

Notification of change of the interest rate index for corporate clients as of 29.06.2018

Dear Sir/Madam,

Please be informed that as of 01.07.2018 The Bulgarian National Bank discontinues the calculation and publication of the SOFIBOR index and no other licensed or registered administrator will take over the administration of the index.

Considering that the SOFIBOR index, used to determine the interest due under loan agreements, will no longer be calculated, and according to the Credit Institutions Act, Raiffeisenbank (Bulgaria) EAD will implement an action plan prepared in compliance with the requirements of Art. 28 (2) of Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014, L 171/1 from 29 June 2016.

Therefore, in accordance with the action plan of Raiffeisenbank (Bulgaria) EAD, the interest rate on the credits used, which has been defined so far as a one-week/one-month/three-months/six-months SOFIBOR and a margin specified in the credit agreement, is changed as of 01.07.2018 and shall apply as follows:

- A reference interest rate increased with the margin specified in the agreement where the aggregate annual interest rate may not be less than the margin indicated in the credit agreement;
- For loans for which a 1-week/1-month SOFIBOR index has been used, as of 01.07.2018 the reference rate shall apply as follows: the interest rate on deposits with agreed maturity up to 1 month (over 1 day and up to 1 month) of Households in BGN, stated in the interest rate statistics of the Bulgarian National Bank (BNB) „Interest rates and balances on deposits with agreed maturity and repurchase transactions of sectors Non-Financial Corporations and Households“, and in case of change — in similar BNB interest rate statistics which includes deposits with agreed maturity up to 1 month (over 1 day and up to 1 month) of Households in the official currency in Bulgaria from the interest rate statistics published on the BNB website - www.bnb.bg (or another website that replaces the BNB website), hereinafter referred to as the „Short-term interest rate according to BNB statistics“ or the STIR;
- For loans for which a 3-months/6-months SOFIBOR index has been used, as of 01.07.2018 the reference interest rate shall apply as follows: the interest rate on deposits with agreed maturity up to 6 months (over 3 months and up to 6 months) of Households in BGN, stated in the interest rate statistics of the Bulgarian National Bank (BNB) „Interest rates and balances on deposits with agreed maturity and repurchase transactions of sectors Non-Financial Corporations and Households“, and in case of change — in similar BNB interest rate statistics which includes deposits with agreed maturity up to 6 months (over 3 months and up to 6 months) of Households in the official currency unit in Bulgaria from the interest rate statistics published on the BNB website - www.bnb.bg (or another website that replaces the BNB website), hereinafter referred to as the „Mid-term interest rate according to BNB statistics“ or the MTIR.

On the date of this notification, information on the Short-term interest rates according to BNB statistics and the Mid-term interest rate according to BNB statistics is published [here](#).

Information on the applicable rates of the Short-term Interest Rate according to BNB Statistics and the Mid-term Interest Rate according to BNB Statistics is published on the website of Raiffeisenbank (Bulgaria) EAD (www.rbb.bg) and is announced in its business premises.

The interest described above shall apply as of the first Interest Rate Recalculation Date after 01.07.2018.

If, for any reason, 5 days prior to the Interest Rate Recalculation Date on the BNB website or on other website replacing the BNB one there is no published value of Short-term Interest Rate according to the BNB statistics, respectively of Mid-term Interest Rate for the respective month according to the BNB statistics preceding the month in which the respective recalculation is made, further according to the current action plan:

- a)** the most recent value of the Short-term Interest Rate according to the BNB statistics, respectively, the Mid-term Interest Rate according to the BNB statistics, officially published on the BNB website or on the website replacing the BNB one prior to the first day of the respective month in which the respective recalculation is made, will be applied for the determination of the Reference Interest Rate for a period of three calendar months starting from the month following the month for which there is announced Short-term Interest Rate according to the BNB statistics, respectively announced Medium-term Interest Rate according to the BNB statistics;
- b)** in case after the expiry of the period under paragraph (a) above on the website of the BNB/respectively on the website replacing the BNB one there is still no information on the value of the Short-term Interest Rate according to the BNB statistics, respectively on the Mid-term Interest Rate according to the BNB statistics for the previous three consecutive calendar months, as Reference Interest Rate shall be considered the interest rate indicated above in this notification, reflecting the banks' financing costs in the official currency in Bulgaria, announced on the official website of the European Central Bank or other official source, and the consequences under paragraphs (a), (c) and (d) of this notification shall apply to it respectively;
- c)** In case after the expiry of the period under paragraph (a) above, on the website of the BNB/respectively on the website replacing the BNB one is announced information on the value of the Short-term Interest Rate according to the BNB statistics, respectively on the Mid-term Interest Rate according to the BNB statistics for any of the previous three consecutive calendar months, paragraph (a) above shall apply with reference to the determination of the Reference Interest Rate;
- d)** In case after the expiry of the period under paragraph (a) above there is still no information on the value of the Short-term Interest according to the BNB statistics, respectively on the Mid-term Interest Rate according to the BNB statistics for the previous three consecutive calendar months and there is no interest rate meeting the requirements set in paragraph (b) above, the Reference Interest Rate under the respective Credit Agreement shall further apply as the value of the 1-month EURIBOR (for credits that currently use the index 1-week/1-month SOFIBOR) respectively the 3-months EURIBOR (for credits that currently use the index 3-months SOFIBOR), respectively the 6-months EURIBOR (for credits that currently use the index 6-months SOFIBOR), 2 (two) business days (spot value date) prior to the Interest Rate Recalculation Date.

Information on the applicable rates of: 1-month/3-months/6-months EURIBOR is published on the website of Raiffeisenbank (Bulgaria) EAD (www.rbb.bg) and is announced in its business premises.

Information on the applicable rates of: 1-month/3-months/6-months EURIBOR is also available on the publicly available leading financial websites such as www.euribor.org or www.euribor-rates.eu (or on another website that replaces the websites of <http://www.euribor.org> or www.euribor-rates.eu).

Furthermore, the agreed penalty interest rate for late payment is changed and the value of the 1-week/1-month/3-months/6-months SOFIBOR is replaced with the corresponding Reference Interest Rate indicated above.

All other conditions of the respective credit agreement remain unchanged.

We would like to inform you that at the time of applying the action plan of Raiffeisenbank (Bulgaria) the new interest rate described above will not be higher than the interest rate under the credit agreement applied prior to that date.

Hoping to continue our rewarding relationship and to keep you as our loyal customer in the future, we remain

Sincerely Yours,
Raiffeisenbank (Bulgaria) EAD