

General information about the housing loan in HRK

Information about the credit institution:

OTP banka dioničko društvo, Domovinskog rata 61, 21000 Split

telephone: 072 21 00 21

Electronic address: info@otpbanka.hr, Internet site: www.otpbanka.hr

General loan information		
Type of loan	Housing loan in HRK and EUR.	
Eligible borrower	The loan is intended for the employees of the company Rimac Automobili. The eligible natural person shall meet the credit worthiness requirements of OTP banka, be a Croatian national and have residence in the Republic of Croatia. The customer status requirements must be met within 3 months of the loan agreement date. The person receiving his/her monthly earnings on the current or foreign currency account in OTP banka shall be considered as having the customer status for this purpose.	
Loan currency	Available options include: loan in HRK and loan indexed to EUR	
Loan purpose	<ul style="list-style-type: none"> • purchase of a real property • building a real property • completion or refurbishment of residential premises • purchase and /or furnishing of utility infrastructure for a building plot • Improving of energy efficiency of a house or a flat • refinancing of a housing loan 	
Repayment period	For the housing loans combining fixed and variable interest rate: fixed for the first 5 years into repayment and then variable during the following 25 year, not longer than 30 years	
Loan amount	From HRK 37,500 to 2,250,000 From EUR 5,000 to 300,000	
Interest rate	Loan in HRK	Fixed interest rate of 2.29% p.a. over the first five years into repayment, and variable interest rate* of 2.87% afterwards, with EIR** of 2.79%.
	Loan in EUR	Fixed interest rate of 2.29% p.a. over the first five years into repayment, and variable interest rate* of 2.84% afterwards, with EIR** of 2.77%.
<p>* Variable interest rate charged on retail loans to be calculated as the sum of the fixed margin charged by the bank and the six-month national reference rate (NRR1), which equalled 0.17% for HRK, and 0.14% for EUR on 02/01/2021.</p> <p>**EIR is calculated taking into account the loan amount of HRK 500,000, that is, EUR 65,000, with the repayment period of 20 years with the specified interest rate. The calculated EIR includes the costs of current account administration fee of HRK 12 per month, the cost of the real property insurance policy in the amount of HRK 216 p.a., the real property appraisal cost in the amount of HRK 1,500, one-off, and the odd-days period interest for a month. The above-mentioned loan amount requires a lien on the property as collateral.</p>		

	Example	
	Fixed and variable interest rates combined	
	HRK	EUR
Loan amount and currency	HRK 500,000	EUR 65,000
Loan repayment term	5 years with fixed interest rate: + 15 years of variable interest rate:	
Front-end fee	none	
Fixed interest rate	2.29%	2.29%
Variable interest rate*	2.87%	2.84%
Effective interest rate (EIR)**	2.79%	2.77%
Flat-rate EMI at fixed interest rate	HRK 2,599	EUR 338
Flat-rate EMI at variable interest rate	HRK 2,707	EUR 351
Number of instalments	240	
Odd-days period interest	HRK 972	EUR 126
Real property appraisal cost[†]	HRK 1,500	EUR 200
Total repayment amount***	HRK 644,158	EUR 83,608

* Variable interest rate charged on retail loans to be calculated as the sum of the fixed margin charged by the bank and the six-month national reference rate (NRR1), which equalled 0.17% for HRK, and 0.14% for EUR on 02/01/2021.

**EIR is calculated taking into account a loan amount of HRK 500,000, that is, EUR 65,000, with the repayment period of 20 years (240 monthly flat-rate instalments), with the specified interest rate. The calculated EIR includes the costs of current account administration fee of HRK 12 per month, the cost of the real property insurance policy in the amount of HRK 216 p.a., the real property appraisal cost in the amount of HRK 1,500, one-off, and the odd-days period interest for a month. The above-mentioned loan amount requires a lien on the property as collateral.

***The total repayment amount includes the principal amount plus the interest rate calculated until maturity, which the borrower would pay until final loan repayment, under the assumption that the mentioned variable interest rate and the transaction account administration fee of HRK 12 per month remain applicable until the final repayment date.

[†]No real property appraisal costs charged to new clients or the existing clients, depending on their business relationship with the Bank.

Additional loan information	
Interest accrual	Interest is accrued using the simple (linear) calculation method.
Loan repayment	Loan can be repaid in flat-rate equated monthly instalments (EMIs).
Disbursement	Loan disbursement depends on the loan purpose:

	<ul style="list-style-type: none"> • In case of refurbishment or completion of residential premises, or improving of energy efficiency, 70% of the approved loan is credited to the borrower's account in line with the bill of quantities, while the remainder of the amount (30%) is credited to a seller/contractor's account based on the issued invoices/pro-forma invoices. • In case of new building, 50% of the approved loan is credited to the borrower's account in line with the bill of quantities, whilst the other 50% is credited to a seller/contractor's account based on the issued invoices/preliminary invoices. • When purchasing residential premises or a building plot, or providing utility infrastructure, the granted amount is credited to the seller's account further to the sales agreement certified by a notary public (purchasing residential premises or a building plot), or further to the invoices/pro-forma invoices in case of utility infrastructure. • When refinancing loans taken in other banks, the granted amount is credited to the account supplied by such other bank, all based on the sales agreement, a letter of intent to issue a note of release (in case of a registered lien), the loan agreement and the balance of due and outstanding debt.
Security instruments	<p>For all loan amounts.</p> <ul style="list-style-type: none"> • debit note and wage assignment consent (drafted by OTP banka) of a borrower, co-borrower and guarantors, certified by a notary public <p>For loan amounts in excess of EUR 15,000</p> <ul style="list-style-type: none"> • Registration of lien on the real property, where the granted amount is capped at 80% of the appraised market value of the real property • Insurance of the real property with an insurance company, and assignment of the policy to OTP banka. OTP banka shall accept security instruments located in another EU member state or in a third country, in line with the provisions of the Housing Consumer Credit Act.
Loan approval procedure	<ol style="list-style-type: none"> 1. An employee of OTP banka shall provide the applicant the information about the eligibility for borrowing, the required documentation, the credit worthiness assessment and the security instruments requested by the bank. 2. The applicant and other parties to the transaction (co-debtor or guarantor), if any, shall fill in the loan application, and submit it to the branch together with all other required documentation. In case of registration of a lien as collateral, the related real property must be appraised. 3. The applicant's (and other parties') credit worthiness shall be assessed by controlling the supplied documentation. After that, the Bank shall draft its bid, and supply to the applicant the European Standardised Information Sheet, its own Housing Loans Information Sheet, General Terms and Conditions of Retail Credit Operations, and Policy of Change of Nominal Interest Rates and Fees in Retail Operations. 4. If the conditions required for approval of a housing loan are met, the Bank shall notify the applicant thereof, and shall draft the Loan Agreement that must be notarised. 5. If the conditions required for approval of the loan are not met, the application is denied, and the Bank informs the applicant of the reasons for denial. 6. Once the legality and the contents of the Loan Agreement are confirmed by the notary public, the lien (mortgage) is registered, the title deed showing the registration of the mortgage is supplied, and all other conditions are met (furnished security instruments, etc.), the Bank shall disburse the loan in the way laid down in the Loan Agreement.

Other costs and fees	
Front-end fee	No front-end fee.
Early repayment fee	No early repayment fee, whether for partial or complete repayment.
Real property appraisal cost	The real property appraisal costs shall be borne by the borrower. The real property appraisal is carried out by OTP Nekretnine, and it is mandatory for all loans where lien is registered. In case of a loan secured by a lien on the real property, such property must be insured with an insurance company and in line with their price list, at the expense of the borrower.
Other fees	Payable in accordance with the applicable Decision on Pricing of OTP banka.
Other costs	The borrower shall also bear the costs of notarisation of the loan agreement, in accordance with the tariffs of the notary public, the costs of notarisation and confirmation of the legality and contents of the wage assignment form and of the debit note(s).

Details requiring special attention

Exchange rate fluctuation risk	<p>The exchange rate is formed further to the offer and demand on the financial market, where exchange rate risk is always present. The exchange rate risk represents the uncertainty of the of the local currency's value in relation to the value of the foreign currency. A change of exchange rate can change the relation between the two currencies and thereby the assumed commitments and the amount contracted in HRK.</p>
Interest rate fluctuation risk	<p>The borrower shall choose between fixed and variable interest rate.</p> <p>If the Borrower chooses the fixed interest rate, there will be no risk of interest rate fluctuation.</p> <p>In case the variable interest rate is chosen, there is a risk of its fluctuation in line with the fluctuation of the reference rate it is pegged to. Variable interest rates offered by OTP banka are tied to 6M NRR1 for EUR as the reference interest rate. Six-month NRR1 for EUR represents the average cost of source funds of the Croatian banking sector (banks and savings banks), that is, costs of retail deposits in EUR over the proceeding period. That is to say, it is the average interest rate paid by the banking sector for acquiring the funds they need for their credit operations. In a certain period, the 6M NRR can go up or down, which reflects on the applicable interest rate payable by the borrower, in line with the provisions of the respective loan agreement. Contracting the variable interest rate and accepting of the General Terms and Conditions of OTP banka dioničko društvo applicable in credit operations with natural persons, the borrower assumes the risk of interest rate fluctuation caused by changes to the reference rate during the term of the agreement.</p> <p>Information on the NRR1 for EUR currency is published by the Croatian National Bank, and the calculation can be found on their internet site (www.hnb.hr).</p> <p>In case the quotation of the reference rate is not available in a certain period, or in the event it no longer exists in the present form (as a parameter of the variable portion of the agreed interest rate in a credit transaction during the term of the agreement between the borrower and the Bank, the Bank shall determine a new parameter to replace the reference rate that is no longer applicable, all in line with the current rules and regardless of the intent of the contracting parties.</p> <p>In case no rules are laid down for the event a certain reference rate ceases to apply in the interbank market, the Bank shall set a new parameter to replace the interest rate that is put out of force, all in accordance with the General Terms and Conditions and the Nominal Interest Rate and Pricing Modification Policy, taking into consideration the currency of the loan agreement between the borrower and the Bank.</p> <p>Regardless of the method of change of the interest rate with a new parameter, the actual amount payable at the moment the reference rate ceases to apply cannot be higher than the interest rate payable before the replacement of the reference rate. Unless the applicable regulations dictate otherwise, the Bank shall apply the modified interest rate.</p>

Risk of loss of one's job or a portion of income	Apart from the risk related to the interest rate fluctuation, there is also the risk related to repayment caused by the loss of one's income or a portion of income (job loss, earnings cut down, etc.).
Potential consequences of default	<p>If the client defaults on payments under the loan agreement due to the loss of income or some other reason, before cancelling of the agreement the Bank shall apply collection measures in respect of due outstanding receivables, which include, but are not limited to, sending of notices and dun letters, enforcing of the agreed security instruments (debit notes, wage assignments, bills of exchange, and other) that can result in filing for an enforcement procedure or a procedure before a notary public, and in sale of the mortgaged real property, etc.</p> <p>On any due or late payments, OTP banka shall accrue and collect the statutory penalty interest applicable at the time. The penalty interest is defined on the semi-annual basis, by adding three percentage points to the average interest rate earned on the balances of long-term loans extended to non-financial companies, as calculated for the reference period preceding the current half of the year. The Croatian National Bank publishes the average interest rate for the reference period in the Official Gazette each 1 January (for the period from 1 May until 31 October) and on 1 July (for the period from 1 November until 30 April).</p> <p>In case of cancellation of the loan agreement and/or filing for an enforced collection procedure, the client can incur the costs of filing and conducting such enforced collection procedure before notary public, court, Financial Agency (attorney and notary public costs in an enforcement procedure or a litigation, advances, retainers and fees calculated in line with the applicable tariffs, court fees, etc.), the costs of submission of final writs of execution and other payment obligations towards Financial Agency, fees for control of the status of the customer as concerns compulsory pension insurance at the Croatian Pension Insurance Institute and at other registers, costs of control of one's residence and ownership titles at the competent land registers, legal entities and other competent bodies keeping corresponding registers in accordance with the provisions of the Enforcement Act, as well as any other costs incurred during collection of receivables, the type and the amount of which is laid down depending on the type of the procedure, on the pertaining court decision, or possible litigation costs.</p>
Order of enforcing of security instruments	<p>Defaults in regular repayment of one's liabilities under the loan triggers the enforcement of the security instruments in the following order:</p> <ol style="list-style-type: none"> 1. consent to income attachment of the client - borrower, co-borrowers and guarantors, 2. term deposit given as collateral, 3. freezing of all the accounts and cards held by the client-borrower, co-borrower and guarantor 4. Debit note of the borrower, co-borrower and guarantor 5. Lien on a real estate (mortgage) <p>OTP banka reserves the right to change the order of enforcing of security instruments.</p>
Other information about security instruments,	OTP banka shall accept any insurance policy that meets the requirements laid down for a certain product, as issued by an insurance company licensed by HANFA (Croatian Financial Services Supervisory Agency). A non-binding calculation of costs under the insurance policy premiums can be obtained at first interview.

Rights and obligations	
General terms and conditions of approval	The contractual relationship is subject to the General Terms and Conditions of Retail Credit Operation of OTP banka dioničko društvo regulating the business relationship between the client - borrower, co-borrower, guarantor and OTP banka.
Rights of the borrower before and /or after contracting of the loan agreement	The Borrower is entitled to withdraw from the loan agreement without stating any reasons. The cooling-off period shall start running as of the day of concluding the loan agreement, or the day of receiving the terms and conditions, and information preceding the conclusion of the agreement. For such withdrawal to be valid, the borrower shall notify the Bank in writing before the expiry of the 14-day period and pay any principal and interest accrued from the day of loan drawdown based on the agreement until the day of repayment of such principal, without delay and in no case later than 30 days after sending the above mentioned withdrawal notification to the Bank.
Rights of OTP banka before and/or after contracting the loan agreement	OTP banka reserves the right not to grant the client's loan application if at the moment of applying or by the time of conclusion of the loan agreement it deems that it does not wish to conclude the loan agreement, in which case it is obligated to notify the client in writing. In addition to the above paragraph, OTP banka reserves the right not to grant the loan agreement if the client denies its consent to data processing for the purpose of entering into the contractual relationship, management and assessment of credit and other risks.
Early repayment	The borrower is entitled to settle a portion or all of the liabilities under the housing consumer loan at any time prior to the repayment date, in line with the Housing Consumer Credit Act, subject to submission of a previous written application to OTP banka. Having received the written application for early repayment of the loan, OTP banka shall supply to the borrower written information required for consideration of the early repayment option.

Information and Complaints	
Access to information	For additional information please visit our web site www.otpbanka.hr , send your inquiry to the address info@otpbanka.hr , call 0800 21 00 21 or visit any of our branches.
Consumer financial education	Pursuant to Article 22 of the Housing Consumer Credit Act, OTP banka does not provide advisory services. Consumers are welcome to apply to the consumer protection counselling services that can be found on the official web pages of the Ministry of Economy, Entrepreneurship and Crafts www.mingo.hr . Ministry of Economy, Entrepreneurship and Crafts, Ulica grada Vukovara 78, 10 000 Zagreb Telephone: 01 6106 111
Complaints can be lodged	<ul style="list-style-type: none"> • In person, in any OTP banka branch, either in a written form or verbally, • By phone at the contact number 0800 21 00 21 • By electronic mail at the address prigovori@otpbanka.hr • By regular mail to the address: OTP banka d.d., Complaints Department, Domovinskog rata 3, 23 000 Zadar. <p>OTP banka is obligated to supply an adequate complaint template to any client requesting it.</p>
The supervisory body:	Croatian National Bank Trg hrvatskih velikana 2, 10 000 Zagreb www.hnb.hr