for the estimate and loan granting, the Bank shall refuse the request for the loan agreement to be closed.</p> <p>After the loan application has been processed, the Bank shall adopt the decision on the granting or refusal of the loan. If the Bank adopted a negative decision, the client shall be notified about the negative decision in the shortest period possible.</p> <p>Contractual documentation drafting: After the loan has been granted, the Bank shall inform the client about it and prepare contractual documentation (loan agreement, promissory note etc.). Insurance policies will be collected prior to the drafting of the contractual documentation.</p> <p>Closing loan agreement: The loan agreement is solemnized by a public notary together with the promissory note with the lien debtor present and solidary debtors, if any.</p> <p>Putting property under lien: A proposal for lien rights registration to the benefit of the Bank, together with a copy of the solemnized loan agreement a client shall present to the competent municipality court, its land registry department to register the lien rights; after the registration of the lien rights and before the loan is discharged, it is necessary to deliver to the Bank the excerpt of the land registry containing the registered lien to the benefit of the Bank and the Decision allowing the registration of the lien to the benefit of the Bank.</p> <p>Loan utilization: After the client has submitted the solemnized copies of the loan agreement and all collaterals, on basis of the loan utilization documentation the Bank will make an order for the loan utilization, which will be signed by the client and the loan will be then discharged. A client may agree a standing order or a collection order with the Bank, by which the Bank shall be authorized to collect monthly loan installments from their transaction accounts opened with the Bank.</p>
Advisory services	The Bank shall not provide advisory services as referred to in Art. 22 of the Housing Consumer Credit Act.
Consumer protection	A client may request council free of charge at Consumer protection counselling centers in the Republic of Croatia. The list of the Counselling centers may be found on the web pages of the Croatian Ministry of Economy, Entrepreneurship and Craftmanship.
7. Contractual parties' rights before and/or after the closing of the loan agreement	
Loan user	<p>RIGHT OF WITHDRAWAL: The loan user has the right to withdraw from an agreement within 14 days from the date of entering into the agreement without providing any reasons. When deciding on withdrawal, the loan user is obliged to notify the Bank before the expiry of the said 14 days. The loan user shall inform the Bank in written or on another durable medium available to the Bank, i.e. they are obligated to pay the principal and interest on principal to the Bank from the date of withdrawal of funds pursuant to the loan agreement up to the date of principal repayment without postponement and no later than 30 days after submitting the notice of withdrawal.</p> <p>If the loan user contracted ancillary loan-related service in addition to the loan agreement (e.g. an insurance policy etc.), the loan user has the right to withdraw from the ancillary service agreement within 14 days (in letter: fourteen) since the day the above notification was delivered as well, of which they have to inform the ancillary service provider in written.</p>
The Bank	<p>The Bank shall retain its right to refuse a Client's loan application if, at the moment the application is submitted, or up until the moment the loan agreement is closed, the Bank assessed it did not want to close a loan agreement, of which the Client will be informed in written and without delay.</p> <p>Apart from the case above, the Bank retains its right to refuse a loan application, i.e. close a loan agreement also if the Client denied their consent for the processing of personal data intended for contractual relationship implementation, management and estimate of credit and other risks, as well as for other purposes as referred to in Art. 7 of the General terms and conditions of Privredna banka Zagreb d.d., Zagreb in providing loan services to natural persons.</p> <p>During the term of the consumer housing loan agreement the Bank shall be entitled to check purposeful utilization of the funds discharged as the housing consumer loan.</p>
8. Early repayment	
<p>A loan user is entitled to fully or partially repay the loan, as pursuant to the provisions of the Consumer Housing Credit Act. However, they shall submit a written request to the Bank in advance. After receiving the aforementioned request, the Bank shall deliver information required to consider the possibility of early repayment to the loan user.</p> <p>It is possible to agree an automated partial loan repayment (reduced repayment period and the same annuity or the same repayment period and lower annuity) for loans with equal monthly annuities or monthly installments. The payment cannot be lower than the total amount of 3 annuities/installments' value, or higher than 20% of the principal undue as of December 31 of the preceding year.</p>	
9. General terms and conditions	
<p>The general terms and conditions for providing loan services to natural persons, including the General terms and conditions of Privredna banka Zagreb d.d., Zagreb, as valid at the loan materialization, may be subject to amendments and thus amended General terms and conditions shall apply to the loan being repaid accordingly.</p>	
10. Complaint procedure	
<p>If the loan user considers that the Bank does not comply with the conditions from the housing consumer loan agreement, the corresponding general conditions, the provisions of the law loan user may submit their written complaint in person in all branch offices (outlets) of the Bank, by mail to: Privredna banka Zagreb d.d., Customer Satisfaction & Complaints Office, Radnička cesta 44, HR-10000 Zagreb or to any Bank's branch office (outlet) address or by e-mail to pbz365@pbz.hr</p> <p>The Bank has to issue a Statement confirming complaint receipt to the consumer respond within the legal deadline.</p>	
11. Dispute resolution and out-of-court or alternative consumer dispute resolution approach	
<p>If a Loan user is dissatisfied with the Bank's reply or solution to their received complaint, they may inform the Croatian National Bank. In all disputes arising in connection with the application of the provisions of the housing loan agreement or relevant regulations, the loan user may submit their complaint or proposal for conciliation not only to the supervisor, but to the Court of Honor with the Croatian Chamber of Commerce or any of the mediation centers in the Republic of Croatia as well, i.e. they may initiate an alternative local and cross-border consumer dispute resolution procedure in accordance with</p>	

the law providing for alternative consumer dispute resolution with a respective alternative consumer dispute resolution authority - CCE Mediation Center, Zagreb, Rooseveltov trg 2, e-mail: mirenje@hgk.hr (http://www.hgk.hr/centar-za-mirenje/o-centru-zamirenje)..
For any disputes resulting from this Agreement, the competent law is the Croatian law, and therefore competent is the court according to the Bank's headquarters.

12. Contact

- toll free info phone:	0800 365 365
- e-mail:	pbz365@pbz.hr
- Bank's web page:	www.pbz.hr
- Bank's branch office	

Document date:

July 01, 2021

REPRESENTATIVE EXAMPLES OF THE TOTAL COSTS

	VARIABLE INTEREST RATE Variability parameter: 6M NRS1 for EUR	FIXED INTEREST RATE
Loan currency	EUR	
Requested loan amount	EUR 70,000.00	
Repayment period	20 years	10 years
Loan application processing fee	No fee charged	
Interest rate	3.34% ¹ annually, variable	3.98% annually, fixed
Annual Percentage Rate of Charge ²	3.71%	4.38%
Total interest amount for repayment period	EUR 26.252,49	EUR 15,198.26
Monthly annuity	EUR 400,24	EUR 708.05
Total amount to be repaid ³	EUR 104.229,39	EUR 92,795.26

¹Variable IR is defined as the sum of the fixed part and 6M NRS1 EUR.

²APRC was calculated for the said loan amount and said repayment period, in addition to property valuation costs of HRK 1,625.00, annual property insurance premium of EUR 38.00 and life insurance policy with a redemption value of 10% of the loan. The APRC calculation includes the compound interest for a period of a month.

³The total amount to be repaid includes the loan principal amount and the interest calculated before maturity, increased by the compound interest amount for a period of a month, which is to be paid until the final loan repayment by the loan user, assuming that until the end of the loan repayment the said variable interest rate would remain, the property valuation costs amounted to HRK 1,625.00, annual property insurance policy premium amounting to EUR 38.00 and life insurance policy costs with redemption value of 10% of the loan amount.

The determining and the variability of the interest rate according to 6M NRS1 EUR is defined by the General terms and conditions of Privredna banka Zagreb d.d., Zagreb in providing loans to natural persons.

July 01, 2021