



THE HOLABANK HOME GUIDE

ADVERTISING

Information required by Ministerial Order ECC/2316/2015: HolaBank account

CaixaBank is a member of the Deposit Guarantee Fund for Credit Institutions established by virtue of Spanish Royal Decree 16/2011 of 14 October. The guaranteed amount is limited to €100,000 per depositor in each credit institution.

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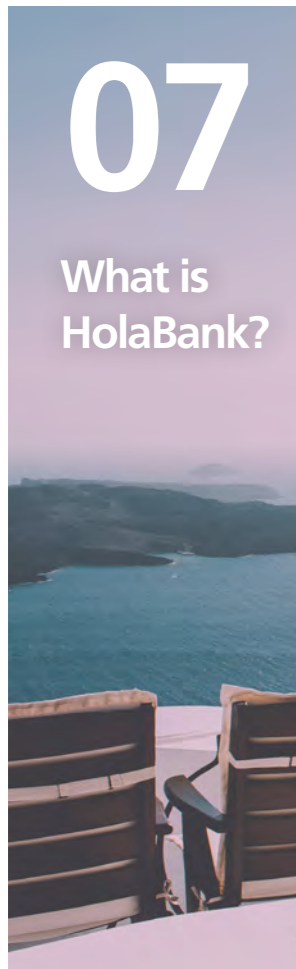
This number is indicative of the product's risk, with 1/6 indicating a lower risk and 6/6 indicating a higher risk

Are you thinking of buying a second property in Spain and you've had umpteen doubts that mean you don't know where to begin?

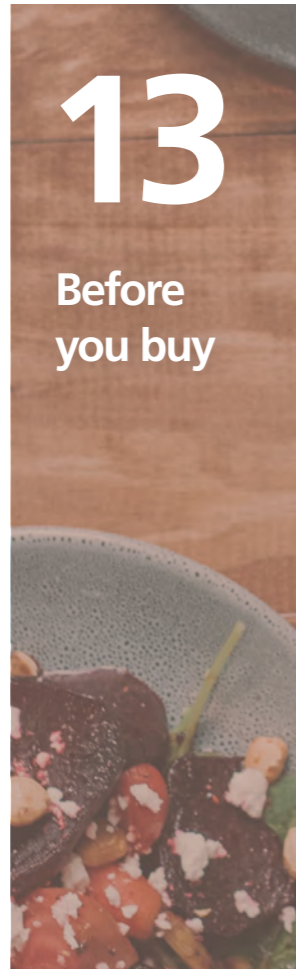
You're in luck as you've found the right guide. We aim to support and help you as an international customer. In the following pages, we'll explain all the phases involved in buying a home in Spain in a clear and simple way to help you at every step of the way and to make it "easier".



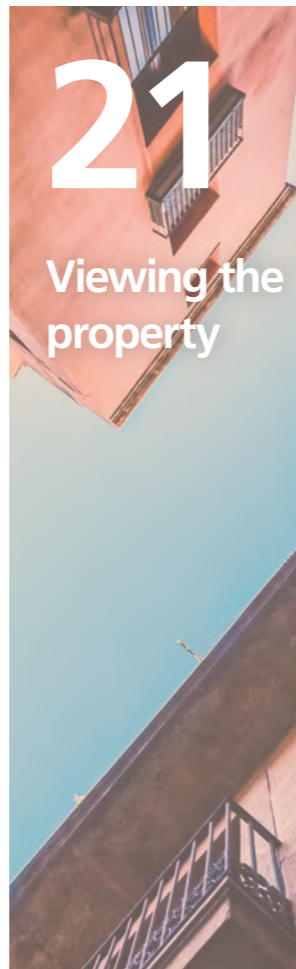
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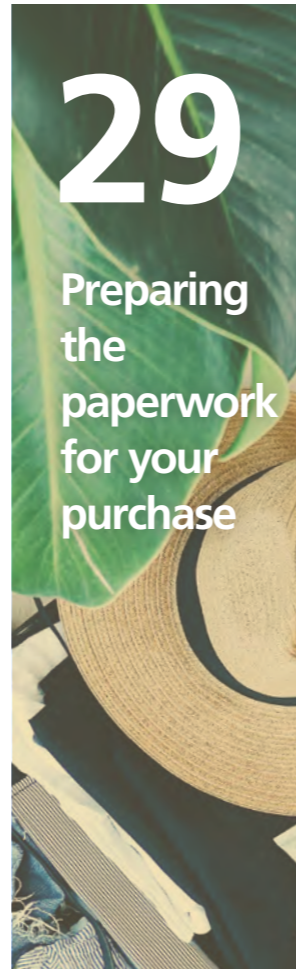
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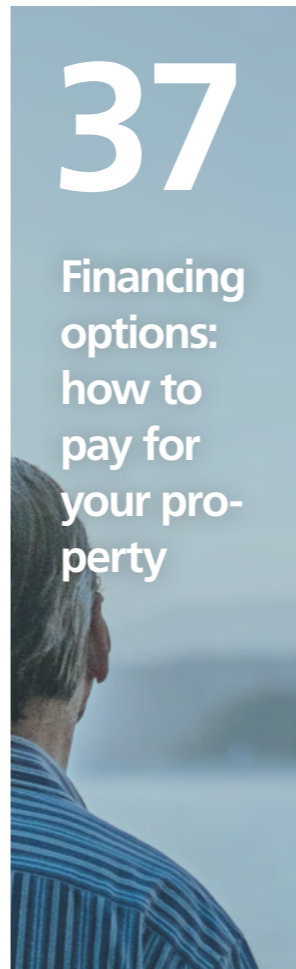
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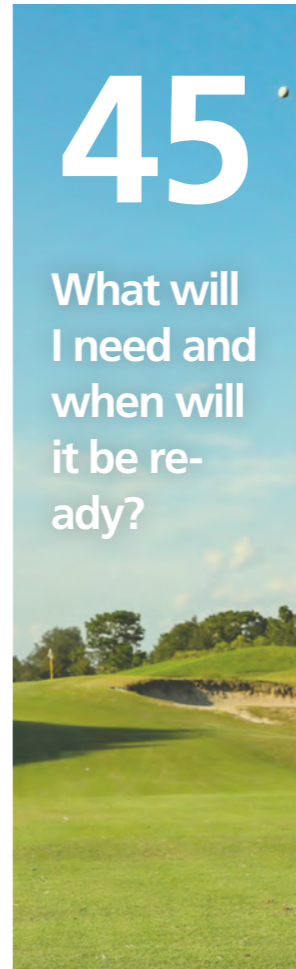
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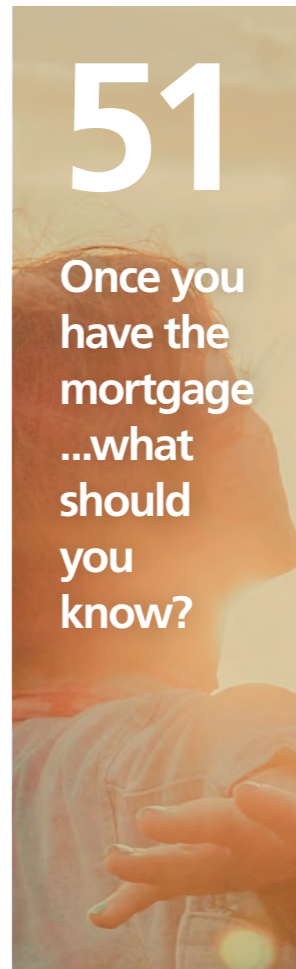
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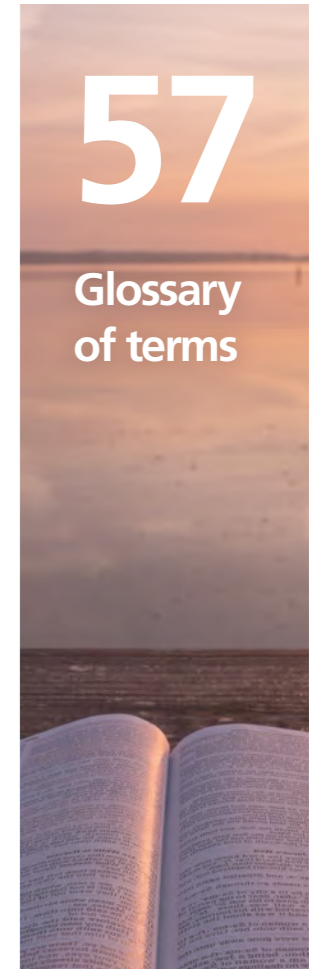
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What is HolaBank?

At CaixaBank we believe that there is nothing more important than feeling at home, wherever you are. For this reason we're presenting HolaBank, a program aimed at international customers, offering you a high-value financial support, advice and guidance services adapted to your needs in Spain.

Welcome to HolaBank

HolaBank is the specialized program offered by CaixaBank, aimed at international customers who spend long periods of time in Spain or wish to settle there.

Since 2015, HolaBank has offered a wide catalogue of financial products and services (accounts, loans and investment products) adapted to your day-to-day needs that, most importantly, is available in your language thanks to its omnichannel assistance model.

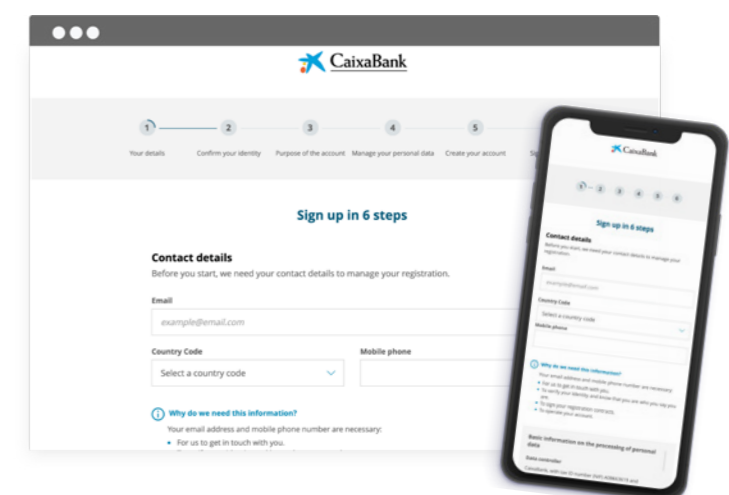
It offers a network of branches that are located in the main tourist areas, with expert managers on hand.

How do I become a customer?

To become a customer you will need to open an account at HolaBank. This will also be essential for buying your second home in Spain.

You can **do so from anywhere in a completely secure**

way in just 6 steps and you will be able to benefit from all the HolaBank perks.



Check the benefits of having an HolaBank account:

www.caixabank.es/particular/hola-bank/holabank-account.html





HolaBank Club benefits that will make your life easier:

NIE DOCUMENT MANAGEMENT

Fees for the available services:
club.holabank.es/en/services/nie

3 FREE DOCUMENT TRANSLATIONS

See conditions*

FREE LINK TO UTILITIES

Unlimited service

* Three free services/year for texts in Spanish, English, French, German and Russian up to a maximum of 600 words. The text must be of a general nature and cannot be divided into parts. Additional words that require translation will be billed to the customer based on a quote.

In addition, **by becoming an HolaBank customer, you will become a member of the HolaBank Club** which allows you to enjoy a wide range of services under advantageous terms, making your arrival and stay in Spain easier.

For example, we **provide assistance with NIE** (foreigners' identity document) paperwork and procedures, which will be essential for you to be able to buy your second home in Spain.

club.holabank.es/en

Can I take out a mortgage if my currency is something other than euros?

Yes, **it will depend on the main currency in which you earn your income/assets to pay the mortgage:**


- **If they are in euros, your mortgage will be at a fixed rate.**
- **If they are in GBP, USD, CAD, CHF, NOK, SEK or DKK, you can choose between:**
 - A **fixed rate** mortgage in your own currency.
 - A **variable or fixed rate in euros, convertible to your own currency:** the monthly payment will be in euros and for the duration of the mortgage you can request to convert it into your own currency on one occasion only.

In addition to the seven currencies mentioned, we also offer a **a variable or fixed rate in euros, convertible to your own currency for other EU currencies: BGN, CZK, HUF, PLN and RON.**


You must bear in mind that the exchange rate used for conversion purposes will be the rate published by the European Central Bank that applies on the effective date of the corresponding conversion. Its cost could increase as the currency rate depreciates in value against the euro. In the same way, if the currency value was to increase against the euro, its cost could decrease to the same extent.

You can find the exchange rates that we apply via this link:


www.caixabank.es/apl/divisas/index_es.html



FIXED RATE IN EUROS



FIXED RATE IN YOUR CURRENCY



VARIABLE OR FIXED RATE IN EUROS, CONVERTIBLE TO YOUR CURRENCY



01

Before you buy

You've been thinking about it for a while and you think the time has now come. Congratulations! You've taken the first step to buying your second home. Now you'll probably need to have to look, visit and make a decision. But what do you need to know in this phase? What would your budget be? How much can we finance you? It's very important to do the sums and be clear about all this information in order to find your ideal home.

First things first: what is your budget?

Firstly you **need to consider your actual budget** to define how much you can allocate to the property.

With HolaBank, you **can get up to 70% in financing. The remaining 30% must be contributed by you, along with 12-15% of the property's value** in addition, to pay taxes (VAT, Capital Gains Tax [ITP]) and other expenses associated with property buying and selling. **In total, you should have saved between 42% and 45% of the property's value.**

On the HolaBank online portal, you can calculate the monthly fee using the Mortgage Calculator.

How much will I pay monthly?

To calculate how much you will pay each month, you need to know the price of the property you want to buy. Based on the property's price, choose how much you need for a mortgage. **Remember that at HolaBank we grant up to a maximum of 70% for second homes in Spain.**

You must also choose the term (years) over which you want to pay the mortgage.

Play about with the simulator as often as you need to.

www.caixabank.es/apl/holabank/simulador/index_en.html



70% Maximum **mortgage** granted by CaixaBank

30% **Initial contribution** that you must cover

12-15% **VAT/ITP + fees** associated with the buying/selling

Percentages based on the purchase price of the second home in Spain



How is the process of buying a home in Spain?

Buying a second home in Spain can be a long process during which you will have to carry out various procedures. For this reason, we provide you with a checklist showing the different procedures so you can prepare everything you need in advance and follow up, as well as the steps that your mortgage application will go through.

Checklist of necessary procedures

- 1 | Hiring a mortgage broker**
We recommend that you hire a specialist (mortgage broker) to assist you throughout the process, helping you with all the procedures in Spain and thus avoiding you having to travel.
- 2 | Carry out a feasibility study with HolaBank**
Complete a short form and we will analyse your circumstances. You will find out within 48 hours if the purchase of your second home in Spain is viable.
www.caixabank.es/apl/formularios/holabankHipoteca/index_en.html
- 3 | Apply for the NIE (Foreigners' Identity Number)**
This is essential for any financial transactions in Spain. If you have any queries, HolaBankClub assists our customers during the application process.
- 4 | Open an account in Spain**
You will need an account in order to be able to make any payments. We explain how to do this on page 31.
- 5 | Check the state of the property**
If you have found a second home that you like, we recommend that you check if it is in good condition. On page 26, we explain how to do this.
- 6 | Reserve the property**
To ensure you can reserve the home you want to buy, you must sign a deposit agreement. We also recommend that you ask the Land Registry for a summary of the title for information purposes to verify all the information related to the property. You will see how to request this on p. 32.
- 7 | Prepare the documentation**
CaixaBank will request a series of documents from you in order to analyse your financial circumstances. We will provide you with a list of the necessary documents, which you can send in your own language, untranslated.
- 8 | Valuation**
A property valuation will be required to establish the real value of the property. When you take out a mortgage with HolaBank, we refund the cost of the valuation.
- 9 | Sign the pre-contractual documentation**
We will give you the conditions of the mortgage and will explain them to you in detail. After signing these documents, you will have a reflection period of 10 calendar days (14 days in Catalonia) so that you can clarify any doubts with your manager and receive free advice from your chosen notary, prior to signing.
- 10 | Choosing a notary**
The buyer chooses the notary to schedule the signing of the mortgage.
- 11 | Purchase Agreement**
This is an agreement between two parties in which the selling party agrees to hand over the property ownership to the buyer in exchange for a sum of money. It is usually signed on the same day that the mortgage is signed.

Steps to buy a home in Spain

Search

Find the home that best suits your needs. Simulate how much you will pay each month and request that we analyse your circumstances.

Application

Complete the form so we can analyse your circumstances.

If you reside in one of the 15 Western European countries, you can access MortgageNow. This is an online application we use to study the viability of your mortgage, provide the necessary documentation and giving you an answer within 72 hours.

Analysis

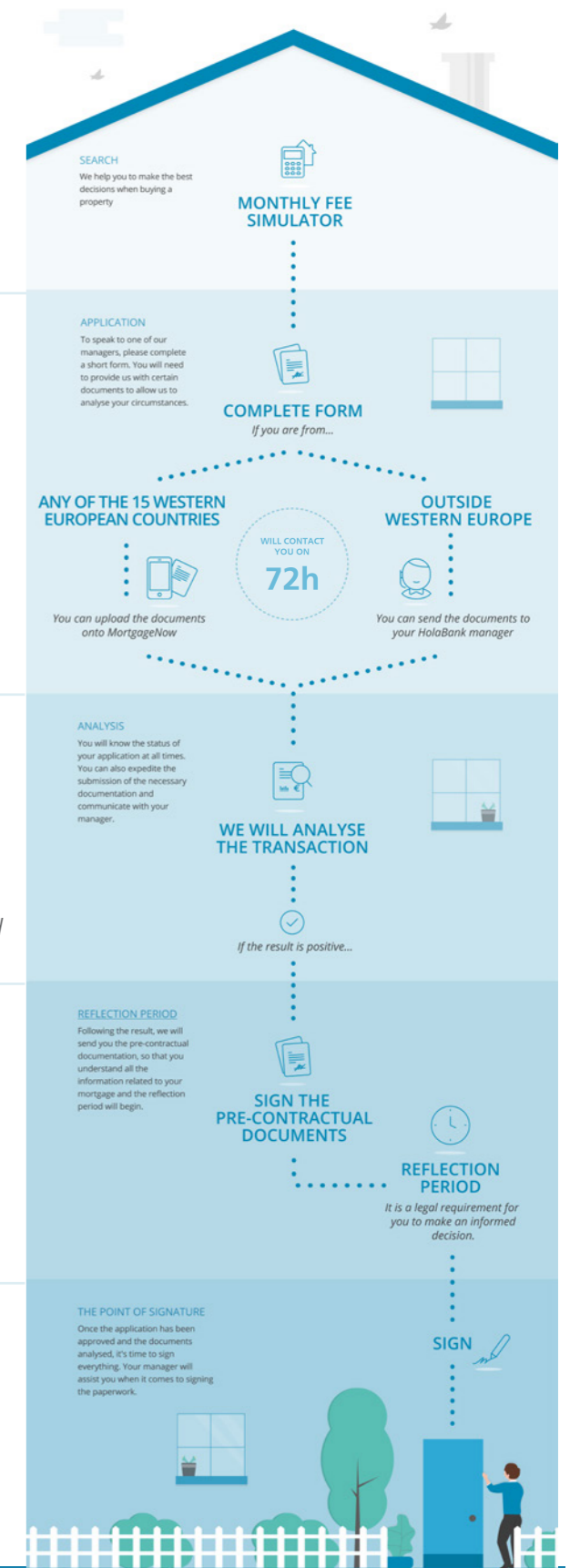
To analyse the feasibility, we will need you to send us a series of documents. If you have accessed MortgageNow, it will indicate the necessary documents depending on your country; if not, we will provide you with a list. Your circumstances will be analysed based on the information you provide us. Following the analysis, the branch manager will contact you to appraise the property and you will be informed as to whether it will be possible for us to grant you the mortgage.

Reflection period

Upon notification that you will be granted a mortgage, you must sign the pre-contractual documentation (European Standardised Information Sheet (ESIS), Standardised Warning Sheet and their annexes), which include the conditions of your mortgage. Upon signature, a reflection period of 10 calendar days (or 14 days in Catalonia) will begin, so you can consult your manager with any questions and receive free advice from your chosen notary.

The point of signature

At the end of the reflection period, you will be able to sign the mortgage in person, where the notary, your HolaBank manager and a representative of the management company will be present. A few days after signing the paperwork, we will send you the deeds of the sale together with the mortgage for your new home.



Where do you want to buy your home?

Choose your future home in Spain by making virtual visits via the websites of Spanish or international estate agents and surveyors that work in Spain.

Get advice from professionals with a wide range of properties available in various parts of Spain, as well as from those with proven experience in real estate brokerage.

If you still do not know where to buy your second home, the most popular locations are as follows:

Get to know Spain

Spain, a European country located on the Iberian Peninsula, is made up of 17 autonomous communities with different geographical and cultural characteristics so diverse that people fall in love with them:

Known as “the sunshine state of Europe”, the **Canary Islands** stand out for their mild temperatures throughout the year and stunning natural surroundings: five of its seven islands have been declared a Biosphere Reserve and the archipelago has four National Parks.

Balearic Islands. To live on one of its wonderful islands in the Mediterranean, enjoying its coves, sunsets, nature, gastronomy, is a dream come true.



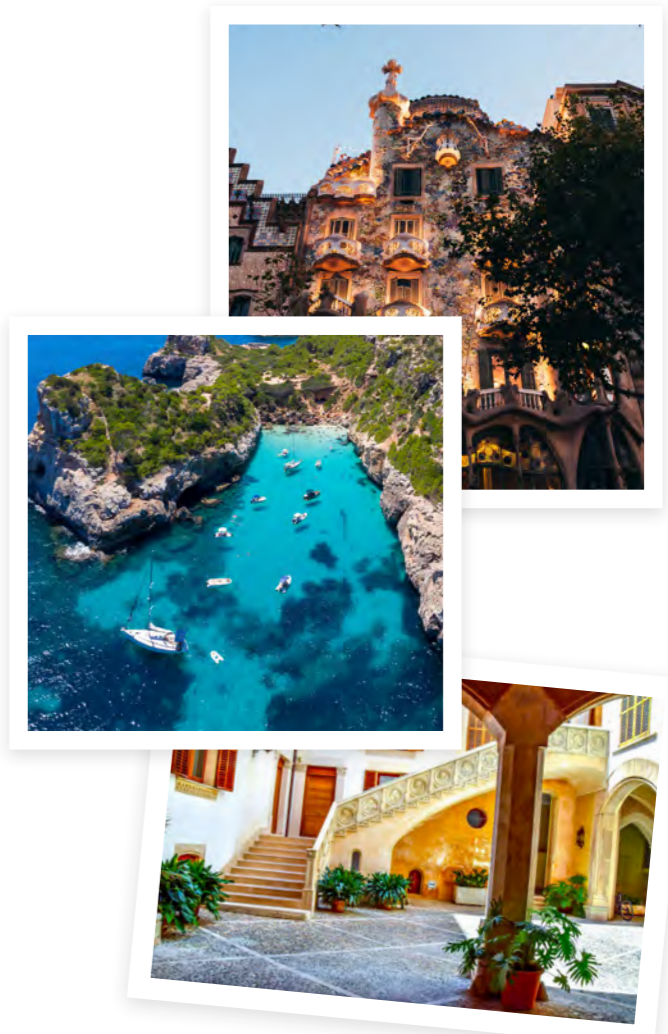
Costa Brava: charming medieval villages, trails, mountains, beaches with crystal clear waters, spectacular coves, viewpoints, Roman and Greek ruins, gastronomy: everything is here.

Costa Dorada: located south-west of Barcelona. Famous for its long and shallow beaches, its rice and prawns as well as for its vestiges of the Iberian, Roman, Templars and Modernist cultures.

Costa Blanca: it extends throughout the province of Alicante with great ecological diversity offering white sandy beaches, coves, spectacular landscapes, salt flats, cliffs, rocky caves and four natural parks.

Costa del Sol: The good weather and the wide variety of beaches are its main attractions. Located in the province of Malaga you can enjoy 161km of Mediterranean Sea coastline and magnificent gastronomy.

Costa de la Luz: located on the Andalusian Atlantic coast, its vivid light shines all year round on wide, sandy beaches. It offers numerous protected natural landscapes, varied and exceptional gastronomy and the best conditions for sailing and watersports.



Data to help you decide

	Oslo	vs	Málaga
Average temperature:	6 C°		18,5 C°
Hours of suns x year:	1.668 h		2.905 h
Rainy days x year:	113		42
Cost of living:	226		115

	Cologne	vs	Palma
Average temperature:	6 C°		16,5 C°
Hours of suns x year:	1.504 h		2.756 h
Rainy days x year:	133		51
Cost of living:	155		127

	London	vs	Alicante
Average temperature:	11,5 C°		18,3 C°
Hours of suns x year:	1.410 h		2.851 h
Rainy days x year:	109		37
Cost of living:	226		123

	Milan	vs	Tenerife
Average temperature:	13 C°		21,4 C°
Hours of suns x year:	1.914 h		2.725 h
Rainy days x year:	83		15
Cost of living:	154		114



02

Viewing the property

If you already know the area where you'd like to buy your second home, you may even have seen an advert for properties that would suit you, the time has come for the viewings! It's a really important step because you will need to consider and contemplate all aspects.

What do you need to ask the estate agent or owner?

You can ask them anything you want, but here are some basic questions that will help you to better understand the state of the property:

- *Why is the property being sold?*
- *How long has it been up for sale?*
- *How many viewings have you had?*
- *How many people lived here before?*
- *Do you have all the necessary documents such as the habitability certificate (certifying minimum living conditions of the premises) or the energy certification?*
- *Is it registered for water and electricity services?*
- *What are the neighbours like?*

- *Are there any financial charges outstanding such as community fees?*
- *Has the Technical Building Inspection been carried out?*

Advantages for HolaBank customers

Do you know that because you are an HolaBank customer, you benefit from discounts and advantages when buying properties from the **Building Center**, the CaixaBank estate agent portal? Visit the portal to see the properties available with discounts:

🔗 www.buildingcenter.es/home-eng/

Viewing the property: take this checklist with you

We recommend planning a trip to Spain to personally view the property. We have prepared this list to ensure that you check all the important points concerning the property and take them into account when it comes to making your decision about buying it. In this way, you won't forget anything.

Architecture	Habitability	Installations:
<p><input type="checkbox"/> External factors Take into account the type of street, surrounding shops, etc.</p> <p><input type="checkbox"/> Total area of the property (usable and built) Measure the property when you view it, ask for the Land Registry certificate at the town hall or search for the measurements at the Land Registry Office.</p> <p><input type="checkbox"/> Distribution Check if the property is well distributed. Is the hallway large? Do you have to walk far from the bedroom to the bathroom? Is one part during the day or the other at night? Do you have to cross one room to get to another?</p> <p><input type="checkbox"/> Type of floor This aspect is not only important for aesthetic reasons but also for maintenance and temperature. Check if it is made of marble, terrazzo tiles, ceramic tiles, parquet flooring, etc.</p>	<p><input type="checkbox"/> Natural light Is enough light coming in through the window? Does direct sunlight shine in?</p> <p><input type="checkbox"/> Thermal insulation This avoids damp and transmits heat from the outside to the inside and vice versa. Check if there is any double glazing or if the walls are cold, for example.</p> <p><input type="checkbox"/> Sound proofing This reduces outside noise, which is very useful in areas with heavy traffic.</p> <p><input type="checkbox"/> Ventilation Especially in the bathroom and kitchen areas. Is there a window or an extraction fan?</p> <p><input type="checkbox"/> Front door Check if it is safe or not. How many locks does it have? Does it have a reinforced door?</p> <p><input type="checkbox"/> Windows Check that they are in good condition. Windows with double glazing help you to make savings.</p> <p><input type="checkbox"/> Water circuit and pressure It is important to find out where it comes from, whether it is from the general network, the irrigation user community or a private well.</p> <p><input type="checkbox"/> Renovations Find out about the renovations that have been carried out on the property and if they have been carried out legally. In this way, you will avoid problems with the local authorities..</p>	<p><input type="checkbox"/> Gas Check the type of installation and if it complies with the regulations. If it is bottle gas, mains gas, propane gas or gas tank.</p> <p><input type="checkbox"/> Electricity Check the type of meter and the age of the installation. Also the power, the state of the plugs, sockets and switches and if there are enough entrances in the rooms.</p> <p><input type="checkbox"/> Water Check the type of pipes: they can be copper, lead, etc.</p> <p><input type="checkbox"/> Telecommunications In other words, the telephone and internet connections. Check the system or the possibility of installation. Find out if there is good coverage within the property, with which provider, etc.</p> <p><input type="checkbox"/> Air conditioning Ask what system the property has, how it is maintained and its consumption. If there is a chimney, check if it has an extractor to extract the air.</p>

Do you have more than one property in mind?

It is normal to hesitate between several properties. To make the best decision, we recommend that you make a list of the positive points about each property. It will help you to see which of them has the most positive points and make a decision more easily. We have prepared this template for you so that you can compare the properties you visit.

	1	2	3
Price			
Address			
Meters (m2)			
Floor number			
No. of bedrooms			
Aspect			
Lift			
Parking			
Balcony/terrace			
Refurbished			
Storage room			
Community fees			
Charges or debts			
Monthly repayment			

Do you know how to calculate the monthly mortgage payment?
Knowing the monthly mortgage payment will help you to make the best decision. To calculate it, access the simulator from the app, scan the QR code or visit www.caixabank.es/simular-cuota



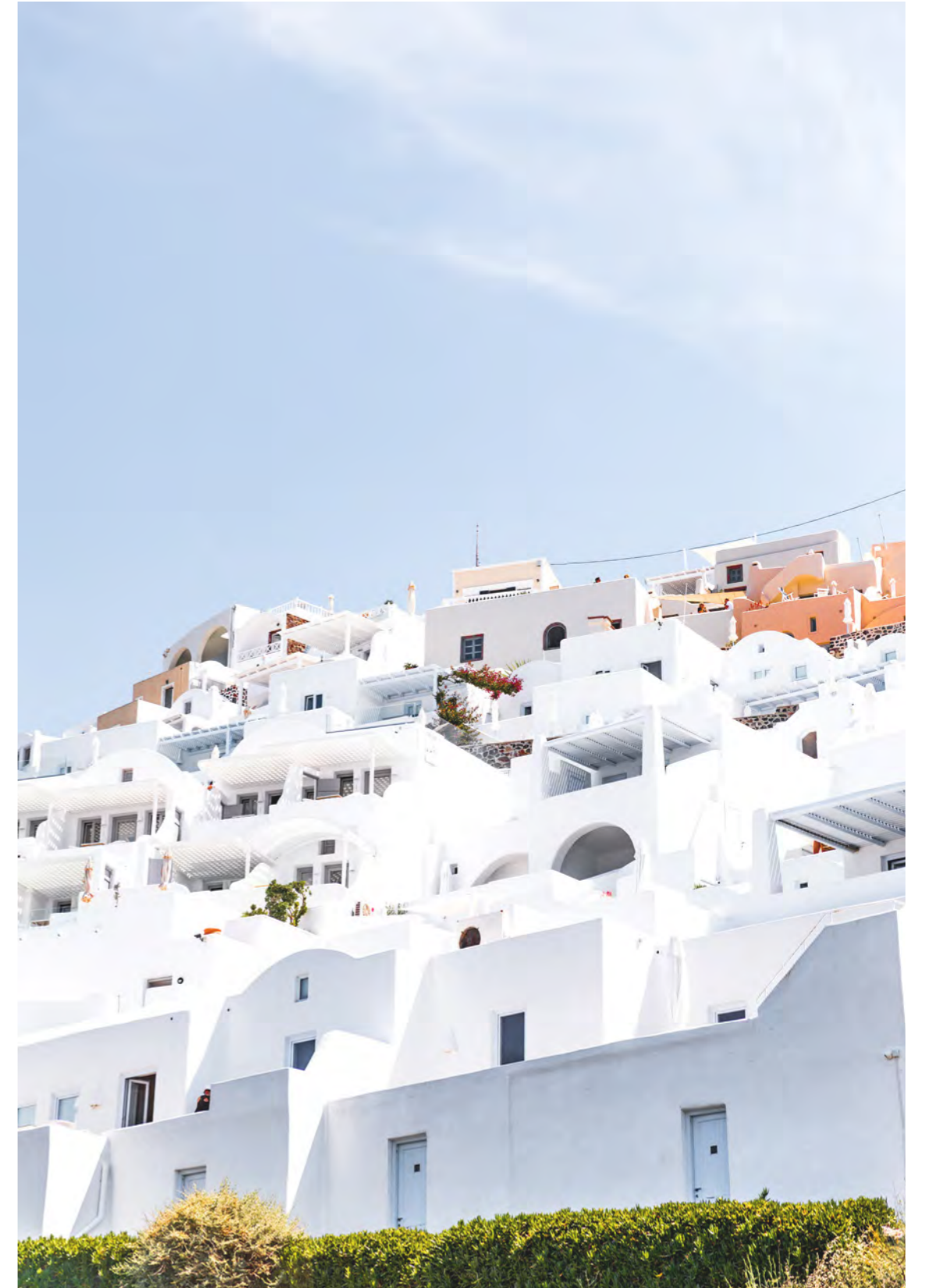
 My new home will be...		
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How do I know that the property is in a good condition?

At HolaBank we work together with *ST Consultores* to offer you their **Building Survey service (property inspection)**. This survey will be done prior to the purchase of your second property, so that you can detect any imperfect or unpleasant surprises that may arise in the future, allowing you to make a decision free from any risk. The service consists of:

- Qualified inspection prior to the purchase of the property
- Expert technicians
- Analysis report within 72 hours

iberianpropertysurvey.com





03

Preparing the paperwork for your purchase

You already know which property you can afford, you've viewed it and now you're sure you want it. Congratulations! Now's the time to take the step and start with all the necessary paperwork and procedures to buy the property. Next, we'll tell you how to proceed step by step. You're already one step closer!

Who can carry out the procedures for you to buy the property?

They can be carried out by the people who will buy the house but, to save time and money, **we recommend that you consult a specialist.**

Your specialist advisor or your solicitor will be able to facilitate the legal and fiscal procedures from the beginning of the process, if you grant them a **power of attorney** so that they can act on your behalf when dealing with the bank, local authorities, notary, etc.

Once you've found the property you like, what do you need to do?

1st. Open a bank account in Spain

All taxes and expenses associated with the purchase of the property must be paid through an account opened in Spain. **You can do this:**

- **From your country:** If you reside in one of the 15 Western European countries, you can open it online through the HolaBank portal:
www.caixabank.es/apl/holabank/formularioOnBoarding/index_en.html
- **In person:** at any CaixaBank branch in Spain.
- **With a Power of attorney:** through a representative in Spain who carries out those procedures that you cannot do in person or digitally. With an official certified translation into Spanish. Certified colour copy of your national ID or passport.

To open the bank account, you will need:

- **Passport or identity document.**
- **TIN (Tax Identification Number):** you will find the TIN via the OECD link:
 - 🔗 www.oecd.org/tax/automatic-exchange/crs-implementation-and-assistance/tax-identification-numbers
- **Proof of financial activity** and volume of revenue.

We will provide details of the remaining documentation that is required, depending on your country, during the registration process.

2nd. Apply for the NIE (Foreigner Identity Number)

It is a personal, unique and exclusive number that will be assigned to you to identify yourself in Spain and it is essential for any financial transactions. (See *glossary* for more information)

If you need any help in applying for the NIE, we remind you that, once you are an HolaBank customer, we can manage this for you through HolaBank Club.

🔗 club.holabank.es

3rd. Check the condition of the property

Although it is not mandatory, we recommend checking the condition of the property. You can ask a specialist company, for example **ST Consultores**, to conduct a qualified inspection of the property prior to its sale.

🔗 www.st-tasacion.es/en/products/spanish-property-survey.html

You can also ask your advisor to request the **Land Registry summary**. You will find all the information related to the property in this document. You can find further information including what it costs via the following website:

🔗 www.registradores.org

This document also indicates **if the property has any outstanding charges or debts**, so that you do not get any nasty surprises.

4th. Reserve the property

You can make an offer to the vendor of the property that



interests you, or if you are satisfied with the agreed price, **you can guarantee the purchase by signing a deposit agreement, by paying a percentage on account of the value of the property** as a down payment. This is usually 10%.

5th. Purchase agreement

This is an **agreement between two parties**, in which the selling party agrees to hand over the property ownership to the buyer in exchange for a sum of money. This agreement contains a series of obligations and rights for each of the parties and, if any of them breach them, there may be consequences.

The buying party is the one who normally chooses the notary with which he or she wants to sign his or her purchase agreement..

What happens if you don't end up buying the house?

If there is a deposit agreement or a down payment and the sale does not go ahead for reasons beyond the control of the seller, **you could lose the amount paid on account**. If the selling party does not decide to continue with the sale, they have to compensate you with double the amount they received as a down payment.

If you pay a deposit... do you have the financing secured?

We are sorry to say that it **is not secured**. The deposit agreement is a private contract between two parties in which the bank does not intervene. In order to recover the down payment, you can state in the agreement that the refusal of the financing by the bank is not a reason to lose the deposit money.

How do you find out if the house has debts?

Consult the summary of the property's title document. The document will reveal the status of the property in terms of mortgages, distraints, charges or tax conditions.

Make sure the property is up to date with community payments: monthly expenses, apportionment of local taxes, etc. Request a certificate stating that everything is up to date. If it has any outstanding debts, these would be transferred to you when you buy the property. Your mortgage broker can obtain it on your behalf.

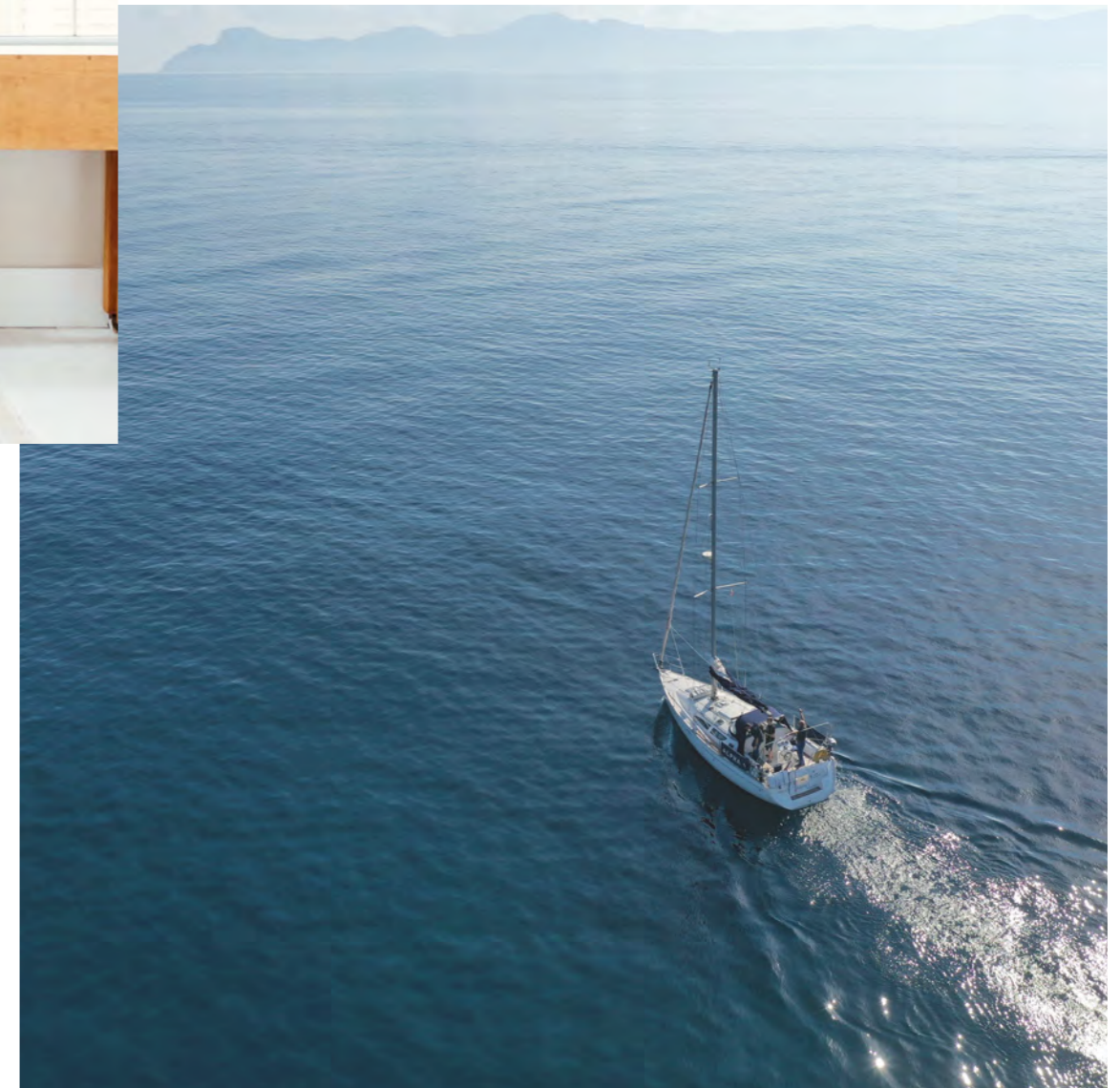
Check that the municipal taxes have been paid, such as the Property Tax (IBI), waste collection and recycling charges, etc. To do this, ask for receipts or proof of payment.

How do you find out if the house has a habitability certificate?

The habitability certificate is a document certifying that the property you want meets the **minimum health and safety requirements** in order that it can be inhabited by people and it must be **provided by the seller**. It is needed to register for water, electricity and gas and is mandatory both for renting and selling a property. Before buying a property, ask your advisor or solicitor to verify that the habitability certificate is valid.

How do you know if it has an energy certificate?

The **energy certificate** has been mandatory in Spain for renting or selling a property since 1 June 2013. The obligation to show the energy certificate is regulated in Spain by Royal Decree 235/2013. **The responsibility for obtaining this energy certificate falls on the owner of the property.**





04

**Financing options:
how to pay for your
property**

Without a doubt, this is one of the issues that prompts the most questions. We understand that it can be difficult to know which mortgage is the best for each individual and that it is a difficult decision. We'll provide some information as follows that will help to clear up any questions you may have.


What do we offer at CaixaBank?


At CaixaBank we have created the HolaBank proposal, to assist our non-resident customers and make things easier:

- **MortgageNow:** an application that allows you to submit the necessary documentation so that we can analyse the feasibility of granting you a mortgage, 100% online.

www.caixabank.es/apl/formularios/holabankHipoteca/index_en.html

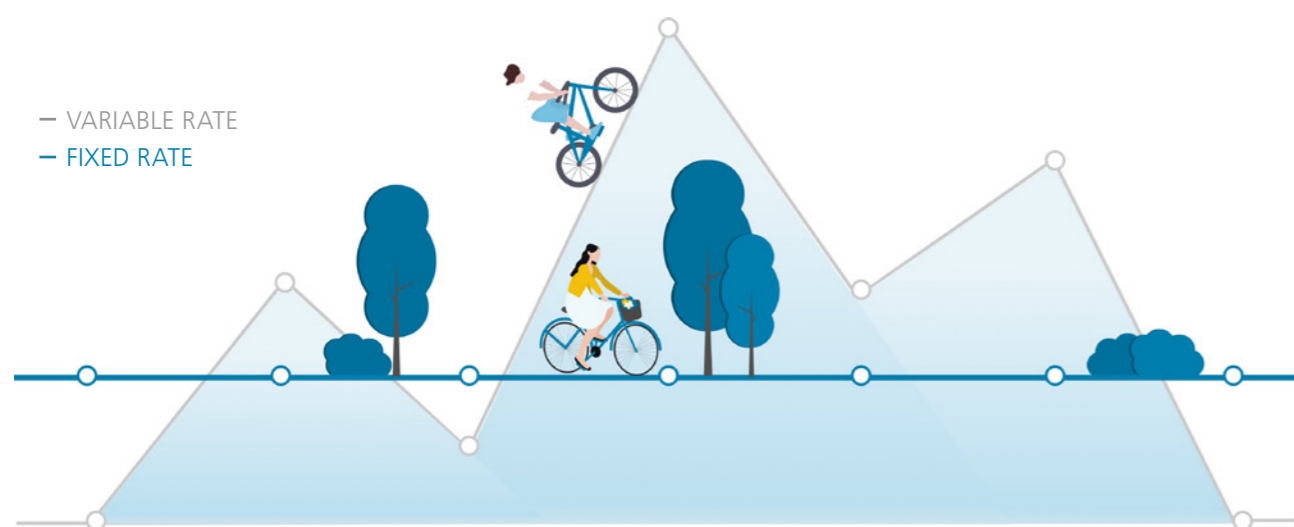
- **100% secure:** We have a completely secure document submission process.
- **Fast:** We respond within 48 hours after you've submitted your documents.
- **Online Management:** You can upload your documents online and carry out the procedures without leaving your house.
- **Documentation:** You can send us all your documents, without having to translate them.





HolaBank

*HolaBank Mortgage, now even **better, easier** and in your **own language.***



What is the HolaBank mortgage?

It will depend on the main currency in which you generate your income/assets to pay the mortgage:

- **If in euros:** we can offer you a fixed rate mortgage, where you will always pay the same instalment amount.
- **If they are in GBP, USD, CAD, CHF, NOK, SEK or DKK,** you can choose between:
 - **A fixed rate mortgage in your own currency.**
 - **A variable or fixed rate in euros, convertible to your own currency:** the monthly payment will be in euros and for the duration of the mortgage **you can request to convert it into the currency in which you generate your income on one occasion only, so that it is easier for you to make repayments.**

In addition to the seven currencies mentioned, we also offer a **variable or fixed rate in euros, convertible to your own currency for other EU currencies: BGN, CZK, HUF, PLN and RON.**

You must bear in mind that the exchange rate used for conversion purposes will be the rate published by the European Central Bank that applies on the effective date of the corresponding conversion. Its cost could increase as the currency rate depreciates in value against the euro. In the same way, if the currency value was to increase against the euro, its cost could decrease to the same extent.

What are the differences between a fixed rate and a variable rate mortgage?

The main difference is that, with a **fixed rate mortgage, you will always pay the same interest.** In this way, whatever happens, your instalment amounts will not change.

On the other hand, with a **variable rate mortgage, the interest rate varies depending on the evolution of the reference rates.** For this reason, if you have a variable rate mortgage, the interest is periodically updated according to what happens in the European interbank market and your instalment amount will go down or up depending on it.

Can the price of my fixed CasaFácil mortgage be adjusted?

The price adjustment will depend on the analysis of creditworthiness that takes into account your risk profile, as well as the percentage of the discounts depending on the products you have contracted which will be explained later. Simulate the monthly instalment amount and request an analysis of your circumstances.

www.caixabank.es/apl/holabank/simulador/index_en.html



Terms

Over how many years can the mortgage be paid?

You will be able to pay the mortgage over the term that suits you best. **The greater the number of years, the less you will pay per month but you will pay interest for longer.**

The maximum term is 20 years, depending on the offer, and as long as the youngest owner does not exceed 75 years of age upon maturity of the mortgage.

Except if your main currency is the Norwegian krone (NOK), for which the maximum term is 15 years.

Up to what age can a mortgage be requested?

The limit is set by the sum of the age of the youngest owner plus the term of the mortgage. The sum of both cannot exceed 75 years.

For example, if you wish to apply for a mortgage with a payment term of 20 years, you can do this up to the age of 55 years.

Do you have to transfer all your direct debits to CaixaBank or take out more products?

In order to apply for a mortgage at CaixaBank, **you must have a bank account at CaixaBank linked to it.** It is not mandatory to take out any more products.

Yes, you **need to have property damage insurance.** With us you can take out home insurance that covers accidental damage and other additional coverage. To obtain a discount of 1.00% off the interest rate, it will be verified that you have contracted the products that give you the right to this discount, which will be explained in the following section.

Can you benefit from any discounts?

You can choose between two types of instalment: "normal instalment" or "**discounted instalment**", with which you can discount the interest rate by up to 1.00% depending on the products you decide to take out and keep throughout the lifetime of the mortgage loan.

Bonus Products:

- If, together with a payroll or recurring income deposit (if self-employed) direct into your account, you **set up direct debit payments for 3 bills and make 3 purchases per month with a card (0.25%)**
- **CaixaBank home insurance (0,25%)**
- **CaixaBank life or health insurance** (except Adeslas basic and Adeslas dental) (0,25%)
- **Securitas Direct alarm (0.25%)**
 - 3 years of financing or subscription
 - Service maintenance

You will find a representative example of the mortgage conditions at the end of the guide under the "Glossary of terms and annexes" section.

Discount the interest rate up to **1.00%** depending on the products you take out

What fees do you have to pay?

Purchase and sale fees:

- **Property (land) registry summary**
- **Notary and agency fees and costs**
- **Taxes and fees:** VAT, Capital Gains Tax (ITP), Inland Revenue (IAJD), Property Tax (IBI). *(See glossary for more information)*
- **Capital Gains Tax:** for property owners who do not reside in Spain.
- **Other costs:** The usual fees that owning a property entails, such as: owners' community expenses, electricity, water, cleaning, lift maintenance, porter service, insurance, etc.

Mortgage Fees:

The total cost of the mortgage, if taking it out without any discounts, **includes the capital plus interest throughout the life of the mortgage, plus the cost of property damage insurance, the cost of maintaining the account and the property valuation that you need to pay.** If you take out a mortgage with HolaBank, we **will refund the cost of the property valuation.**

The rest of the expenses related to the mortgage will be assumed by CaixaBank (Land Registry summary, registration, agency fees and Inland Revenue (AJD) tax).

If you take out a mortgage with HolaBank, **we will refund the cost of the property valuation.**





05

**What will I need and
when will it be ready?**

Preparing all the documents is a good way for you to speed up the entire process as much as possible, since without them we will not be able to do our part. Next, we'll provide details on what you will need.

How can I apply for a mortgage?

Enter the HolaBank portal and complete a short form to register:

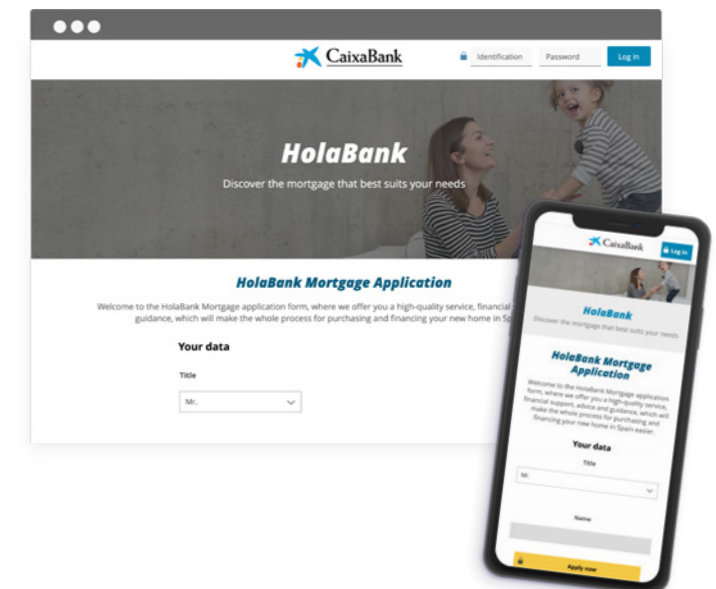
 caixabank.es/apl/formularios/holabankHipoteca/index_en.html

 caixabank.es/apl/formularios/holabankHipoteca/index_fr.html

 caixabank.es/apl/formularios/holabankHipoteca/index_de.html

If you live in Western Europe, you can access Mortgage-Now, the online application we use to assess the viability of your mortgage. Once you provide us with the necessary documentation, we will be able to give you an answer within 48 hours.

If not, complete the form and we will contact you within 48 hours.



What documentation will you be asked for?

If you have accessed the service through MortgageNow, the online application will indicate the documents you will need depending on your country of residence and occupation. The platform is in English **but the list of necessary documents will be in the language of your country of residence.**

You can add up to 3 applicants, of different nationalities, in the application.

If you do not reside in one of the 15 countries indicated, do not worry. The branch will provide you with a checklist of documentation you will need to provide.

When will it be ready?

When you have obtained the viability in 48 hours, the multilingual manager from your chosen branch will contact you to start the procedures and steps necessary to assess the granting of the mortgage and to be able to give you an answer within a few days.

Remember that **all the documentation that we will provide you during the process will be in English.** You will have all the documentation and contracts (European Standardised Information Sheet (ESIS), Standardised Warning Sheet and their annexes)



provided in English to make it easier for you to read them.

Once the mortgage is approved ...

What procedures are necessary for the mortgage to be granted?

- **Proof of the purpose of the transaction.**
- **Land Registry summary**
- **Property valuation**
- **Sign pre-contractual documentation** (European Standardised Information Sheet (ESIS), Standardised Warning Sheet and their annexes)
- **Choose a notary** and receive advice
- **Sign the mortgage** before a notary public and receive delivery of the house keys

When can you sign the contract?

It will depend on the availability/schedule of the notary's office you choose. You will have to choose the notary's office to schedule the signing day and they will advise you.

Keep in mind that, **by law, once the ESIS** (a binding document that contains the conditions of the mortgage) and its annexes have been signed, **you will have 10 calendar days (or 14 calendar days in Catalonia)**

to be able to reflect and review the conditions of the mortgage, before signing before a notary.

At the time of advice, the notary issues a certificate of agreement for the signature which informs you of the date from which the contract could be signed. As a minimum, you must comply with the reflection period that corresponds to you.

Who pays the notary?

The notary is paid by us in the deed of incorporation of the mortgage loan.

Who pays for the valuation?

Initially the valuation is paid by you. But if you end up taking out a mortgage with us, the cost will be refunded to you.

You must choose the notary's office to **schedule the signing day and they will advise you**



06

Once you have the mortgage ...what should you know?

Congratulations! At this point of the journey, you are about to buy your property in Spain. We want to tell you everything you need to know once you have now taken out a mortgage so that you can take it into account.

Do I have any tax obligations?

Once you are a property owner in Spain, you should consult with your solicitor/manager/advisor regarding the tax that applies to you, depending on whether you are a resident or a non-resident.

What happens if you don't pay for a month?

It is important that we know at the point you may default on your mortgage payments and for us to understand what has caused this situation to arise in order to be able to correctly inform you of any options or possible solutions.

What if you can't keep paying?

In the current economic-social context, we at HolaBank have developed a Support Package for individuals with a mortgage on their habitual residence, to help affected customers who are facing temporary financial difficulties. At HolaBank we also adhere to the Code of Good Practices for viable debt restructuring with a mortgage guarantee on your habitual residence included in Spanish Royal Decree-Law 6/2012, of 9 March, on urgent protection measures for destitute mortgage debtors.

Can the mortgage be moved to another bank?

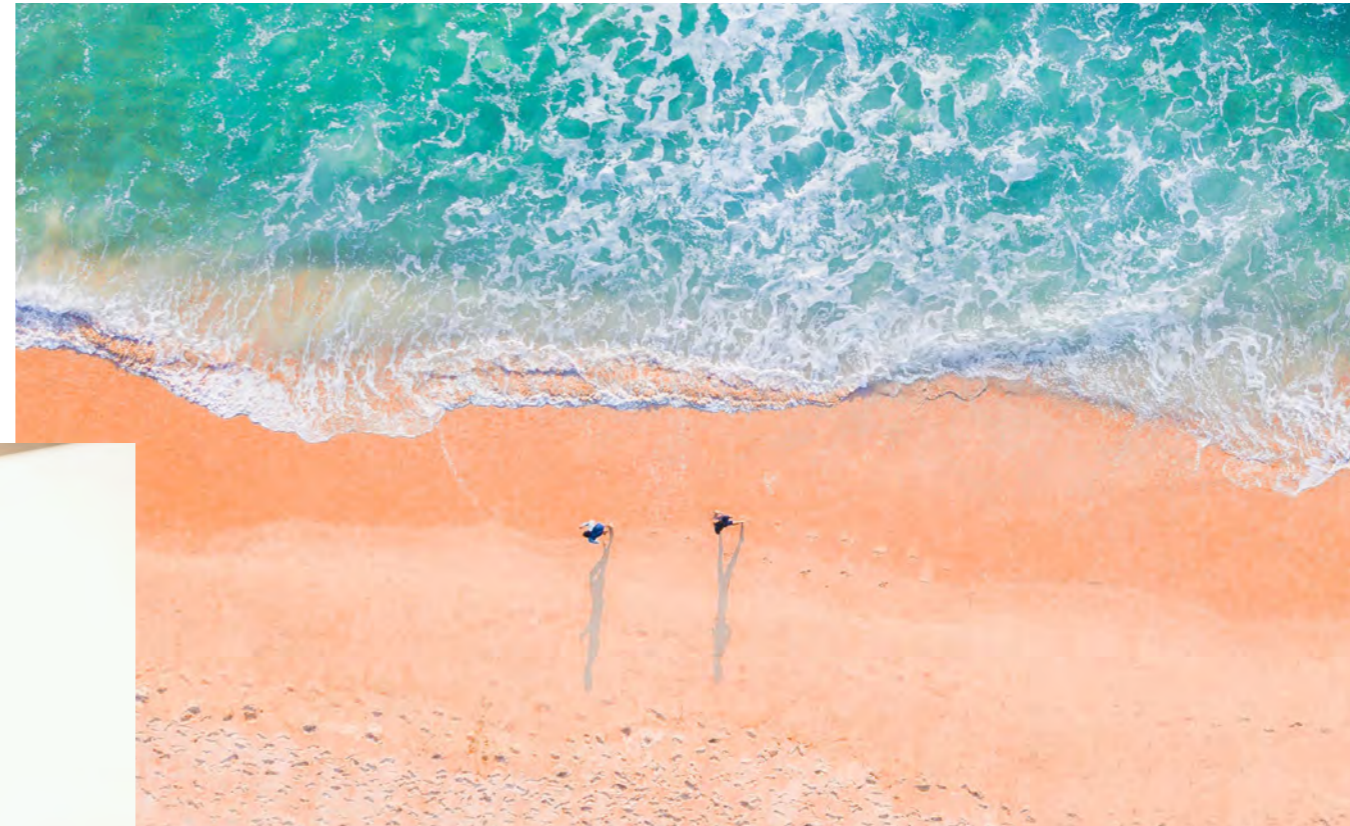
Yes, you can move the mortgage to another entity. If you receive a binding offer/ESIS made by another financial institution on a mortgage loan granted by CaixaBank, in accordance with Law 2/94 of 30 March, you can subrogate your mortgage loan.

In the event of death, what happens to the mortgage?

The heirs must provide a document that proves such circumstances (testament, last will certificate, declaration of intestate heirs, etc.) and they will be provided with a certificate indicating the status of the mortgage.

Subsequently, they must provide the notarial deed of acceptance and distribution of the estate, where all the heirs have accepted and shared the inheritance by mutual agreement, indicating the percentage, amount or fraction that corresponds to each one. They must also provide proof of the liquidation of the Inheritance and Gifts Tax.

Once the documents have been submitted, the bank issues a response where it will identify the responsibility and scope of the subrogation of the heirs in place of the deceased debtor. In the event of the holder having contracted a life insurance policy that covers all or part of the debt of the mortgage loan, in the case of the holder's death, the payment must be managed with the insurer.



Can the mortgage payment account be changed?

You can change the linked account for your mortgage to another CaixaBank account, as long as all the mortgage holders match those of the new account.

Can the mortgage be paid off?

You can totally or partially pay off part of the mortgage loan amount as follows:

- **By paying off only a part of it**, the amount is reduced from the total loan and the corresponding interest. When you pay it off, you can choose between reducing the term or reducing the instalment amounts.
- **In the case of full repayment**, you repay the entire amount of the mortgage loan. The life insurance agree-

ment associated with the loan is terminated, unless otherwise communicated.

How much does it cost to pay off the mortgage?

If the mortgage carries a fixed interest rate and it is verified that there is a financial loss:

- **During the first 10 years** of the mortgage loan agreement, a minimum amount equivalent to the difference between the financial loss and a 2% fee on the repaid capital is applied.
- **After 10 years** of validity of the loan agreement, a minimum amount equivalent to the difference between the financial loss and a fee of 1.5% on the repaid capital is applied.

(See the representative example on page 66).

In the event of there being no financial loss, no fee is applied.



Glossary of terms and annexes



A**Advisor**

A financial agent who works for the bank.

B**Binding offer**

The binding offer is a document issued by the bank to the customer who takes out a mortgage loan where all the characteristics, conditions and clauses of the financing are detailed. This is a document that ensures the transparency of the information provided by the entity to the customer, so the customer must sign it as a sign of agreement.

Borrower

This is the beneficiary of the loan. The person who receives the borrowed money and who has the obligation to repay it within the period agreed by a contract.

Building survey

A technical report of the property that provides information about the state of conservation, any possible defects and the associated repair costs. It is common practice to request it together with the valuation of the property you want to buy.

C**Charges**

These are the debts of a property, registered in the Land Registry by means of a Public Deed. A charge can be a

mortgage, a right of way, a right of use or a resolutive condition. It is understood that a property is free of charges if it does not have any limitation registered in the Land Registry.

CIRBE or CREDIT REPORT

Central de Información de Riesgos del Banco de España [Bank of Spain's Risk Information Centre]. This is a database containing all the loans, credits, guarantees and risks collected by Spanish financial institutions. The equivalent for foreign countries is the "Credit Report", which will have to be provided in order to buy the property.

Creditor

In a loan, the person who has the right to collect the debt as per the agreed conditions, i.e., the financial institution.

D

Deposit

In the purchase agreement, this is the sum of money that the buyer gives to the seller as a guarantee that he or she will buy the house as per the agreed terms and conditions. This is usually 10% of the total amount of the house. The most common are the forfeit deposit agreement, which allows the buyer and the seller to disengage from the fulfilment of the purchase agreement before the signing of the deed.

E

ESIS

FEuropean Standard Information Sheet. This is the document that contains all the mortgage information. The ESIS must be as complete and clear as possible so that the customer has no doubts about the terms and conditions of the mortgage that he or she is going to sign with the bank. The data that the ESIS must include:

- Identification of the lender and the fee it receives.

- Amount and currency of the loan that is granted, with information about the fluctuations that may occur if it is agreed in a currency other than the euro.
- Duration of the loan.
- Interest rate. Providing the loan repayment table.
- Total amount to be reimbursed.
- Property value.
- Percentage of the loan value granted.
- Frequency and number of payments: if it is paid monthly or quarterly and the total number of instalments.
- Amount of each instalment: how much is paid in each instalment and when and how you can change this amount. If it is a variable rate mortgage, it must specify how long it is fixed and how often the instalments will change.
- Early repayment: the conditions and fees if the loan is repaid before it ends.
- Breach of the commitments related to the loan, explaining the consequences for the borrower.
- Borrower's rights: among which is the right of withdrawal and the right of portability, which includes subrogation.

Upon signing the ESIS, a period of 10 calendar days begins (or 14 in Catalonia) for the borrower to consult and resolve any questions about the conditions of the mortgage. After this period, the mortgage can be signed.

Euribor

This is the acronym for the Europe Interbank Offered Rate. This is the value at which the banking entities in the euro zone buy and sell money to each other. It is published monthly.

F

FIAE

It is the Standardised Warning Sheet. It warns of: the official reference indices used to set the interest rate applicable to mortgages with a variable interest rate; the consequence of the non-existence of upward limits on the interest rate (no ceiling); details of the fees associated with the granting of the loan to be assumed by the holder(s); the possibility of an early maturity of the loan; the possibility of contracting instruments to hedge interest rate risk.

French Repayment Mortgage

This is the payment system that requires continuous repayments in instalments that include both capital and interest. The interest percentage is applied to the total initial balance and is spread across each of the instalments. The rest of the instalment corresponds to the repayment part of the money loaned.

G

Guarantee

A form of guarantee that consists of the commitment of a person (guarantor) to respond to the obligation contracted by another (guaranteed) in the case of a mortgage default.

I

IBI

[Impuesto sobre los Bienes Inmuebles] Property Tax paid by the owner. It is collected annually and is applied according to the Land Registry value of the property.

Inland Revenue (IAJD) Mortgage

[Impuesto sobre Actos Jurídicos Documentados] Stamp duty tax that is levied on mortgages formalised in a public

deed. It is applied to mortgage liability and varies according to the autonomous community, and can range from between 0.50% and 2% in general.

Inland Revenue (IAJD) Sale

[Impuesto sobre Actos Jurídicos Documentados] Stamp duty tax that is levied on purchases and sales formalised in a public deed. It is applied to the registered amount. Its amount varies according to the autonomous community and the value of the property, and can range from between 0.1% and 1.5% in general.

Instalment

This is the amount that the customer agrees to pay, generally on a monthly basis, to the financial institution that has granted the loan, as interest and repayment of the money loaned.

Interest rate

This is the percentage to pay for borrowing an amount of money over a defined period of time.

- **Fixed Interest:** This is the interest rate that remains constant throughout the life of the loan. The rise or fall of the Euribor does not affect loans agreed at a fixed interest rate.
- **Variable Interest:** This is the interest rate that can vary throughout the life of the loan according to market fluctuations. The most widely used benchmark in variable rate loans is the Euribor.

ITP [Impuesto sobre transmisiones patrimoniales] Capital Gains Tax

Tax applied to the sale of second-hand properties. Its amount is a percentage of the notarised price and varies depending on the autonomous community. For properties that are subject to Capital Gains Tax, VAT is not applied.

L

Land Registry

A public registry where the data of the properties are registered and modified, as well as the charges that affect them.

M

Mortgage broker

A real estate credit intermediary registered with the Bank of Spain. He or she searches for a mortgage among the mortgages on the market on behalf of the customer. He or she may or may not be linked to a bank (advisor).

Mortgage liability

This is the sum of all the concepts that are guaranteed by the mortgage: the capital, the legal costs, the normal interest and the default interest, and the operational costs.

Mortgage loan

A loan of money whose guarantee is a property. Generally, it is requested to finance the purchase of a property that acts as the guarantee of the loan payment.

N

NIR/APR:

The first thing you need to understand is that the concepts of Nominal Interest Rate (NIR) and Annual Percentage Rate (APR) are concepts established by the Bank of Spain and, are therefore, officially confirmed as:

- **The NIR** is the percentage agreed with the entity without discounting the inflation rate, which is charged for lending the money, but does not take into account other additional costs such as costs for services or fees.
- **The APR** is the percentage that shows the real annual

cost of a loan. It takes into account fees, expenses to be paid, expenses related to insurance and other related products, and the frequency of payments. It is used as comparative data for choosing the best option among several loans.

Non-resident

A natural person who stays more than 183 days during the calendar year outside the Spanish territory and whose main nucleus or base of his or her business or professional activities or of his or her economic interests does not reside in Spain.

Notary

In Spain, a public official, and at the same time a legal professional, who offers both the citizen and the State a guarantee of security and legality. The public deed of a contract, business or statement is unassailable. Spread across the Spanish territory, they are freely chosen.

Notarial minutes

Expense produced by the execution of the public deed of sale or mortgage. The amount depends on the property amount and can be increased depending on the notarial operation.

P

Property financing

The amount of money borrowed. For the purchase of a property it usually ranges between 70% and 80% of the value of the property that is purchased.

Property purchase (agreement)

A private contract of a legal nature that includes the characteristics of the property (location, description, Land Registry reference, free of charges, taxed or not with a mortgage, current payment of community expenses) as well as the down payment (deposit amount) and the agreed price of the house. It will be formalised before a

notary in a public deed so the property can be registered at the Land Registry office.

Power of attorney

A public document authorised by a notary that allows a person or company to designate another person as their representative to act on their behalf in certain legal acts.

R

Registration minutes

Fees generated by the registration of the sale in the Land Registry. Its amount also depends on the property amount.

Repayment

This is the outstanding debt payment that is made via each instalment. In loans taken out under the French amortisation system (the one used in 90% of mortgages) at the start, more interest and less capital are paid and at the end of the mortgage loan, the reverse applies. To reduce the debt, you can make an "amortisation" or repayment. Partial amortisation is when, in parallel to the monthly instalments, you repay a part of what remains to be paid. If you pay all the debt at once, that is a full prepayment.

Residents' association

This is made up of the group of owners who buy a property within a building. A legal entity with rules and statutes that dictates that all residents are obliged to share the common maintenance costs of the property.

Residents' Association Fees

Maintenance, conservation and repair expenses of the property (electricity, water, lift, porter, garage, swimming pool, cleaning, etc.) that are charged to the Residents' Association budget. Some fees are shared out in proportion to the share quota of each property.

Review frequency

This is the frequency at which the interest rate on variable rate mortgages is reviewed. It can be negotiated with the bank, although generally the review is every twelve months. Do not confuse it with the deferral period.

S

Security bond

An advance of money that serves as a guarantee of the fulfilment of an obligation.

Solicitor

Legal professionals (lawyers) who advise their customers in various fields, draft legal documents and defend them in court.

Subrogation

This is the legal process to move a mortgage to another financial entity. Subrogation also exists between individuals that allows you to keep the financing that may exist on the property you buy whenever it suits you.

Summary of the property's title

A document that is requested from the Land Registry or the notary's office in order to verify the debts of the property (mortgages, distraints, defaults, etc.).

T

Term

This is the period of time over which you choose to repay the capital and interest. A mortgage can normally last up to 30 years.

U**Usufructo**

This is the transfer of the right to use and enjoy a property to another person, without transferring ownership of it.

V**Valuation**

Financial valuation of a property carried out by an independent company and approved by the Bank of Spain.

VAT (Value Added Tax)

This is applied in the case of buying a new property and is the same throughout Spain (10% in general) except in the Canary Islands, where the IGIC [Impuesto General Indirecto Canario] or General Indirect Canary Tax, 7% in general) is applied.



Representative example of the conditions of a fixed 20 CasaFácil mortgage

We show you a representative example of the financial conditions for the purchase of a second property with a mortgage guarantee.

DISCOUNTED APR:

If all the bonus conditions are met based on the assumption that you are eligible for the maximum discount: (i) total amount of the credit: 150,000 euros; (ii) maximum duration: 20 years; (iii) 0% arrangement fee (iv) interest rate: fixed, subsidised NIR: 3.75%; (v) **bonus APR: 5.445%**; (vi) monthly instalment: 889.33 euros; (vii) no. of instalments: 240; (viii) total amount owed (includes fees): 243,294.78 euros; (ix) total cost of the credit: 93,294.78 euros; (x) interest: 63,439.20 euros. **French amortisation system**¹.

The **DISCOUNTED APR** may vary depending on the term and amount of the transaction, as well as a result of the monthly reviews of compliance with the bonuses.

NON-DISCOUNTED APR:

If the bonus conditions are not met: (i) total amount of the loan: 150,000 euros; (ii) maximum duration: 20 years; (iii) 0% arrangement fee; (iv) interest rate: fixed, NIR 4.75%; (v) **APR: 5.368%**; (vi) monthly instalment: 969.34 euros; (vii) no. of instalments: 240; (viii) total amount owed (includes fees): 242,035.70 euros; (ix) total cost of the credit: 92,035.70 euros; (x) interest: 82,641.60 euros. **French amortisation system**¹.

The **NON-DISCOUNTED APR** may vary depending on the term and the amount of the transaction.

Conditions common to the discounted APR and the non-discounted APR:

a) Other common financial conditions: Compensation or commission for total or partial reimbursement or early repayment that may not exceed the amount of the finan-

cial loss that CaixaBank may suffer, up to a limit of 2% of the repaid capital during the first 10 years, and; 1.5% of the capital repaid until the end of the life of the loan.

b) Preparatory costs to be paid by CaixaBank: (i) Taxes: 1,125.00 euros in stamp duty for a mortgage liability of 150,000.00 euros and a tax rate of 0.75%; (ii) Land Registry check: 10.91 euros; (iii) notary's office: 597.00 euros; (iv) agency: 363.00 euros; (v) Land Registry registration: 283.00 euros.

c) Preparatory costs that you will assume taking into consideration that you can either request the valuation through CaixaBank or provide it: (i) Valuation: 254.10 euros (if the mortgage transaction is agreed, CaixaBank will pay you the maximum amount of the valuation which is paid 45 days from the date of incorporation).

d) Linked ancillary service costs that you will assume: It is mandatory that the customer assumes the payment of property damage insurance, whether or not he or she chooses to contract the discounted products. CaixaBank does not sell property damage insurance; Therefore, the premium resulting from simulating home insurance follows below (which is the closest thing to property damage insurance that this entity markets with the difference that home insurance offers greater coverage) For the purposes of calculating the non-discounted and discounted APR, the premium resulting from simulating the home insurance will be taken into account and, in addition, in the case of the discounted APR, the corresponding discount will be applied. However, you can freely choose to take out property damage insurance, which is mandatory, with whichever insurance company you wish.

Home insurance: €317 annual premium. Amount of the annual premium based on the assumption that it will not vary during the term of the transaction. The amount is merely indicative and takes into consideration the home insurance marketed by CaixaBank, S.A. (example based on a mortgage loan whose capital amounts to €150,000 for a building valued between €100,001 to €120,000 with 100m² of built area, and with the amount to be paid for this concept during the entire term of the transaction as €6,340.00). The amount is the result of a simulation carried out on the basis of an indicative algorithm, therefore, depending on the building and the exact square metres of

the property, the value may vary.

Payment Account: It is necessary to keep an account with CaixaBank contracted throughout the term of the loan. You will have to pay the maintenance cost of the payment account that amounts to **35.00 euros/quarterly**. The calculation of the APR, discounted and not discounted, will take into account this maintenance cost.

Bonus conditions: these are percentage points that will be subtracted from the NIR, if the following products are contracted: (i) payroll deposit or pensions or recurring income > €600 + 3 direct debits + purchases with cards *** marketed by CaixaBank, S.A. whose holder is the debtor party and whose payments are made via direct debits from an account opened at CaixaBank, S.A. by the holder where a minimum of three purchases have been made during the last three months: 0.25 pts; (ii) taking out home insurance: 0.25 pts; (iii) taking out life or health insurance (except Adeslas Dental and Adeslas Básico) *: 0.25 pts; (iv) financing or subscription to the "SECURITAS DIRECT Home Alarm" service ** or subscription to the "SENIOR PROTECTION SERVICE" **: 0.25 pts. The indicated services must always be marketed by CaixaBank, S.A. or Wivai Selectplace, S.A.U. Compliance with the requirements indicated to apply the bonus conditions will be checked monthly, and the interest rate may be adjusted up or down depending on the check made by CaixaBank at these monthly intervals to check compliance with the bonus terms and conditions. The contracting of the previous list of products is optional. Each of them can be contracted independently, there being no difference between the combined offer and the separate product offer (the price of the products and services with the indicated characteristics does not vary whether contracted in combination or separately).

*** Life insurance (simulation of life and loan repayment insurance): 226.58 euros of annual premium** (under the premise that the premium will not vary during the term of the transaction nor will it be updated based on the repaid capital or over the years by the contracting parties). The premium is calculated on the basis of taking out life insurance for 50% of the capital, with the insured party being 30 years old. The cost of this service will be assumed by the customer in the event of it being taken out.

EXAMPLE OF MORTGAGE CONDITIONS

	DISCOUNTED APR	NON-DISCOUNTED APR
Amount:	€150,000.00	€150,000.00
Duración:	20 years	20 years
Arrangement fee:	0,00%	0,00%
Fixed interest NIR:	3,75%	4,75%
APR:	5,445%	5,368%
Monthly repayment:	€889.33	€969.34
Nº of instalments:	240	240
Total cost of credit:	€93,294.78	€92,035.70
Interest:	€63,439.20	€82,641.60
Total amount owed: <i>(includes fees)</i>	€243,294.78	€242,035.70

**** Subscription or financing of the “SECURITAS DIRECT Home Alarm” service, marketed by Wivai Selectplace, S.A.U. and/or financed by CaixaBank, S.A. with the financing being understood as that being a 0% APR loan and 0% NIR (36 monthly instalments of 65.95 euros each, excluding interest, for the financing of the purchase, installation and maintenance of the alarm). Total amount owed and RRP: €2,374.20/total price in instalments. Total amount of the loan €2,374.20. Total cost of credit for the consumer is €0. For the remaining duration of the mortgage transaction, the alarm maintenance service must be contracted at a cost of 62.92 euros per month.**

Subscription to the “Senior Duo Protection Service”, marketed by Wivai Selectplace, S.A.U., RRP: €1,224.00. For the remaining duration of the mortgage transaction, the maintenance service must be contracted at a cost of 34.00 euros per month. For the purposes of calculating the APR, the cost of the Securitas Direct alarm service will be taken into account as it is higher than the cost of the Senior Duo Protection service. **French amortisation system¹.**

***** Card maintenance cost** (simulation based on the Visa&Pay Debit card) marketed by CaixaBank, S.A.: **36.00 euros/year.** The calculation of the discounted APR will take into account this maintenance cost. The cost of this service will be assumed by you in the event of it being taken out.

Please note :

(i) Failure to comply with the obligations derived from the loan can have serious consequences for the mortgage debtor, for his/her guarantor or for the owner of the mortgaged property, such as the loss of his/her property and other assets. (ii) CaixaBank reserves the right to deny the granting of the transaction or to approve it under the conditions it deems appropriate, after analysing the creditworthiness of the applicant and based on the entity's risk criteria; (iii) the APR, in accordance with the law, includes the financial conditions of the representative example, the costs and ancillary services under the assumption that the insurance premium will not vary during the term of the contract and (iv) you have the right to provide a valuation of the property/assets subject to the guarantee provided that it is certified by an approved valuation company and it has not expired.

¹ French amortisation system: Payment of regular instalments made up of capital repayment and the payment of interest. The interest included in each instalment results from applying the effective interest rate to the capital pending repayment at the start of each monthly period. The difference is the part that relates to the capital repayment.

Interest must be paid every month on the outstanding capital to be repaid. At the start of the life of the loan, there is a lot of capital to be repaid, therefore, the interest part of the instalment is higher than the capital repayment part. As the instalments must be regular, the interest part reduces and the capital repayment part increases as time progresses.

The instalment amount is consistent: it is maintained as long as the interest rate does not change. For example, if you had a loan of 100,000 euros over 20 years and an interest rate of 3.75%, the monthly payments would be 592.89 euros. The first payment would correspond to 312.50 euros of interest and only 280.39 euros of repayment for the borrowed capital. On the other hand, 20 years later, the last payment would be 1.85 euros of interest and 591.04 euros of capital.

Fórmula aritmética (canon francés)

$$ak = Ck * [(r/m) / [1 - [1 + (r/m)]^{-n}]]$$

With “ak” being the mixed repayment and interest instalment; “Ck” the capital pending repayment at the start of the period; “r”, the annual nominal interest rate, per one unit; “m”, the number of loan settlement periods within a year and “n”, the number of settlement periods outstanding (made up of capital and interest repayments).



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