

APPENDIX No. 1 to the Tariff of Municipal Bank AD for the Interest Rates, Fees and Commissions for Retail clients

BULLETIN OF THE INTEREST RATES APPLIED BY MUNICIPAL BANK AD FOR TRANSACTIONS WITH RETAIL CLIENTS

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## CHAPTER ONE. Interest rates accrued on borrowed funds of retail clients

### Section I. General Terms and Conditions of Municipal Bank AD (the Bank) applicable to deposits

1.1. The Bank pays interest on the borrowed funds at the rates determined by its Management Board or by persons authorized by it. The interest rate is presented in percentages, representing the price of 100 currency units of capital, used for 12 months (Annual interest rate).

1.2. Interest rates are updated on the basis of the general economic situation and the state of the money markets in the country, the competitive environment, the Bank's current policy and other factors that impact the banking system.

2.1. The Bank accrues interest on the borrowed funds as follows:

2.1.1. on Current accounts and other borrowed funds "on sight" - 360/360 days;

2.1.2. on Savings Accounts - 360/360 days;

2.1.3. on term deposits for 1 and more than 1 month - 360/360 days;

2.1.4. on term deposits having a term of less than 1 month - 365/365 days and in case the calendar year is a leap year - 366/366 days.

2.2. The calculation of the interest for the days during which the amount has remained in the Bank is carried out on a daily basis, where:

2.2.1. For transactions the interest of which is calculated on the basis of 360/360 days, each month is counted as having 30 days and the year - 360 days. For 31-day months, the 30th day is interest-free. In February, depending on whether it is a leap year or not, the balance on the last day is accrued for one or two interest days.

2.2.2. For transactions with an original maturity of less than 30 days, interest is calculated while the year is considered to have 365 days, or 366 days in case of a leap year.

2.3. The sum of the days for which interest is accrued on the amount provided to the Bank forms the interest period of the transaction.

Depending on the type of transaction, the interest periods are formed as follows:

2.3.1. in the case of Current Accounts and other borrowed funds without a fixed term, payable "on sight", as well as in the case of Savings Accounts, the interest period starts on the day of deposit and ends on the last day of each calendar year (inclusive) and, upon termination of the transaction - on the day preceding the disposal of the funds thereto. Each subsequent interest period starts on the first day of the relevant calendar year;

2.3.2. in case of term deposits, the interest period starts on the day of deposit and ends on the day preceding the day, on which the Bank has the obligation to pay interest (deposit maturity), and upon termination of the transaction - on the day preceding the disposition of the funds. In the event that the transaction is not terminated until the due date, the next interest period starts from that day.

2.4. For transactions having a term of 1 and more than one month (the term of which is agreed in whole months), the maturity date is the number that corresponds to the day on which the deposit was opened. If the last month of the term does not have such a day, the maturity date will be the last day of that month.

Examples:

1. One-month term deposit opened on 6 February, matures on 6 March;

2. One-month term deposit opened on January 31 is maturing on February 28/29.

2.5. For transactions having a term of 1 and more than one month, the term of which is counted in days, the number of days in the interest period is determined by the rule of pt. 2.2.1 for the number of days in the calendar month.

Example:

A 35-day term deposit opened on February 1 matures on March 6, regardless of whether it is a leap year or not.

2.6. For transactions having a term of less than 1 month, the maturity date is the day following the expiration of the actual number of days for which the contract has been concluded.

Example:

A seven-day term deposit opened on February 25 matures on March 4, and in a leap year – on March 3.

3.1. The Bank pays interest in compliance with the concluded contract, subject to the following rules, unless otherwise agreed:

3.1.1. in case of a contract providing for interest capitalization, the calculated interest is added to the deposit amount at the maturity date. Upon renegotiation, the agreed interest rate is accrued on the cumulative amount;

3.1.2. in case of a contract without interest capitalization, on the maturity date the calculated interest is transferred automatically to the account specified by the customer in the contract or is paid in cash from an account opened by the Bank ex officio.

3.2. The Bank does not pay interest on term deposits and Savings Accounts if the funds have remained on deposit for less than 7 calendar days from the date of opening the deposit, unless otherwise agreed.

4.1. The Bank requires written prior notice for withdrawals from deposits and accounts exceeding the amounts and terms set out in the Tariff of Municipal Bank AD for the interest rates, fees and commissions for natural persons (the Tariff).

4.2. Upon withdrawal of amounts prior to the expiration of the agreed or renegotiated term (except for the cases under pt. 3.2), unless otherwise agreed, the interest charged shall be equal to 50% of the interest on savings accounts in the respective currency.

5.1. The Bank reserves the right to unilaterally change the interest rates on borrowed funds on demand by a decision of its Management Board or of the persons authorized by it. Unless otherwise agreed, the new interest rates shall take effect on the date stated in the decision and shall be announced in the premises accessible for customers. The Bank may also announce the changes through publications in the mass media, on the website of Municipal Bank AD at [www.municipalbank.bg](http://www.municipalbank.bg) or as otherwise specified by the Bank.

5.2. The Bank cannot unilaterally reduce interest rates on term deposits until the expiry of the deposit. In the event that the Bank reduces its interest rates applied on term deposits, for the contracts entered into before the effective date of the interest reduction, the change shall take place after the expiry of the agreed / renegotiated term of the deposit and shall be applied to the subsequent term of the contract.

6. The Bank sets out requirements for the amounts necessary for opening and maintaining a minimum balance (minimum amount) on deposits and accounts in this Bulletin or in the descriptions of the specific products involving borrowed funds, as adopted by its Management Board.

7.1. Pursuant to the provisions of Art. 20, para. 1 of the Bank Deposit Insurance Act (BDIA), the Bank Deposit Insurance Fund (BDIF/the Fund) pays the liabilities of the respective bank to its depositors up to the guaranteed amounts in the following cases:

a) there is a decision of the Bulgarian National Bank revoking the banking license;

b) there is a decision of the Bulgarian National Bank establishing that the deposits are not available and that, at its discretion, the bank appears to be unable, for reasons directly related to its financial situation, to repay the deposits and that it will not be able to do so from a short-term perspective; the decision shall be taken no later than 5 business days after the BNB learns that the bank has failed to repay deposits which are due and payable; or

c) there is an act of a judicial authority which, for reasons directly related to the financial situation of the bank, prevents the depositors from raising claims against the bank.

7.2. On the grounds of the Bank Deposit Insurance Act, the BDIF guarantees full repayment of the amounts available on deposits (accounts) of one person in a single bank, regardless of the number and the balances thereon, to a total amount of up to 196 000 BGN. The total amount of the Bank's liability to a single depositor is determined by summing up the amounts on his deposits, including the interest accrued thereon, until the date of issuance of an act under pt.7.1. Upon this calculation the deposits (accounts) in a foreign currency participate with their BGN equivalent, determined at the exchange rate of the Bulgarian National Bank as at the date of issue of the act under pt.7.1.

7.3. The following deposits (accounts) are guaranteed up to 250 000 BGN for a period of three months from the time of crediting the amount to the account of the depositor or from the moment when the depositor has acquired the right to dispose of the amount on the deposit (account):

(a) deposits (accounts) of natural persons arising as a result of transactions with real estate for residential purposes;

(b) deposits (accounts) of natural persons arising as a result of amounts paid in connection with the conclusion or termination of a marriage, termination of employment, invalidity or death;

(c) deposits (accounts) of natural persons arising as a result of insurance or social security payments or of the payment of compensation for damages caused by criminal offenses or by the revocation of a sentence.

7.4. The deposits (accounts) under pt. 7.3 are not included in the calculation of the total obligation of the Bank to a single depositor under pt. 7.2 within the term under pt.7.3.

7.5. The Bank Deposit Insurance Fund pays the guaranteed deposit amounts through one or more banks designated by the fund's management board. The BDIF provides access to the depositors of the Bank to the payable guaranteed deposit amounts within 7 business days from the date of issuance of the act under pt.7.1. Within two business days prior to the start of the repayment of the amounts by the Fund, the Fund's Management Board shall announce in at least two central daily newspapers and on its website the initial day from which the depositors of the Bank may receive payments from the Fund, as well as the bank or banks through which these payments will be made. The communication between the Fund and the depositors will be in Bulgarian. The repayment period may be extended when:

(a) in cases where the depositor does not have an exclusive right over the amounts available in the account, the person in whose favor the deposit (account) has been opened is entitled to receive payment from the fund, unless the contract provides otherwise, and provided that the person is identified or can be identified before the date of issuance of the act under pt.7.1, but not more than three months from the date of issuance of the act;

(b) it is not established whether a person has a legitimate right to receive the guaranteed amount of the deposit (account) or where the deposit (account) is the subject of a legal dispute; in such cases, the amount on the deposit (account) shall be repaid within 7 business days from the date of the notification to the Fund for the settlement of the dispute or the establishment of the legal right;

(c) the deposit (account) is subject to restrictive measures imposed by the government or by international organizations; in such cases, the amount on the deposit (account) shall be repaid within 7 business days from the date of the notification to the Fund of the termination of the restrictive measures;

(d) the amount to be repaid is part of a temporary high balance on the account under the conditions of pt. 7.3 and 7.4 but by not more than three months from the date of issuance of an act under pt.7.1;

(e) the Fund repays the guaranteed deposits (accounts) to a branch of a Bulgarian bank in another Member State, but no more than 20 business days from the date of issuance of an act under pt.7.1.

7.6. No guarantee is provided for deposits (accounts), arising or related to transactions and actions representing money laundering within the meaning of Art. 2 of the Measures Against Money Laundering Act or financing of terrorism within the meaning of the Measures Against Financing of Terrorism, established by an effective sentence. The circumstances justifying this exception shall be established as at the date of issuance of an act under pt.7.1.

7.7. Deposits (accounts), the holder of which has not been identified pursuant to Chapter Two, Section V of the Measures against Money Laundering Act as at the date of issuance of the act under pt.7.1, shall not be repaid.

7.8. The amounts on accounts on which there have been no transactions on the order of the depositor in the last 24 months prior to the date of issuance of an act under pt. 7.1 and the balance on each of them is less than BGN 20, shall not be repaid.

7.9. The Fund does not owe interest on the guaranteed amounts.

7.10. The deposits (accounts) opened by the Bank to individuals are guaranteed under the conditions and based on the procedure provided for in the Bank Deposit Insurance Act.

<b>Section II. Borrowed Funds on Demand</b>			
<b>1. Current accounts</b>			
<b>Currency</b>	<b>Account type</b>	<b>Minimum amount accepted as deposit</b>	<b>Annual interest rate</b>
BGN	Current account	2.00 BGN	0.01%
	Payment account for major transactions	2.00 BGN	0.01%
	Special current account with a charity purpose	2.00 BGN	0.15%
	Current account provided with an electronic debit card	2.00 BGN	0.01%
	Current account provided with an electronic debit card (EDC) – Third Age	2.00 BGN	0.50%
	Current account provided with a contactless debit card Mastercard	2.00 BGN	0.01%
	Current account provided with a standard credit card Mastercard	50.00 BGN	0.01%
	Current account provided with a gold credit card Mastercard	100.00 BGN	0.01%
	Current account provided with a standard revolving credit card Mastercard	Not required	-
	Current account provided with a gold revolving credit card Mastercard	Not required	-
EUR	Current account	5.00 cur.units	0.01%
	Special current account with a charity purpose	5.00 cur.units	0.15%
	Current account provided with a standard credit card Mastercard	25.00 cur.units	0.01%
	Current account provided with a gold credit card Mastercard	50.00 cur.units	0.01%
	Current account provided with a standard revolving credit card Mastercard	Not required	-
	Current account provided with a gold revolving credit card Mastercard	Not required	-
USD	Current account	5.00 cur.units	0.01%
	Special current account with a charity purpose	5.00 cur.units	0.40%
GBP	Current account	5.00 cur.units	0.01%
	Special current account with a charity purpose	5.00 cur.units	0.07%
CHF	Current account	5.00 cur.units	0.01%
	Special current account with a charity purpose	5.00 cur.units	0.07%

<b>1.1. Current accounts of private bailiffs</b>			
<b>Currency</b>	<b>Account type</b>	<b>Minimum amount accepted as deposit</b>	<b>Annual interest rate</b>
BGN	Current account	2.00 BGN	0.10%
	Special current account	Not required	0.01%
	Current account for interest	Not required	-
EUR	Current account	5.00 cur.units	0.10%
	Special current account	Not required	0.01%
	Current account for interest	Not required	-
USD	Current account	5.00 cur.units	0.10%
	Special current account	Not required	0.01%
	Current account for interest	Not required	-
GBP	Current account	5.00 cur.units	0.10%
	Special current account	Not required	0.01%
	Current account for interest	Not required	-
CHF	Current account	5.00 cur.units	0.10%
	Special current account	Not required	0.01%
	Current account for interest	Not required	-

The special current accounts of private bailiffs accrue interest on a daily basis pursuant to Ordinance No. 6 of 2006 of MoJ and BNB

<b>1.2. Current accounts of lawyers, insurance agents and notaries</b>			
<b>Currency</b>	<b>Account type</b>	<b>Minimum amount accepted as deposit</b>	<b>Annual interest rate</b>
BGN	Special current account	2.00 BGN	0.01%
EUR	Special current account	5.00 cur.units	0.01%
USD	Special current account	5.00 cur.units	0.01%
GBP	Special current account	5.00 cur.units	0.01%
CHF	Special current account	5.00 cur.units	0.01%

<b>2. Savings Accounts</b>			
<b>Currency</b>	<b>Account type</b>	<b>Minimum amount accepted as deposit</b>	<b>Annual interest rate</b>
BGN	Savings Account	10.00 BGN	0.05%
	Deposit in favour of children	10.00 BGN	1.00%
EUR	Savings Account	10.00 cur.units	0.05%
	Deposit in favour of children	10.00 cur.units	1.00%
USD	Savings Account	10.00 cur.units	0.10%
	Deposit in favour of children	10.00 cur.units	1.00%
GBP	Savings Account	10.00 cur.units	0.02%
	Deposit in favour of children	10.00 cur.units	0.25%
CHF	Savings Account	10.00 cur.units	0.02%
	Deposit in favour of children	10.00 cur.units	0.25%

<b>2.1. Demand deposit "De Luxe +"</b>			
<b>Currency</b>	<b>Intervals with amounts for Interest accrual (by types of currencies)</b>	<b>Minimum amount accepted as deposit</b>	<b>Annual interest rate by interval</b>
BGN	I - up to 2 000.00	10.00 BGN	0.05%
	II - from 2 000.01 to 10 000.00		0.15%
	III - from 10 000.01 to 20 000.00		0.20%
	IV - from 20 000.01 to 30 000.00		0.20%
	V - from 30 000.01 to 40 000.00		0.25%
	VI - more than 40 000.01		0.30%
EUR	I - up to 1 000.00	10.00 cur.units	0.05%
	II - from 1 000.01 to 5 000.00		0.10%
	III - from 5 000.01 to 10 000.00		0.15%
	IV - from 10 000.01 to 15 000.00		0.15%
	V - from 15 000.01 to 20 000.00		0.20%
	VI - more than 20 000.01		0.25%
USD	I - up to 1 000.00	10.00 cur.units	0.10%
	II - from 1 000.01 to 5 000.00		0.15%
	III - from 5 000.01 to 10 000.00		0.20%
	IV - from 10 000.01 to 15 000.00		0.40%
	V - from 15 000.01 to 20 000.00		0.50%
	VI - more than 20 000.01		0.60%

**Section III. Term borrowed funds**
**1. Standard term deposits**

<b>Currency/</b>	<b>Annual interest rate depending on the deposit's term</b>
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Minimum amount accepted as deposit	7 days	10 days	1 month	3 months	6 months	12 months	18 months	24 months	30 months	36 months
BGN/ 50 BGN	0.01%	0.01%	0.03%	0.05%	0.10%	0.15%	0.20%	0.25%	0.30%	0.35%
EUR/ 100 cur.units	0.01%	0.01%	0.03%	0.05%	0.10%	0.15%	0.20%	0.25%	0.30%	0.35%
USD/ 100 cur.units	0.05%	0.10%	0.15%	0.20%	0.30%	0.40%	0.50%	0.70%	0.80%	1.00%
GBP/ 100 cur.units	-	-	0.01%	0.03%	0.05%	0.07%	-	-	-	-
CHF/ 100 cur.units	-	-	0.01%	0.03%	0.05%	0.07%	-	-	-	-

The product is offered with or without interest capitalization.

2. Success Term Deposit			
Currency / Minimum amount accepted as deposit	Annual interest rate depending on the interest period		
	1 – 2 month	3 – 4 month	5 – 6 month
BGN/ 50 BGN	0.05%	0.15%	0.45%
EUR/ 100 cur.units	0.05%	0.15%	0.40%

The term of the Success deposit is 6 months. It is divided into 3 two-month interest periods, succeeding one another without interruption.

The bank accrues interest for each two-month period. A different interest rate is applied for each interest period, where a higher interest rate is applied for each following period, as compared to the previous one.

After the expiration of the contractual term the conditions of the standard six-month term deposits in the relevant currency are applied.

The product is offered with or without interest capitalization.

3. Progress Term deposit				
Currency / Minimum amount accepted as deposit	Annual interest rate depending on the interest period			
	1-3 month	4-6 month	7-9 month	10-12 month
BGN/ 50 BGN	0.05%	0.20%	0.30%	0.50%
EUR/ 100 cur.units	0.05%	0.15%	0.30%	0.40%

The term of the Progress deposit is 12 months. It is divided into 4 three-month interest periods, succeeding one another without interruption.

The bank accrues interest for every expired three-month period. A different interest rate is applied for each interest period, where a higher interest rate is applied for each following period, as compared to the previous one.

After the expiration of the contractual term the conditions of the standard twelve-month term deposits in the relevant currency are applied.

The product is offered with or without interest capitalization

4. Advance term deposit				
Currency / Minimum amount accepted as deposit	Annual interest rate depending on the deposit's term			
	1 month	3 months	6 months	12 months
BGN/ 2 000 BGN	0.03%	0.05%	0.10%	0.15%
EUR/ 1 000 cur.units	0.03%	0.05%	0.10%	0.15%
USD/ 1 000 cur.units	0.10%	0.15%	0.25%	0.35%

The bank pays the agreed interest calculated for the entire contractual term in advance, on the date of its conclusion or renegotiation.

During the effective term of the contract concluded for an Advance term deposit the agreed interest rates do not change. If the Bank changes the interest rates applied to the Advance term deposit, the new interest rates apply upon the renewal of the deposit term.

5. Third Age Term deposit				
Currency / Minimum amount accepted as deposit	Annual interest rate depending on the deposit's term			
	1 month	3 months	6 months	12 months

BGN/ 100 BGN	0.08%	0.10%	0.15%	0.20%
EUR/ 100 cur.units	0.08%	0.10%	0.15%	0.20%
USD/ 100 cur.units	0.20%	0.25%	0.35%	0.45%

The product is offered with or without interest capitalisation.

6. Special term deposits		
6.1. Capital Term deposit		
Currency / Minimum amount accepted as deposit	Annual interest rate depending on the deposit's term	
	6 months	12 months
BGN/ from 10000 to 19999 cur.units	0.13%	0.18%
EUR/ from 10000 to 19999 cur.units	0.13%	0.18%
USD/ from 10000 to 19999 cur.units	0.33%	0.43%

Where the amount on the Capital Term deposit reaches or exceeds the minimum amount set for opening a VIP Term deposit or VIP Plus Term deposit as a result of further depositing of funds or capitalization of the interest on the deposit, the amount available on the deposit accrues interest based on the conditions of the relevant special term deposit. The product is offered with or without interest capitalisation

6.2. VIP Term deposit		
Currency / Minimum amount accepted as deposit	Annual interest rate depending on the deposit's term	
	6 months	12 months
BGN/ from 20000 to 49999 cur.units	0.15%	0.20%
EUR/ from 20000 to 49999 cur.units	0.15%	0.20%
USD/ from 20000 to 49999 cur.units	0.35%	0.45%

Where the amount on the VIP Term deposit reaches or exceeds the minimum amount set for opening a VIP Plus Term deposit as a result of further depositing of funds or capitalization of the interest on the deposit, the amount available on the deposit accrues interest based on the conditions of the relevant special term deposit. The product is offered with or without interest capitalisation

6.3. VIP Plus term deposit		
Currency / Minimum amount accepted as deposit	Annual interest rate depending on the deposit's term	
	6 months	12 months
BGN/ More than 50 000 cur.units	0.20%	0.25%
EUR/ More than 50 000 cur.units	0.20%	0.25%
USD/ More than 50 000 cur.units	0.40%	0.50%

The product is offered with or without interest capitalisation

7. Rent Term deposit					
Currency / Minimum amount accepted as deposit	Annual interest rate depending on the deposit's term				
	12 months	18 months	24 months	30 months	36 months
BGN/ 5 000 BGN	0.10%	0.15%	0.20%	0.25%	0.30%
EUR/ 5 000 cur.units	0.10%	0.15%	0.20%	0.25%	0.30%
USD/ 5 000 cur.units	0.30%	0.40%	0.60%	0.65%	0.90%

During the effective term of the contract for a Rent term deposit the agreed interest rates do not change. If the Bank changes the interest rates for Rent Term deposits, the new interest rates apply upon the renewal of the deposit term.

The Bank pays interest on the Rent Term deposit regardless of the term for which the funds were available on deposit, considered from the day of its opening.

The Bank pays the agreed interest in advance in equal monthly or quarterly instalments, after the expiration of one or three months from the date of conclusion or renegotiation of the Rent Term deposit agreement.

Upon early termination of the Rent Term deposit agreement, the Bank shall charge an interest equal to the one applied by the Bank on savings accounts in the respective currency. The difference between the interest paid in advance and the interest due is deducted ex officio from the deposit amount.

<b>8. Multi Plus Term deposit</b>												
<b>Currency/ Minimum amount accepted as deposit</b>	<b>Annual interest rate depending on the interest period</b>											
	<b>1 – 3 month</b>	<b>4 – 6 month</b>	<b>7 – 9 month</b>	<b>10-12 month</b>	<b>13-15 month</b>	<b>16-18 month</b>	<b>19-21 month</b>	<b>22-24 month</b>	<b>25-27 month</b>	<b>28-30 месец</b>	<b>31-33 месец</b>	<b>34-36 month</b>
BGN/ 1 000 BGN	0.05 %	0.10%	0.15%	0.20%	0.25%	0.30%	0.35%	0.40%	0.45%	0.50%	0.55%	0.60%
EUR/ 500 cur.units	0.05%	0.10%	0.15%	0.20%	0.25%	0.25%	0.30%	0.35%	0.40%	0.45%	0.50%	0.55%
USD/ 500 cur.units	0.15%	0.25%	0.35%	0.45%	0.55%	0.65%	0.75%	0.85%	0.95%	1.15%	1.35%	2.35%

The term of the "Multi Plus" Term Deposit is 36 months. It is divided into 12 quarterly interest periods that follow each other without interruption.

The Bank accrues interest on every three-month period. For each interest period, a different interest rate is applied, where each subsequent period a higher interest rate than the previous one is applied.

The product is offered with or without interest capitalization.

#### **Section IV. Individual deals**

For amounts over 50,000 currency units or at a client's request for an individual deal, the conditions for accepting money on a deposit (excluding interest rates) may be determined via negotiations with the permission of the executive directors and/ or procurators of the Bank. Individual interest rates may be negotiated with the authorization of certain officials/ competent body, in accordance with their authorities assigned by the Management Board of Municipal Bank AD. In such cases, the agreed Annual Interest Rate may not exceed the highest interest rate announced in this Bulletin by more than 50%.

Deposits (accounts) opened as individual deals under the terms of this section are guaranteed under the Bank Deposits Guarantee Act.



## Chapter Two. Interest rates applied to credits of natural persons

### Section I. General Terms and Conditions applied by Municipal Bank AD (the Bank) upon granting credits

1. The interest rates on credits in BGN and EUR shall be negotiated with the borrowers in accordance with the provisions of the Consumer Credit Act (CCA) and the Consumer Credits Related to Immovable Property Act (CCRIPA), the conditions of international and local credit markets, and depending on the demand and supply of credit, the solvency of the client, the type and term of the loan, the cost of the resource, the credit and interest rate policy of the bank and other circumstances, using one of the following interest rates:

1.1. Basic interest rate (BIR) announced by the Bulgarian National Bank for the relevant period:

1.1.1. The basic interest rate, effective from the first day of each calendar month, is equal to the arithmetic mean of the LEONIA Plus index (LEONIA Plus: LEV OverNight Index Average Plus), a benchmark index of closed and executed overnight deposit transactions in BGN) for the business days of the previous calendar month, on an annual basis of 360 days, applied to the second decimal place.

1.1.2. The BIR announced in accordance with pt.1.1.1. is effective for the period from the first to the last day of the calendar month to which it relates.

1.2. Six-month EURIBOR:

1.2.1. The six-month EURIBOR (Euro Interbank Offered Rate) is calculated on the basis of the interest rates offered by first-class banks in the Economic and Monetary Union for interbank deposits in EUR for six months on an annual basis of 360 days, applied to the third decimal place without rounding.

1.2.2. From the 1st day of each calendar month the Bank shall apply the six-month EURIBOR published on the EURIBOR & EONIA FIXINGS in BLOOMBERG page on the last business day of the previous calendar month.

1.3. Basic interest rate calculated and announced by the Bank (BIR):

1.3.1. The Basic Interest Rate (BIR) is the sum of the cost of the liabilities in the bank's balance sheet in percent and the percentage distribution of non-interest expenses from the income statement in annual terms. BIR is calculated according to the "Methodology for determining the basic interest rate of Municipal Bank AD for loans granted to corporate customers and retail customers".

1.3.2. BIR is determined monthly by the Management Board of Municipal Bank. In the event of a change in the BIR, it shall be immediately announced on the website of Municipal Bank AD at [www.municipalbank.bg](http://www.municipalbank.bg) and at the locations accessible to the customers.

1.3.3. The changed BIR is announced by the 18<sup>th</sup> day of the month, during which the decision for the change has been made. In the event that the 18th day is a non-working day, the changed BIR shall be announced no later than the previous business day.

1.3.4. For loans charged with floating interest rate, the changed BIR is applied from the 20th day of the month. In the event that the 20th day is a non-working day, the changed BIR is applied from the first business day thereafter.

1.4. Three-month EURIBOR:

1.4.1. The three-month EURIBOR (Euro Interbank Offered Rate) is calculated on the basis of the interest rates offered by first-class banks in the Economic and Monetary Union, for interbank deposits in EUR for a three-month term on an annual basis of 360 days, applied to the third decimal place, which is announced and published every business day, around 11 am Central European Time.

1.4.2. The Bank applies the three-month EURIBOR, published on the pages of REUTERS - EURIBOR RATES / EURIBORRECAP03 /, on the last business day of the previous quarter for each calendar quarter.

1.5. Other Interest basis - for credits secured by a pledge on receivables from an account with the Bank:

1.5.1. The interest rate on the deposit / account with the highest interest rate, used as collateral for the credit - for loans secured by a pledge on cash receivable from a bank account (where the credit and the collateral are in the same currency).

1.5.2. Interest basis, determined individually, and negotiable, by a decision of a competent authority of the Bank - for loans secured by a pledge on cash receivable from a bank account (where the credit and the collateral are in different currencies).

2. Loans provided in the national and a foreign currency are charged by the total interest rates, which may be:

2.1 Fixed - formed by the interest rate basis valid at the time of conclusion of the credit agreement (BIR, three-month / six-month EURIBOR, interest rate on the deposit / account, used as a credit collateral) plus the surcharge determined by the competent body of the Bank. The interest rate is fixed for the entire credit term or for certain periods of this term and can only be changed under the provisions of item 4.1 of this section.

2.2. Floating - formed by the interest rate basis valid for the relevant period (BIR, three-month / six-month EURIBOR, interest rate on the deposit / account, used as credit collateral) / to which a competent body of the Bank determines a surcharge;

3. The Bank may set minimum annual interest rates applicable for the loan repayment term. For the entire loan repayment term the debt on the credit account is charged with the Annual interest rate equal to the higher of the agreed total interest rate (including in case of changes thereto upon changes in the accepted basis) and the minimum annual interest rate.

4.1. The Bank does not apply a change in the total interest rates under item 2.1 of this section if:

4.1.1. the change in the interest rate basis is less than two percentage points compared to the interest base applied most recently to the formation of the interest rate of the loan, upon an interest base BIR (for loans granted prior to 23.07.2014) or the interest rate on the deposit / account, serving as collateral for the credit. This procedure shall also apply to each subsequent change in the interest rate basis by two or more percentage points compared to the one that was effective for the previous change;

4.1.2. the change in the interest rate basis is less than 0.25 percentage points compared to the interest rate basis applied most recently for the formation of the interest rate of the credit, upon an interest rate basis BIR or a three -month / six-month EURIBOR. This procedure shall also apply to each subsequent change in the interest rate basis by 0.25 and more percentage points compared to the one applicable for the previous change.

4.2. The total interest rates on loans repaid in annuity installments are amended by the Bank under the provisions of item 4.1 of this section.

4.3. The total interest rates on loans with floating interest rates, secured by a pledge on receivables from an account opened with the Bank, shall be modified in all cases of change in the interest rates on the deposits / accounts used as collateral for the credit.

5. For credit agreements in BGN or EUR:

5.1. For credit/ overdraft agreements, with the exception of those secured by a pledge on receivables from an account opened with the Bank, and / or on government securities, concluded from 23.07.2014 to 17.10.2018, incl.:

5.1.1 The credit shall be charged by a variable interest rate determined by a competent body of Municipal Bank AD. The interest rate is formed by the BIR announced by the BNB in force for January, respectively for July of the current year as a reference interest rate within the meaning of the CCA or the CCRIPA plus a surcharge/ discount.

5.1.2. For the period from 1 January to 30 June, incl., of the current year, the BIR in effect from 1 January of the same year shall be applied, and for the period from 1 July to 31 December, incl., of the current year, the BIR in force from 1 July of the same year shall be applied.

5.1.3. For credit agreements concluded during the period from 1 January to 30 June, incl., of the current year, the interest rate shall be based on the BIR in force for January of the same year plus the relevant surcharge / discount, and for credit agreements concluded during the period from 1 July to 31 December incl., of the current year, the interest rate is formed on the basis of the BIR, valid for July of the same year plus the respective surcharge / discount.

5.1.4. The Bank does not apply changes to the variable interest rate if the change in the BIR is less than one point as compared to the BIR that was last applied upon forming the variable interest rate on the loan.

5.1.5. The Bank may, at any time during the effective term of the credit agreement, unilaterally reduce the agreed surcharge for a specified part of the loan repayment term. The change in the interest conditions pursuant to this procedure shall enter into force on the date specified in the decision of the competent body of the Bank and shall be in force until the end date indicated therein.

5.2. For loans/ overdrafts secured by pledge on receivables from an account opened with the Bank and / or on government securities concluded from 23.07.2014 to 17 October 2018, incl.:

5.2.1. The credit is charged with a fixed interest rate, which is formed by the interest rate on the deposit / account, used as collateral for the loan, having the highest interest rate plus a surcharge determined by a competent body of the Bank.

5.2.2. The interest rate on the loan is fixed for a period equal to the term of the deposit / account, used as collateral for the loan and does not change until its expiration. The fixed interest rate on the loan shall be changed in all cases of change in the interest rates on the deposits / accounts used as collateral for the loan, in accordance with the change made and upon retention of the agreed surcharge.

5.3. In the case of credit/ overdraft agreements in BGN, except for those secured by a pledge on receivables from an account opened with the Bank and/ or on government securities concluded on / after 18.10.2018:

5.3.1. The loan is charged with a variable interest rate, which is formed by a reference interest rate (BIR) (interest-rate benchmark) announced by the BNB and effective for the respective period for which it was announced, plus a surcharge.

The BIR rate, effective from the first day of each calendar month, is equal to the arithmetic mean of LEONIA Plus (LEONIA Plus: LEv OverNight Index Average Plus - a benchmark index of the concluded and executed transactions with overnight deposits in Bulgarian leva) for the business days of the previous calendar month, on an annual basis of 360 days, applied to the second decimal place. The published BIR is valid for the period from the first to the last day of the calendar month to which it relates.

In the event that the BANK cannot obtain BIR information as of the date of data extraction, as provided for in the previous paragraphs, the BANK shall apply the latest BIR published on the BNB website until a new BIR is published.

In the event that the announced BIR is a negative value, when determining the variable interest rate of the loan for the relevant part of the contractual term during which such a circumstance exists, the Bank shall assume that the reference interest rate is 0%.

5.3.2. The variable interest rate upon the initial granting of the credit is determined according to the BIR value valid for the month, during which the credit agreement is concluded.

5.3.3. In the event of a change in the basic interest rate and starting from its effective date, the total interest rate on the loan will be automatically changed in accordance with the adopted changes, while retaining the amount of the agreed surcharge. The changed variable interest rate is applied to the outstanding loan amount.

5.3.4. The procedure provided for in the preceding paragraph shall also apply to any subsequent change in the BIR.

5.3.5. In the event that the Bank cannot obtain BIR information as of the date of data extraction, as set out in the preceding paragraphs, the Bank shall apply the latest BIR published on the BNB website until a new BIR value is published.

5.4. For credit/ overdraft agreements in EUR, except for those secured by a pledge on receivables from an account opened with the Bank and / or on government securities, concluded on/ after 18.10.2018:

5.4.1. The credit is charged with a variable interest rate, defined as the sum of the reference interest rate - the 6-month EURIBOR interest rate index for credits in EUR, plus a fixed contractual surcharge.

5.4.2. The six-month EURIBOR for the euro - "6MTH EURIBOR" is calculated on the basis of the interest rates offered between first-class banks in the Economic and Monetary Union for six-month interbank deposits, published on the website EURIBOR & EONIA FIXINGS in BLOOMBERG, under the ACT/ 360 Interest Rate Convention.

The Bank adopts as a reference interest rate on EUR loans the 6MTH EURIBOR, by updating the value of the applied index on a monthly basis, from the 1st day of each calendar month and charges interest on the offered loans in EUR according to the value of the 6MTH EURIBOR published on the websites of EURIBOR & EONIA FIXINGS in BLOOMBERG on the last business day of each calendar month.

5.4.3. In the event that on the date of the update the Bank cannot obtain information on the value of the 6MTH EURIBOR, the Bank shall determine the interest rate index based on the latest published 6MTH EURIBOR values on the website of EURIBOR & EONIA FIXINGS in BLOOMBERG.

5.4.4. In the event of a change in the six-month EURIBOR according to the website of EURIBOR & EONIA FIXINGS in BLOOMBERG and starting from its effective date, the total loan interest rate will be automatically changed in accordance with the adopted changes while retaining the agreed surcharge.

5.4.5. In the event that the announced value of the 6MTH EURIBOR is a negative value, upon determining the variable interest rate on the loan for the relevant part of the contractual term, during which this circumstance is present, the Bank assumes that the value of the reference interest rate is 0%.

5.4.6. The variable interest rate upon the initial credit granting is formed according to the 6MTH EURIBOR value valid for the current month during which the credit agreement is concluded.

5.5. For credit/ overdraft agreements, secured by pledge on receivables from an account opened with the Bank, concluded on/ after 18.10.2018:

5.5.1. The loan is charged with an interest rate, formed as the sum of the contractual interest rate on the deposit / account with the highest interest, used as collateral on the loan, and a surcharge determined by a competent body of the Bank. The interest rate thus formed is fixed for the relevant part of the loan term and remains unchanged until a change occurs in the interest rate applied to the deposited amount in the manner and under the terms and conditions of the deposit/ account contract.

5.5.2. In the event of a change in the interest rate charged on the amount deposited in the manner and under the terms and conditions of the deposit / account agreement, the interest rate on the loan shall be updated, keeping the procedure for its formation according to the preceding paragraph and the amount of the agreed surcharge. This procedure also applies to any subsequent change in the interest rate applicable to the deposit/ account.

5.6. In the event that an interest rate benchmark, index or indicator used by the Bank as a reference interest rate under the credit agreements with natural persons has changed substantially or is no longer published, the Bank implements an action plan under Art. 28, para. 2 of Regulation (EU) 2016/1011 of the European Parliament and of the Council.

5.7. In accordance with the plan referred to in the preceding paragraph, the Bank shall apply a new (substitute) reference interest rate within the meaning of the CCA or the CCRIPA, using another appropriate interest rate benchmark or index and/ or indicators published by the BNB and / or the National Statistical Institute, or a combination thereof. In this case, the interest conditions under the credit agreement shall be considered automatically amended in accordance with the applicable changes, and at the time of the replacement the amount of the new interest rate under the credit agreement shall not be higher than the interest rate applied to the contract before that.

6.1. The Bank calculates daily interest on the provided loans, as follows:

6.1.1. for loans redeemed with a one-off installment; repaid under a repayment schedule agreed in advance; repaid under the conditions of a decreasing limit of the balance on the loan account; overdraft loans - on a basis of 365/360 days, and in case the calendar year is a leap year - on a 366/360 basis.

6.1.2. for loans repaid in annuity installments - on a 360/360 basis.

6.2. The interest on loans granted is payable, unless otherwise agreed as follows:

6.2.1. in the case of loans under item 6.1.1 (with the exception of overdraft loans on Current accounts, provided with electronic debit cards (EDC) and credit cards (CC)), the calculated interest is due on the day of interest accrual of the bank, which is the 20<sup>th</sup> day of each calendar month. In the event that the 20<sup>th</sup> day is a non-working day, the interest is due on the first business day thereafter.

6.2.2. in case of overdraft loans on Current accounts provided with EDC and CC, the interest is payable upon each payment to the current account. In the event that there are no payments to the current account, the interest shall be due on the 30th day after the day of utilization of the amount(s) on the overdraft or the day of the last accrual.

6.2.3. in the case of credits under item 6.1.2, including where there is an agreed grace period for the principal, the calculated interest shall be due on the agreed maturity dates after the expiration of the relevant interest period.

6.3. The sum of the days for which interest is charged on the amount provided by the Bank (credit) and after the expiry of which the interest is due (maturity of interest payment) forms the interest period of the transaction. Depending on the type of credit transaction, unless otherwise agreed, interest periods are formed as follows:

6.3.1. for loans repaid with a one-off installment; repaid based on a repayment schedule agreed in advance; repaid under the conditions of a decreasing limit on the balance on the loan account - the interest period starts on the day of utilization of any part of the loan and ends on the 19<sup>th</sup> day of the calendar month, incl. The next interest period starts on the 20<sup>th</sup> day of the calendar month and ends on the 19<sup>th</sup> day of the next calendar month, incl. If the 20<sup>th</sup> day is a non-working day, the interest period is extended and ends on the last non-working day, incl. The next interest period is reduced and starts on the first business day and ends on the 19<sup>th</sup> day of the calendar month, incl. The last interest period starts on the 20<sup>th</sup> day of the calendar month and ends on the day preceding the final repayment of the credit transaction, incl.

6.3.2. in case of overdraft loans on Current accounts provided with an EDC and CC - the interest period starts from the actual use of the overdraft and ends on the day preceding the payment of funds to the current account. In the event that there are no payments to the current account, the interest period is 30 days from the date of utilization of the amount(s) on the overdraft or the day of the last interest accrual. The last interest period starts from the day of the previous interest accrual and ends on the day preceding the final repayment of the credit transaction, incl.

6.3.3. in case of loans repaid in annuity installments, the interest period starts on the day of loan utilization and continues until the day preceding the first agreed maturity date, incl. The next interest period starts on the maturity date and continues until the day preceding the next maturity date, incl. Each interest period, except for the first one, has a duration of 30 days. The last interest period starts on the day of the previous interest accrual and ends on the day preceding the final repayment of the credit transaction, incl.

7. Credits that are not repaid within the term set by the contract and/ or other agreed terms are violated, are charged with a default interest rate and/ or penalty under the terms of the contract.

Section II. Annual interest rates for credit products provided to natural persons	
<b>1. Consumer credits in BGN or EUR</b>	
<b>1.1. Consumer credit, secured with surety:</b>	
1.1.1. upon transfer of the monthly remuneration	6.9% (BIR + fixed surcharge ) in BGN 6.9% (6-month EURIBOR + fixed surcharge) in EUR
1.1.2. upon transfer of the monthly repayment instalment + 100 BGN	7.9 % (BIR + fixed surcharge ) in BGN 7.9 % (6-month EURIBOR + fixed surcharge) in EUR
<b>1.2. Consumer credit, secured with a pledge on receivables on an account in the Bank:</b>	
1.2.1. for a credit, secured with a pledge on receivables on an account in the Bank, where the credit and the collateral are in the same currency	the interest rate on the deposit/ account with the highest interest rate, used as collateral for the credit + minimum surcharge of 2 points
1.2.2. for a credit, secured with a pledge on receivables on an account in the Bank (where the credit and the collateral are different currencies)	negotiable
<b>1.3. Consumer credit, secured by a future receivables pledge:</b>	
1.3.1. upon transfer of the monthly remuneration	6.9 % (BIR + fixed surcharge ) in BGN 6.9 % (6-month EURIBOR + fixed surcharge) in EUR
1.3.2. upon transfer of a monthly repayment instalment +100 BGN	7.9 % (BIR + fixed surcharge ) in BGN 7.9 % (6-month EURIBOR + fixed surcharge) in EUR
<b>1.4. Consumer credit „Third Age“ in BGN</b>	8.99 % (BIR +fixed surcharge)
<b>1.5. Consumer credit „Wheat Head“ in BGN</b>	5.9 % (BIR + fixed surcharge )
<b>1.6. Overdraft on a current account in BGN provided with a debit card:</b>	
1.6.1. secured by a future receivables pledge	8,2 % (BIR + fixed surcharge)
1.6.2. secured by a deposit receivable pledge:	
a) where the overdraft and the collateral are in the same currency	the interest rate applicable to the deposit with the highest interest rate, used as collateral for the overdraft + minimum surcharge of 2 points
b) where the overdraft and the collateral are in different currencies	negotiable
<b>1.7. Overdraft on a current account in BGN provided with a debit card -Third Age, in BGN</b>	9,5 % (BIR + fixed surcharge)
<b>1.8. Revolving credit on a standard or gold revolving credit card (RCC) Mastercard:</b>	
1.8.1. On a gold Mastercard credit card (upon purchases and withdrawal)	15,2 % (BIR + fixed surcharge) in BGN 15,2 % (6-month EURIBOR + fixed surcharge ) in EUR
1.8.2. On a standard Mastercard credit card (upon purchases and withdrawal)	17,2 % (BIR + fixed surcharge) in BGN 17,2 % (6-month EURIBOR + fixed surcharge ) in EUR
1.8.3. Grace period for interest-free repayment of the obligations under the revolving credit used	Up to 45 days
<b>2. Upon exceeding the availability on current accounts provided with debit cards or credit cards with deposited funds to the account holder, the Bank accounts for its receivables in the form of an unauthorized overdraft. The unauthorized overdraft accrues an annual interest rate of 23%.</b>	
<b>3. Mortgage credits in BGN or EUR</b>	
<b>3.1. Mortgage credit</b>	4,25 % (BIR + fixed surcharge) in BGN 4,25 % (6-month EURIBOR + fixed surcharge) in EUR
<b>3.2. Mortgage credit for current needs</b>	4,25 % (BIR + fixed surcharge) in BGN 4,25 % (6-month EURIBOR + fixed surcharge) in EUR
<b>3.3. Mortgage credit for Bulgarian citizens receiving income abroad</b>	
3.3.1. Upon selection of the “full responsibility” option	5,8 % (BIR + fixed surcharge) in BGN 5,8 % (6-month EURIBOR + fixed surcharge ) in EUR
3.3.2. Upon selection of the “limited responsibility” option	9 % (BIR + fixed surcharge) in BGN 9 % (6-month EURIBOR + fixed surcharge) in EUR

**Section III. Interest rates and penalties for overdue payables (principal and/ or interest) on consumer and mortgage credits**

1. For unpaid overdue amounts due in arrears the statutory interest rate is applied for the term of the delay.

2. For unpaid overdue amounts for interest, penalty is accrued amounting to the statutory interest on the overdue amount for the term of the delay.

3. In the case of overdue annuity credit installment, the borrower shall pay default interest at the statutory interest rate for the time of the delay, on the part of the annuity installment representing the unpaid required portion of the principal and a penalty amounting to the statutory interest for the period of delay on the part of the annuity installment representing interest overdue.

This bulletin was adopted by a decision of the Management Board of Municipal Bank AD, taken with Minutes No. 7 of 13.03.2019. It entered into force on 18.03.2019 and cancels the Bulletin for the interest rates accrued by MUNICIPAL BANK AD, in particular, the section regarding individuals, adopted by the Management Board of Municipal Bank AD on July 14, 2011 with Minutes No. 22, effective as of 26.09.2011.