Registered office:
Av. Alexandre Rosselló, 8
07002 Palma de Mallorca

GENERAL INFORMATION
PRE-CONTRACTUAL INFORMATION SHEET
HIPOTECA MIXTA PLUS III SOSTENIBLE

The information highlighted in bold is of particular importance.

This document is issued in response to your request for information, in accordance with Order EHA/2899/2011, of 28 October, on transparency and the protection of banking services customers **and does not place Banca March under the obligation to grant a loan**. The information contained in this document is for guidance only. It has been prepared on the basis of prevailing market conditions. **The subsequent personalised offer may differ** if these conditions change or based on new information about the customer's preferences and financial circumstances.

The bank does not provide advisory services. The information contained in this document refers to the lender's product.

1. CREDIT INSTITUTION

Identity: **Banca March, S.A., filed at the Commercial Registry of the Balearic Islands, at Folio 76, Volume 410, Book 334, Sheet PM-644, and with tax no. A07004021**

Registered office: **Av. Alexandre Rosselló, 8, 07002 Palma (Mallorca)**

Telephone: **(+34) 971 779 111**

E-mail: **info@bancamarch.es**

Website: **https://www.bancamarch.es/**

Supervisory authority: **Bank of Spain - Banco de España (BDE) www.bde.es**

Customer service contact details: **atencion_cliente@bancamarch.es**

Banca March, S.A. adheres to the "Code of Good Practice for the viable restructuring of mortgage-backed loans for primary residence", as published by Royal Decree-Law 6/2012, of 9 March, on urgent measures to protect low income mortgage debtors. If you wish, you may ask your adviser or your branch for more information about the possibility of availing yourself of the provisions set out in this Code. However, Banca March is not signed up to the Code of Good Practice intended to ease the impact of rising interest rates on mortgage loans for primary residences, as set out in Royal Decree-law 19/2022 of 22 November.

2. LOAN FEATURES

Aimed at new customers, resident and non-resident individuals and holding companies.

Maximum loan amount available in relation to the value of the property:

- For resident individuals (natural persons): up to 80% (including self-build) of the valuation for first homes and up to 70% (including self-build) for second homes.
- For non-resident individuals: if they receive their income in euros, up to 70% (including self-build) of the valuation; if they receive their income in US dollars, pounds sterling, Swiss francs or any Scandinavian country currency, up to 60% of the valuation.
- For companies with registered office in Spain: up to 70% of the property valuation, and with domicile in EU countries and balances in euros, up to 60% of the property valuation.

– **Conditions for granting the mortgage loan:**
  - It is required that both the household and the holders of the mortgage loan receive a monthly uninterrupted income of 4,000 euros and that this income be derived from their status as employees and self-employed persons, which includes: salary, unemployment, social security benefits and other passive assets.

– Minimum amount of the mortgage: €100,000.

- By way of example:
  - Property value: €200,000.
  - Maximum amount to be financed:
    - For resident natural persons: €160,000 in the case of first homes and €140,000 for second homes.
    - For non-resident natural persons: €140,000 if they receive their income in euros / €120,000 if they receive their income in US dollars, pounds sterling, Swiss francs or any Scandinavian country currency.
    - For companies with registered office in Spain: €140,000.
    - For companies domiciled in EU countries and with balance sheets in euros: €120,000.

– **Purpose:** financing for the purchase of a first or second home, or for self-build housing.

– **Loan type:** a fixed-rate loan for the first 10 years (Fixed-rate period), after which, from the eleventh year onwards, it will become a variable-rate loan subject to annual review (Variable-rate period) in respect of both the interest rate and any applicable discount or reduction depending on the other products held with Banca March.

– **Constant repayment: in which the repayment of the principal of the loan and the payment of its interest must be made in successive monthly instalments comprising principal and interest, as calculated using the French amortisation system. Once the first ten years have elapsed, the interest rate will become variable. As a result, the instalments payable in each new interest period will be calculated using the said French amortisation method, based on the outstanding principal at the start of that period, the remaining term of the loan, and the applicable interest rate.**

– **Repayment term for the Mixta Plus III Sustainable mortgage:**
  - For resident individuals: term up to 30 years for a first home and term of up to 20 years for a second home.
  - For non-resident individuals: term up to 20 years.
  - For companies: term up to 15 years.

  The calculation of this term shall take into account that the maximum age of the applicant at the maturity of the transaction shall not exceed 75 years.

– This loan requires the posting of mortgage collateral. In addition, once the customer's solvency has been analysed, the bank may require the provision of pledged guarantees or personal guarantors.

– Representative example, Repayment of the loan and Consequences of breach of the loan contract: (See the terms of Section 5 – Representative Example: Annual Percentage Rate and Total Cost of the Loan).

– Loan repayment: during the repayment period, payments consisting of principal and interest shall be made on a monthly basis.

– Consequences of non-compliance with the loan agreement: the borrower will forfeit the right to pay in instalments and the contract will be prematurely terminated if all of the following conditions are met:

  a) The borrower is in arrears in the payment of part of the loan principal or interest.

  b) The sum of all past due instalments is at least equal to the following:

     i. Three per cent of the amount of the principal granted, if the default occurs within the first half of the loan term. This requirement shall be deemed to be met if the past due instalments are equivalent to the non-payment of 12 monthly instalments or such a number of instalments that the debtor has effectively been in default for a period of at least 12 months.

     ii. Seven per cent of the amount of the principal granted, if the default occurs within the second half of the loan term. This requirement shall be deemed to be met if the past due instalments are equivalent to the non-payment of 15 monthly instalments or such a number of instalments that the debtor has effectively been in default for a period of at least 15 months.

  c) The lender has requested payment from the borrower, giving the borrower a period of at least one month in which to comply, and warning them that, if they do not comply, the lender will demand full repayment of the loan.

The early maturity of the loan may mean that the debtor has to bear the expenses arising from the execution of the loan.

The outstanding and unpaid principal will accrue a default interest equivalent to the agreed ordinary interest increased by three percentage points in force at the time the interest accrues. The default interest will be annual, payable and enforceable together payment of the amount due and can only be accrued on the outstanding principal. This default interest cannot be capitalised under any circumstances, except in the case envisaged in Article 579(2)(a) of the Civil Procedure Act.

In addition, failure to comply with the obligations arising from the contract may result in serious consequences for the borrowers and/or guarantors, such as the seizure or forced sale of all their present and future assets, registration in credit and solvency files, difficulty in obtaining credit, as well as the accrual of expenses, costs and fees arising from non-payment or non-compliance.

3. INTEREST RATE

Applicable interest rate type and level:

- **Interest rate for the fixed tranche:** set using a specific fixed percentage, meaning that the borrower will pay the same instalment over the entire duration of the fixed-rate tranche.
- **Interest rate for the variable tranche:** set using the one-year Interbank Reference (Euribor) plus a spread[1], meaning that the interest rate will change over the life of the loan. The borrower agrees to pay interest at the interest rate based on the value of the reference rate at any given time plus the agreed spread. Thus, the amount of the payments can increase or decrease.

  (1). Mortgage market reference rate, published in the B.O.E. (Official State Gazette) by the Bank of Spain, without rounding. Last published index: 1-year Euribor as at 02.10.2026 = 3.247%.
- **Interest rate review frequency:** annual.

INTEREST RATE DISCOUNTS: in the event that a mortgage is taken out with discounts, the spread will vary depending on the products arranged in respect of the variable tranche. See the following table for the various discounts that may be applied to the spread:

LIST OF PRODUCTS AND/OR SERVICES

1. TABLE OF DISCOUNTS FOR RESIDENT INDIVIDUALS

Salary -0.20%

If, during the interest period prior to the review, any loan holder has received a monthly uninterrupted income of 2,000 euros per month, by credit to any demand account of any loan holder, as income from employment and self-employment, including: payroll, unemployment, social security benefits and other passive assets, provided that the payment is received automatically. Internal transfers between accounts of the same account holder or joint account holders shall not count for these purposes.

Life insurance -0.30%

If, during the interest period prior to the review, any of the loan holders has been the policyholder of a life insurance policy associated with the mortgage loan, taken out with MARCH VIDA, Sociedad Anónima de Seguros y Reaseguros, through the Banca March bancassurance operator (DGS and FP registration: OV-0040), for an amount (insured capital) equal to or greater than 100% of the principal pending repayment in each review period having payments up to date. In the event that some of the holders are policyholders of different life insurance policies, for the purposes indicated above, the amount of insured capital of the different insurance policies will be added.

Home insurance -0.20%

If, during the interest period prior to the review, any of the holders of the loan has taken out damage insurance (Home, Commercial and SME) with an insured capital of an amount equal to or greater than the "value or cost of new construction" that appears in the appraisal of the property on the date of signing this loan, contracted through the Banca March insurance-banking operator (*) (DGS and FP registration: OV-0040), and is up to date with payment on the review date.

(*) Or through any other insurance company, in which case the insurance must comply with the conditions of the insurance guarantees required by Banca March, S.A. (requirements as described in point 4) and must provide proof of valid damage insurance within 45 days before the inspection in order to be eligible for the discount.

2. TABLE OF DISCOUNTS FOR NON-RESIDENT INDIVIDUALS AND HOLDING COMPANIES

Credit Card -0.20%

If, during the interest period prior to the review, any of the cardholders has taken out a credit card, provided that, within that period, they have made purchases for an amount equal to or greater than 3,600 euros.

Equity held in funds and securities -0.30%

If, during the six months immediately prior to the interest rate review, any of the holders maintains a minimum of 50,000 euros in any of the following products: Securities, in-house investment funds or external investment funds promoted by Banca March, S.A. (Asset manager: March Asset Management, S.G.I.I.C., S.A.U.).

Home insurance -0.20%

If, during the interest period prior to the review, any of the holders of the loan has taken out damage insurance (Home, Commercial and SME) with an insured capital of an amount equal to or greater than the "value or cost of new construction" that appears in the appraisal of the property on the date of signing this loan, arranged through the Banca March insurance-banking operator (*) (DGS and FP registration: OV-0040), and is up to date with payment on the review date.

(*) Or through any other insurance company, in which case the insurance must comply with the conditions of the insurance guarantees required by Banca March, S.A. (requirements as described in point 4) and must provide proof of valid damage insurance within 45 days before the inspection in order to be eligible for the discount.

Conditions for the mortgage discount:

Eligibility for the reductions or discounts specified above will be governed by the following conditions:

- Ownership of the loan must remain unchanged.
- The reductions or discounts operate independently and are cumulative, meaning that if all of the above conditions are met, the applicable rate will be reduced by 0.70% for the relevant year.
- If, during the term of the loan, the debtor defaults on the payment obligations for a period of more than 90 days, the reductions or bonuses of the fixed interest rate (Fixed interest rate period) or of the spread (Variable interest rate period) shall cease to apply, respectively, from the following annuity or interest rate review and until the next review, the fixed interest rate or the fixed spread margin, without any reduction or discount.
- When the damage insurance is taken out through another insurance company, the customer must provide proof of valid damage insurance within 45 days prior to the review in order to qualify for the discount.

4. RELATED PRODUCTS AND PREPARATORY COSTS

COMBINED PRODUCTS AND SERVICES

The borrower has the option of taking out an insurance policy/contract for damages (home, business and SME) with any insurance company other than Generali, which is the company proposed by Banca March, S.A., as long as this insurance covers the conditions required by Banca March, S.A., as this insurance is considered compulsory under prevailing mortgage regulations.

Conditions required by Banca March:

- The borrower must keep the mortgaged properties insured against the risk of fire, damage or destruction (in accordance with the table of guarantees indicated below) with a leading national insurance company for a sum not less than their respective insurance values as established in the appraisal:

HOME GUARANTEES TABLE

FIRE AND OTHER DAMAGE	Fire, Explosion, Lightning Strike, Electrical Damage
EXTENSIVE RISKS	Acts of Vandalism Rain, Wind, Hail and Snow Flooding Smoke damage Vehicle Collision or Impact Aircraft Crash Sonic Waves Spill or Leak from Facilities Falling of Trees, Poles, Lampposts and Aerials
WATER DAMAGE	Damage to the insured property
THIRD-PARTY LIABILITY	Head of Household Third-Party Liability Premises Third-Party Liability
OPTIONAL GUARANTEES	
ALL RISK	
DOMESTIC EMPLOYEES	

PREPARATORY COSTS

When arranging a mortgage loan with Banca March, a valuation of the property is required, which will include an Energy Performance Certificate. The costs arising from this, as well as those relating to verification of the property's land registry status, are borne by the customer, even if the loan is ultimately not granted by Banca March. Likewise, Banca March, S.A. will accept any valuation provided by the customer, as long as it is certified by an approved appraiser and has not expired, and will not charge any additional expenses for the verifications that may be carried out for said valuation.

In loans whose purpose is the purchase of housing, the customer has the right to designate, by mutual agreement with Banca March, the person or entity that will carry out the appraisal of the property, the person who will be in charge of the administrative management of the operation (agency), as well as the insurance company that, if applicable, it will cover the contingencies that Banca March requires for the formalisation of the loan.

Notary fees are borne by the bank, except for notarised copies that you request.

5. SUSTAINABLE MORTGAGE

At Banca March, we believe that sustainability begins with what matters most to us: your home.

Banca March's **Sustainable Housing Report** allows users to assess a property's level of sustainability from a holistic standpoint, extending beyond energy performance alone. This analysis is based on an ESG model (environmental, social and governance) and is intended to provide a fuller picture of the impact and quality of the real estate asset offered as mortgage collateral.

The report reviews more than 100 indicators grouped into three categories:

- **E - Environmental**
    - **Energy efficiency:** reflects the data shown on the Energy Performance Certificate (EPC), such as the property's consumption and emissions.
    - **Environmental impacts:** assesses natural risks and perils (flooding, fires, earthquakes), proximity to green areas, soil contamination, and the presence of sustainable infrastructure.
- **S - Social:** examines aspects such as access to public transport and essential services, communal facilities, accessibility, and acoustic comfort.
- **G - Governance:** evaluates homeowners' association management, including energy-saving measures, use of renewable energy, recycling, and other sustainable initiatives.

Unlike the Energy Performance Certificate (EPC), which focuses solely on a property's energy consumption, the Sustainable Housing Report offers a broader picture, encompassing social and governance factors that also influence both quality of life and the building's environmental footprint.

The information used in the **Sustainable Housing Report** is drawn from official sources, thus ensuring the reliability and usefulness of the data analysed.

This project has been shared with the financial sector with the aim of moving towards a common methodology for assessing the sustainability of properties, thereby promoting greater transparency and consistency within the mortgage market.

In this context, Banca March relies on the report's findings as an additional input when deciding on mortgage applications. Properties that achieve a higher sustainability rating may benefit from more advantageous terms, such as a lower interest rate.

TABLE OF SUSTAINABILITY DISCOUNTS APPLICABLE TO THE INTEREST RATE:

Below are the **discounts that may be applied** to the fixed-rate tranche, depending on the score shown on the Sustainable Housing Report:

Score/rating	Not sustainable	Acceptable	Good	Very good
Discount	0.00%	-0.10%	-0.20%	-0.30%
Score	Below 5	From 5 to 6.99	From 7 to 8.99	From 9 to 10

The discounts set out in this section are not cumulative, and only the discount corresponding to the score obtained in the Sustainable Housing Report will be applied. This benefit is granted once only, at the start of the transaction, as recognition of the commitment to sustainability.

6. REPRESENTATIVE EXAMPLE: ANNUAL PERCENTAGE RATE AND TOTAL COST OF THE LOAN

Representative example of the total loan amount, the cost of the loan for the borrower, the total amount owed by the borrower, and the APR.

It includes:

Fixed rate until the 10th year: **from 3.45% to 3.75%**

Annual review of the variable-rate tranche from the 11th year onwards: **1-year Euribor** + (0.95% to 1.65%)**

RESIDENT INDIVIDUALS (NATURAL PERSONS)

MAXIMUM DISCOUNT: **MINIMUM Variable APR 4.431%**	MINIMUM DISCOUNT: **MAXIMUM Variable APR 4.663%**
The Variable APR* applicable to your loan is 4.431%	**The Variable APR* applicable to your loan is 4.663%**
Fixed interest rate from the 1st to the 10th year: **3.75%**	Fixed interest rate from the 1st to the 10th year: **3.75%**
Sustainable Housing Report score: **9.00 (-0.30%)**	Sustainable Housing Report score: **3.00 (-0.00%)**
Fixed interest rate with sustainability discount: **3.45%**	Fixed interest rate without sustainability discount: **3.75%**
Annual review from the 10th year onwards: **One-year Euribor** + 0.95%**	Annual review from the 10th year onwards: **One-year Euribor** + 1.65%**
Arrangement fee: **No fee*** **	Arrangement fee: **No fee*** **
Insurance: **Life and damage insurance**	Insurance: **Damage insurance**
Total cost of the loan in absolute terms:	Total cost of the loan in absolute terms:
Financed amount: €150,000	**Financed amount:** €150,000
Total Interest: €101,835.36	**Total Interest:** €116,412.27
Banca March Life Insurance**:** €177.76 per annum	**Damage Insurance****:** €221.75 per annum
Damage Insurance**:** €221.75 per annum	**Appraisal cost[1]:** €467.06
Appraisal cost[1]: €467.06	**Registry check:** €23.01
Registry check: €23.01	**Half-yearly maintenance cost current account:** €100
Half-yearly maintenance cost current account: €100	**Total cost of the loan:** €129,554.84
Total cost of the loan: €120,310.73	**Total amount owed by the borrower:** €279,554.84 (sum of the Total Amount and the Total Cost)
Total amount owed by the borrower: €270,310.73 (sum of the Total Amount and the Total Cost)	
Number of instalments: 360	**Number of instalments:** 360
Amount of instalment: 120 instalments of €669.39 239 instalments of €714.62 One final instalment of €714.60	**Amount of instalment:** 120 instalments of €652.81 239 instalments of €765.33 One final instalment of €765.32
Frequency: monthly	**Frequency:** monthly
The Variable APR* and the total cost of the loan are based on the following assumptions:	**The Variable APR* and the total cost of the loan are based on the following assumptions:**
Term: 30 years	**Term:** 30 years
Interest-only period: no interest-only period	**Interest-only period:** no interest-only period
Products taken out: the customer has arranged and fulfilled all the conditions entitling them to the discount on the interest rate as shown in Section 3 of this document	Products taken out: the customer has not taken out, nor complied with, any of the conditions entitling them to the interest rate discount set out in Section 3 of this document
Life Insurance: annual premium, calculated for a 30-year-old	**Damage Insurance:** annual premium, calculated for a building structure valued at €125,000 and contents valued at €20,000
Damage Insurance: annual premium, calculated for a building structure valued at €125,000 and contents valued at €20,000	Purchase price of €300,000 and appraisal value of €400,000
Purchase price of €300,000 and appraisal value of €400,000	

*The APR has been calculated on the following assumptions:

i) That the loan contract will remain in force over the agreed period of time and that no early repayment, in whole or in part, is made during the entire term of the loan.

ii) That both the lender and the borrower continue to honour their obligations under the conditions and terms that have been agreed in the contract and, therefore, the costs that the borrower would have to pay for the breach of any of their obligations are not included.

iii) That the benchmark indices plus the spread do not vary and, therefore, the Variable APR could fluctuate with changes in the interest rate.

iv) Where the fixed interest rate applicable during the initial interest period exceeds the interest rate resulting from the sum of the agreed spread and the reference rate in force on the date the loan is arranged, that said fixed interest rate will be used to calculate the APR for the entire term of the transaction.

v) That the Variable APR has been calculated on the assumption that all the conditions indicated to qualify for the maximum discount are met and the Variable APR has been calculated on the assumption that none of the conditions for obtaining the discounts are met.

vi) That the premiums for the insurance included are indicative and that the one corresponding to the first year is applied for the entire life of the loan.

** One-year Euribor published in the B.O.E. [Official State Gazette] of October 2026: 3.247%.

*** Payable once only and to include all the costs of studying, processing and granting the loan and other similar costs inherent to the Bank's activity arising from the granting of the mortgage loan.

**** The premium corresponding to the first year has been taken as a reference for the entire life of the loan.

[1] This cost includes, where applicable, the cost of issuing the Energy Performance Certificate.

Damage Insurance:

Damage insurance (home, commercial and SME) of €221.75 per year (premium calculated for a building of €125,000 and contents of €20,000). Insurance calculated for a mortgage with a term of 20 and 30 years and the premium for the first year has been taken as a reference for the whole life of the loan. It is compulsory to take out damage insurance (Home, Commercial and SME), and optional to take out insurance through Banca March. The products taken out with Banca March will be reviewed annually throughout the life of the loan.

Associated account maintenance fee:

If the current account opened at Banca March, S.A. is used solely and exclusively to arrange the loan, this account will not accrue any commission. Otherwise, if the account is used for other purposes, the agreed fees will accrue.

Other costs not included in the total loan cost:

Copy of the mortgage deed, if requested by the borrower.

Loan repayment:

For a loan such as the one indicated in the previous section, amortised using the French amortisation system whereby the repayment of the loan principal and the payment of interest are made in constant and successive monthly instalments comprising principal and interest, calculated according to the following formula: $a = C_o \times (i / 1-(1+i) -n)$, where: "a": constant periodic instalment; "C_o": capital borrowed; "i": annual loan interest rate; and "n": number of periods.

Consequences of non-compliance with the loan agreement. The consequences for defaulting on principal and interest payments are:

- Default interest will accrue, increasing the loan cost.
- Where applicable, it may entail early cancellation of the loan and claims or foreclosure proceedings in and out of court, with the ensuing costs and legal expenses.
- The judicial or extrajudicial claim or foreclosure entails the public auction of the mortgaged property, and therefore the owner loses ownership of the mortgaged property.

DEFAULT INTEREST

The Bank and the borrower agree that the outstanding and unpaid capital will accrue a default interest equivalent to the agreed ordinary interest increased by **three percentage points** in force at the time the interest accrues. The default interest will be annual, payable and enforceable together with payment of the amount due and may only accrue on the outstanding principal. This default interest cannot be capitalised under any circumstances, except in the case envisaged in Article 579.2 a) of the Civil Procedure Act.

7. EARLY REPAYMENT

7.1. Loans included in the scope of application of Law 5/2019, of 15 March, regulating real estate credit agreements:

If the borrower exercises the option of making a full or partial early repayment, or if a subrogation-related cancellation occurs, the following fee will be charged:

a) In the event of full or partial early repayment of the loan during the fixed-rate period, a compensation or fee in favour of the lender is established, which may not exceed the amount of the financial loss the bank may incur, calculated as set out below, and capped at 2% of the amount of capital repaid early; and

b) In the event of novation of the applicable interest rate or subrogation of a third party to the creditor's rights, provided that in both cases it entails the application of a fixed interest rate for the remainder of the term of the contract, or an initial fixed period of at least 10 years, in place of a variable rate, the compensation or fee for early repayment may not exceed the financial loss that the lender may suffer, with a limit of 0.05 per cent of the capital repaid early, during the first 3 years of the term of the loan contract. If the novation does not involve early repayment of capital, no fee may be charged for this concept.

   After the first 3 years of the loan agreement, the lender cannot demand any compensation or fee in the event of interest rate novation or third party subrogation in the creditor's rights for which it is agreed to apply a fixed interest rate for the remainder of the life of the loan or an initial fixed period of at least 10 years.

The financial loss mentioned in the previous sections that the lender suffers will be calculated, in proportion to the repaid principal, based on a negative difference between the outstanding principal at the time of early repayment and the loan's current market value.

The loan's current market value will be calculated as the sum of the current value of the outstanding payment instalments until the next review of the interest rate and the current value of the outstanding principal that would remain at the time of the review if there were no early cancellation. The updated interest rate will be the market rate applicable to the remaining period until the next review. The index or benchmark interest rate(s) will be the Interest Rate Swap (IRS) at 2, 3, 4, 5, 7, 10, 15, 20 and 30 years which will be published by the Bank of Spain and to which a spread agreed between the parties will be added. This spread refers to the difference, at the time this loan is arranged, between the loan's interest rate and the IRS at the closest term, at the time, until the next interest rate review date or until its maturity. The benchmark interest rate from the above that is closest to the remaining term of the loan from the early cancellation to the next interest rate review date or until the date of its maturity will apply.

In all cases, the compensation or commission will accrue on the amount of repaid principal and will be payable and enforceable at the time of repayment.

7.2. Loans not included in the scope of application of Law 5/2019, of 15 March, regulating real estate credit contracts:

For mortgage loans not covered by Law 5/2019 of 15 March regulating real estate credit agreements, where the mortgage is secured on a dwelling and the borrower is an individual (natural person), or where the borrower is a legal entity taxed under the small-enterprise regime for corporation tax, the following fees will apply:

Compensation for withdrawal: In both total and partial subrogatory and non-subrogatory cancellations, the amount to be received by the bank as **compensation for withdrawal will be 0.50% of the principal repaid early when the early repayment occurs within the first five years of the life of the loan, and 0.25% of the principal repaid early when the repayment occurs after the first five years.**

Compensation for interest rate risk applicable during the fixed-rate tranche is 2% on the outstanding principal at the time of cancellation. In subrogation and non-subrogation cancellations, whether full or partial, of mortgage loans or credits carried out during an interest-rate review period with an agreed duration exceeding 12 months, if the early repayment or cancellation results in a loss for Banca March, S.A., the borrower must pay the lender the interest-rate risk compensation agreed by the parties. Capital gain from exposure to interest rate risk shall mean the positive difference between the principal outstanding at the time of early repayment and the market value of the loan or credit. If the difference is negative, the creditor institution shall be deemed to have incurred a capital loss. The market value of the loan or credit shall be calculated as the sum of the present value of the outstanding instalments until the next interest rate reset and the present value of the outstanding principal that would remain at the time of the reset in the absence of early repayment. The updated interest rate will be the market rate applicable to the remaining period until the next review.