

## GENERAL INFORMATION PRE-CONTRACTUAL INFORMATION SHEET HIPOTECA BONIFICADA A TIPO MIXTO

The information highlighted in bold is of particular relevance.

**This document** has been 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 of granting a loan**. The information contained in this document is for guidance only. It has been prepared based on current market conditions. **The subsequent personalised offer may differ** depending on the variation of such conditions or as a result of obtaining information about your preferences and financial conditions.

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. registered in the Companies Registry of the Balearic Islands, F-76, T-410, L-334, H-PM-644, Tax ID No. A07004021**

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

Phone Number: **(+34) 971 779 111**

Email: **<https://www.bancamarch.es/en/contact/>**

Website address: **<http://www.bancamarch.es/>**

Supervisory authority: **Banco de España (BDE) [www.bde.es](http://www.bde.es)**

Contact person: **María del Mar Mainzer Estarellas**

Customer service contact details: **[atencion\\_cliente@bancamarch.es](mailto:atencion_cliente@bancamarch.es)**

Banca March, S.A. follows the Code of Good Practice for the viable restructuring of mortgage-backed loans for primary residence, published by Royal Decree Law 6/2012, of 9 March, approving urgent measures to protect low income mortgage debtors, which establishes measures to avoid foreclosure through debt structuring or dation in payment allowing the debtor to remain in the property for 2 years as a rent-paying tenant, provided that in the judicial proceedings an auction has not been announced or the mortgaged home has no post-mortgage fees from the Bank.

### 2. LOAN FEATURES

Aimed at new customers, natural persons and residents.

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

- For non-resident individuals: if they receive their income in euros, up to 70% (including self-developer) on valuation, if they receive their income in US dollars, pounds sterling, Swiss francs and Scandinavian currencies, up to 60% on 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 2,000 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 to be financed: €100,000.

- By way of example:
  - Property value: €200,000.
  - Maximum amount to be financed:
    - For Non-Residents: €140,000 if they receive their income in euros. / €120,000 if they receive their income in US dollars, pounds sterling, Swiss francs or Scandinavian currencies.
- **Purpose:** financing for the purchase of a first or second home, or for self-build housing.
- **Loan type:** 4-year fixed rate loan; from the fifth year onwards it is set at a variable rate with annual review and with the possibility of a bonus, depending on the products contracted with Banca March.
- **Constant payment: 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, calculated by the French amortisation system. Following the first year, the interest rate is variable; therefore the applicable payments for each new interest period would be calculated using the French amortisation method according to the outstanding capital at the start of that period, the remaining duration of the loan and the applicable interest rate.**
- **Repayment period of Hipoteca Bonificada Mixta:**
  - For non-resident individuals: term up to 20 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 provision of a mortgage collateral.
- Representative example: repayment of the loan and consequences of the breach of the loan agreement: (See contents of section 5. Representative Example: Annual Equivalent Rate and Total Loan Cost).
- Loan repayment: during the repayment period, payments consisting of capital 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 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 payment of the amount due and can only be accrued on the outstanding capital. 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: this is set using a specific fixed percentage, so the borrower must pay the same instalment for the duration of the fixed-rate tranche.
- Interest rate for the Variable tranche: It is set using the one-year Interbank Reference (Euribor) plus a differential (1), which means 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: Euribor 03.06.2024 = 3.680%.

**BONUSES:** In the event that a mortgage is taken out with discounts, the spread will vary depending on the products contracted. See the following table for the different bonuses applied to the spread:

### LIST OF PRODUCTS AND/OR SERVICES

#### Bonus table:

<p><b>Payroll</b> <b>-0.20%</b></p> <p>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.</p>	<p><b>Investment fund</b> <b>-0.20%</b></p> <p>if, during the interest period prior to the review, any of the holders of the loan have subscribed to an Investment Fund marketed by Banca March, provided that, within that period, they have made a contribution to it for an amount equal to or greater than 1,200 euros cumulatively per year. Investment Funds marketed by Banca March, S.A. whose management entity is March Asset Management, S.G.I.I.C., S.A.U. and whose depositary entity is Banca March, S.A.</p>	<p><b>Home insurance</b> <b>-0.20%</b></p> <p>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 date of revision.</p> <p>(*) 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 bonus.</p>
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#### Conditions for the mortgage bonus:

The application of the reductions or bonuses specified above will be governed by the following conditions:

- The ownership of the loan must remain unchanged.
- The reductions or allowances are independent of each other and are cumulative in nature, so that if all the circumstances described above are met, the applicable rate will be reduced by 0.60% for the corresponding 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 bonus.
- When 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 bonus.

## 4. BONDS 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 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

<b>FIRE AND OTHER DAMAGE</b>	Fire, Explosion, Lightning Strike, Electrical Damage
<b>EXTENSIVE RISKS</b>	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
<b>WATER DAMAGE</b>	Damage to the insured properties
<b>THIRD-PARTY LIABILITY</b>	Head of Household Civil Liability, Tenant's Civil Liability
<b>OPTIONAL GUARANTEES</b>	
<b>ALL RISK</b>	
<b>DOMESTIC EMPLOYEES</b>	

#### PREPARATORY COSTS

When taking out a mortgage loan with Banca March, the customer is required to have a valuation carried out on the property, and the expenses arising from this action, as well as those corresponding to the verification of the property's registration status, are to be paid by the customer, even if the loan is 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. 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.

### HIPOTECA MIXTA BONIFICADA FOR NON-RESIDENTS

The Variable APR\* for your loan after deducting the **bonus** is **4.388%\***

It includes:

Fixed interest rate from the 1st to the 4th year: **2.50%**

Annual review from the 5th year onwards: **One-year Euribor\*\* + 0.85%**

Arrangement fee: **0.50% (minimum €1,200 )\*\*\***

**Amount financed:** €150,000

**Total Interest:** €65,055.86

**Arrangement fee:** €1,200

**Damage Insurance:** €221.75 annually

**Appraisal cost:** €467.06

**Registry verification:** €23.01

**Half-yearly maintenance cost current account:** €100

**Total cost of the loan:** €75,180.93

**Total amount owed by the borrower:** €225,180.93  
(sum of total amount plus total cost)

**Number of instalments:** 240

**Amount of instalment:**

48 instalments of €794.85

311 instalments of €921.37

1 last instalment of €921.37

**Periodicity:** monthly

**The calculation of the Variable APR\* and total cost of the loan are based on the following assumptions:**

Term: 20 years

Grace period: no

Purchase value of €300,000 and Valuation of €400,000

\*The calculation of the Variable APR has been made under the assumption that no total or partial early repayment is made during the entire life of the loan and that the benchmark indices do not vary and, therefore, could vary with interest rate revisions. When the fixed interest rate applicable during the initial period is higher than the rate resulting from the sum of the agreed spread and the benchmark indices in force on the contracting date, applicable to the rest of the period, this fixed interest rate will be used to calculate the Variable APR for the entire life of the transaction.

In the event that the customer does not meet the conditions set out in section 3 to be eligible for the bonus, the **maximum APR will be 4.749%** for non-residents.

\*\* **One-year Euribor published in the Official State Gazette (BOE) of 3 June 2024: 3.680%.**

\*\*\* **It will be payable only once and will 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.**

### **Damage Insurance:**

Damage insurance (home, commercial and SME) of €210 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 fees. Otherwise, if the account is used for other purposes, the agreed fees will accrue.

### **Other costs not included in the total cost of the loan:**

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 capital and the payment of interest are made in constant and successive monthly instalments comprising capital and interest, calculated according to the following formula:  $a = CO \times (i / 1 - (1+i)^{-n})$  where: "a": constant period instalment, "CO": borrowed capital, "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.

### **INTEREST ON LATE PAYMENT**

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 payment of the amount due and can only be accrued on the outstanding capital. This default interest cannot be capitalised under any circumstances, except in the case envisaged in Article 579.2 a) of the Civil Procedure Act.

## **6. EARLY REPAYMENT**

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

If the borrower exercises the power to fully or partially amortise the loan early, or in the case of subrogated amortisation, the following commission will be accrued.

#### **FIXED INTEREST**

- a) If the loan is fully or partially repaid or amortised within the first 10 years of the loan agreement or from the day the fixed rate becomes applicable, a compensation or commission is established in favour of the lender which may not exceed the amount of the financial loss that the Bank could suffer, in accordance with the method of calculation envisaged below, with a limit of 2% of the capital repaid in advance; and
- b) If the loan is fully or partially repaid or amortised between the end of the period mentioned in a) until the end of the loan, a compensation or fee is established in favour of the lender which cannot exceed the amount of the financial loss that the Bank could suffer, in accordance with the method of calculation envisaged below, with a limit of 1.5% of the capital repaid in advance.

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

## VARIABLE INTEREST

**a)** If the loan is fully or partially repaid or amortised within the first 5 years of the loan agreement, a compensation or fee is established in favour of the lender which may not exceed the amount of the financial loss that the Bank could suffer, in accordance with the method of calculation envisaged below, with a limit of 0.15% of the capital repaid in advance.

The aforementioned financial loss that the lender suffers will be calculated, in proportion to the repaid capital, based on a negative difference between the outstanding capital 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 capital 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.

**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 3 years, in place of a variable rate, the compensation or fee for early repayment or amortisation 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 3 years.

In all cases, the compensation or commission will accrue on the amount of amortised capital and will be payable and enforceable at the time of amortisation.

Without prejudice to the foregoing, in accordance with Royal Decree-Law 19/2022 of 22 November, until 31 December 2024, no compensation will accrue in the event of total or partial early repayment of variable-rate mortgage loans in the aforementioned cases, relating to the total or partial early repayment of the loan during the first 5 years, as well as in the case of novation of the applicable interest rate or subrogation of a third party in the creditor's rights.

