

Items	Description
<b>Introduction</b>	This document is not a mandatory legal offer. Presented confidential figures are a reliable presentation of the bank products that will offer due to current market terms and conditions, based on given information. However, these figures can fluctuate according to the market conditions. Giving the information does not intend that the bank is obliged to provide loan.
<b>1. Bank</b>	BANKA KOMBETARE TREGTARE (BKT) SH.A
<b>2. Purpose of product</b>	The aim of the Home Equity Loans is to fulfill the personal needs of the clients, for: loan for buying professional equipment, House furniture, Education, Health, Vacation, purchase of a used car, the buying of a debt from other banks ore other purposes declared that aren't in contradictions with the bank credit policies. From this product can profit not only individuals but the self-employed professional (doctors, dentist, druggist, lawyers etc) as well.
<b>3. Product description</b>	This product will be used for the purpose foresight in point 2 and as guarantee the bank will ask mortgage of a real estate. The appraisal report of the mortgage will be prepared by independent appraisal authorized from the bank and this expense will be covered by the applicant. In any case the immediate liquidation value should cover the loan amount at 160%. The loan repayment will be performed by equal monthly installments (principal + interest) due to the repayment schedule and not as a lump sum payment at the end of the maturity. The bank may finance up to 100% of the expenses.
<b>4. Interest rate (shows interest rate type and duration of the define period)</b>	T-bill 1y +4% ( <b>not less than 7.8% starting from January 2015</b> ) The offered interest rate is changeable according to the change of 1-year T-Bills at the end of every calendar year. The applicant will be informed via phone calls, e-mail or mail for any amendments or changes on loan terms and conditions.  <i>The customers may choose or the life insurance or accept a higher interest rate. In case the customer choose not to apply the life insurance , options are:</i> - <b>If the customer is up to 45 years old, interest rate of the loan will be 0.5% higher than the interest rate applied to respective category.</b> <b>E.g. customer interest will change from:</b>  T-bill 1y +4% ( <b>not less than 7.8% starting from January 2015</b> ) to: T-bill 1y +4.5% ( <b>not less than 8.3% starting from January 2015</b> )  - <b>If the customer is over 45 years old, interest rate of the loan will be 1% higher than the interest rate applied to respective category (as explained in the example above).</b>
<b>5. Effective interest rate</b>	The effective interest rate (EIR) defines the total cost that the client will afford for the taken loan with the condition that the loan will be repaid within the period that was agreed, the parties will restrain to the conditions given in the contract and the interest and the other expenses will stay unchanged till the end of the loan maturity. The client will be informed for EIR at the application moment and at found disbursement moment (Annexes of the Payment Plan). After the loan disbursement the customer will take the Payment Plan Annex where is expressed the EIR in %. EIR is referred to T_BILL 1y that is published at the moment of the disbursement of the loan.

<b>6. Loan amount and its currency</b>	<b>Maximal Loan Amount – up to ALL 6,000,000</b>
<b>7. Loan contract maturity for home equity loan</b>	<b>Home Improvement Loan – up to 10 year (or 120 months)</b>
<b>8. Disbursement of the loan</b>	<ul style="list-style-type: none"> <li>- As condition for loan disbursement, the borrower should open one or more current accounts at Banka Kombetare Tregtare, named "Loan account", where the bank will disburse the funds and through which will be repaid the loan.</li> <li>- Withdrawal of the loan will be through one of the manners: Cash withdrawal, withdrawal through electronic channels, through a cheque issued by the customer himself, through payment-order given in written in favor of third parties.</li> <li>- If during the loan disbursement the bank notice that the Borrower has not respected the terms and conditions foreseen in the loan contract signed by parties, the Bank has the right to cancel the loan contract that will be followed with the return of the used funds (principal) up to that moment and the respective interest rate.</li> </ul>
<b>9. Number and frequency of loan installments</b>	The loan repayment will be performed on equal monthly installments. The number of installments varies due to loan to maturity.
<b>10. Number and frequency of loan installments</b>	Installment = Principal amount + interest amount

### Loan terms and EIR calculation table

Loan amount	3,600,000 Leke
Loan Maturity	120 Muaj
Applicant age	38 Vjec
Gender	female
Type of customer	Standard

Interest Rate (=)	(Treasury Bill 12 months)	Plus (+) (spread)
8.78%	4.78%	4.00%
Disbursement Com.	1.0%	36,000 Leke
Life Ins. Premium	~ 0.45%-0.65% of loan amount	9,980 Leke
Property Ins. Premium	~ 0.07%-0.15% of loan amount	3,888 Leke
Others (If any)		Leke
Monthly Installment		45,175.76 Leke
<b>Effective Interest Rate (EIR)</b>		<b>9.11%</b>

### Amortisation table (loan repayment)

Currency	Loan amount	Interest rate (in %)	Loan maturity in Years	Loan maturity in months	Monthly installment
Leke	3,600,000	8.78%	10	120	45,175.76
Month	Beginning balance	Interest amount	Principal amount	Monthly Installment	End Balance
1	3,600,000	26,340.00	18,835.76	45,176	3,581,164
2	3,581,164	26,202.19	18,973.57	45,176	3,562,191
3	3,562,191	26,063.36	19,112.40	45,176	3,543,078
4	3,543,078	25,923.52	19,252.23	45,176	3,523,826
5	3,523,826	25,782.66	19,393.10	45,176	3,504,433
6	3,504,433	25,640.77	19,534.99	45,176	3,484,898
7	3,484,898	25,497.84	19,677.92	45,176	3,465,220
8	3,465,220	25,353.86	19,821.90	45,176	3,445,398
9	3,445,398	25,208.83	19,966.93	45,176	3,425,431
10	3,425,431	25,062.74	20,113.02	45,176	3,405,318
11	3,405,318	24,915.58	20,260.18	45,176	3,385,058
12	3,385,058	24,767.34	20,408.42	45,176	3,364,650

The revision of the base rate, in this case of the Treasury Bill is done every beginning of the year, thus the revision of the interest rate for every customer is done at January installment: January 2015, January 2016, so on.. up to the last January of the last year of loan maturity. This is an illustrative table and the repayment annex is referred to a changeable interest rate.

### 11. Repayment schedule (repayment plan)

### 12. Additional costs irreversible in cases when they are applicable

- Expenses for the appraisal report (varies from ALL 7,500- ALL 30,000 based on type of property to be evaluated)  
The expense mentioned above is categorized like expense before the approval and is covered from the applicant, regardless the final decision. This expense can not be avoided from the applicant. This service it's not offered from the bank but from the authorized experts.

### 13. Other additional costs

Type of expenses	Value
Notary Expenses	ALL 3,800 / per Loan Contract and starting from ALL 2,600 up to ALL 7,400 for Mortgage Contract)

	Life insurance premium	~ 0.45%-0.65% of loan amount (depends on the value of the loan, age and gender of the applicant)
	Mortgage Expenses	starting from 7,800 ALL up to ~ ALL 15,000 Depends from the kind of the property and the value of the loan.
	Collateral insurance premium	~ 0.07%-0.15% of loan amount (depends on the loan value, type and location of property)
	Disbursement commission	1.5 % of the loan value for new costumers 1% of the loan value for the existing client and debt purchase from other banks 0% Purchase of Loan from other banks (only in cases when the contract of the loan to be purchased contains early repayment commission.)
	<p>The above mentioned loan origination related costs are considered as post approval loan application costs. These costs are inevitable and mandatory for the applicant before the disbursement date. The expenses of mortgage, notarization of the loan contract and the commitment commission will be paid only at start; meanwhile the prime of life insurance, property and life will be repeated on yearly basis.</p>	
<b>14. Prepayment (if applicable)</b>	3% over the prepaid amount, min 10,000 ALL	
<b>15. Claiming forms</b>	<ul style="list-style-type: none"> <li>- Written letter near any branch or Agency</li> <li>- Visits near every branch or Agency</li> <li>- Via telephone (+355 42 266 288) call center</li> <li>- Through electronic mail: <a href="mailto:info@bkt.com.al">info@bkt.com.al</a></li> </ul>	
<b>16. Other Penalties</b>	<ul style="list-style-type: none"> <li>- If the bank finds that the customer has not used the loan for the stated purpose it may ask for the total liquidation of the outstanding loan amount and accumulated interests or otherwise if it finds appropriate it can apply a commission of 1% over the disbursed loan amount.</li> <li>- If the borrower fails to pay commission and interest, the bank has the right to charge a commission of 4 (four) % in Lek, on monthly basis over the unpaid commissions and interest amounts.</li> <li>- If the borrower can not pay in time the matured installment (interest or principal) , the Bank apart of the normal interest rate, has the right to apply a penalty of 4 (four%) in Lek on monthly basis, calculated on the unpaid due installment (inters + principal) for the period in which he is in delay, based on terms and conditions of this contract.</li> </ul>	