

Notification of change of the interest rate index for Small Enterprises 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 according to 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 Raiffeisenbank (Bulgaria) EAD's action plan, the interest rate on the credits used, which has been defined so far as a one-week/one-month/three-month/six-month SOFIBOR and an add-on specified in the credit agreement, is changed as of 01.07.2018 and will be as follows:

- A reference interest rate increased with the add-on specified in the contract where the aggregate annual interest rate may not be less than the add-on indicated in the contract;
- For loans for which a 1-week/1-month SOFIBOR index has been used, the reference interest rate will be as follows as of 01.07.2018: the interest rate on deposits with agreed maturity of up to 1 month (over 1 day 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 the case of a change — in similar BNB interest rate statistics which includes deposits with agreed maturity of up to 1 month (over 1 day to 1 month) 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 „Short-term interest rate according to BNB statistics“ or the STIR;
- For loans for which a 3-month/6-month SOFIBOR index has been used, the reference interest rate will be as follows as of 01.07.2018: the interest rate on deposits with agreed maturity of up to 6 months (over 3 months 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 the case of a change — in similar BNB interest rate statistics which includes deposits with agreed maturity of up to 6 months (over 3 months 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 „Medium-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 Medium-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 Medium-term Interest Rate according to BNB Statistics is published on the website of Raiffeisenbank (Bulgaria) EAD (www.rbb.bg) and is announced in its commercial premises.

The interest described above will be applied from the first Interest Rate Recalculation Date after 01.07.2018.

If, for any reason, 5 days prior to the Interest Rate Recalculation Date the BNB website or another substitute website has not published any value of the Short-term Interest Rate according to the BNB statistics, respectively the Medium-term Interest Rate for the respective month according to the BNB statistics preceding the month in which the respective recalculation is made, in the future, according to the current action plan:

- a)** the most recent value of the Short-term Interest Rate according to the BNB statistics, respectively, the Medium-term Interest Rate according to the BNB statistics, officially published on the BNB website or its substitute website before 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 a Short-term Interest Rate according to the BNB statistics, respectively a Medium-term Interest Rate according to the BNB statistics;
- b)** In case that after the expiry of the period under letter (a) above the website of the BNB/respectively its substituting website still contains no information on the value of the Short-term Interest Rate according to the BNB statistics, respectively a Medium-term Interest Rate according to the BNB statistics for the previous three consecutive calendar months, the Reference Interest Rate will be analogous to the interest rate indicated above in this notification, reflecting the banks' financing costs in the official currency unit in Bulgaria, announced on the official website of the European Central Bank or any other official source, and the consequences under (a), (c) and (d) of that notification will apply to it respectively;
- c)** In case after the expiry of the period under letter (a) above, the website of the BNB/respectively its substituting website contains information on the value of the Short-term Interest Rate according to the BNB statistics, respectively a Medium-term Interest Rate according to the BNB statistics for any of the previous three consecutive calendar months, letter (a) above will be applied to the determination of the Reference Interest Rate;
- d)** In case after the expiry of the period under letter (a) above there is still no information on the value of the Short-term Interest according to the BNB statistics, respectively the Medium-term Interest Rate according to the BNB statistics for the previous three consecutive calendar months and there is no interest rate corresponding to the requirements of letter (b) above, the Reference Interest Rate under this Contract will be the value of the 1-month EURIBOR (for credits that currently use the index 1-week/1-month SOFIBOR) respectively the 3-month EURIBOR (for credits that currently use the index 3-month SOFIBOR), respectively the 6-month EURIBOR (for credits that currently use the index 6-month SOFIBOR), 2 (two) business days (spot value date) prior the Interest Rate Recalculation Date.

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

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

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

All other conditions of the credit agreement remain unchanged.

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

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

Sincerely yours,
Team of Raiffeisenbank (Bulgaria) EAD