

BULLETIN OF INTEREST RATES FOR BUSINESS CLIENTS

Last modified: 01.03.2020

A. Interest rates for FlexSave accounts

Currency	Interest rate – FlexSave
ALL	0.8%
EUR	0.2%
USD	0.5%

Notes:

- FlexSave accounts are offered in the same currency as the current account that they are connected with.
- No minimum balance is required for FlexSave accounts and there is no monthly maintenance fee.
- The funds on FlexSave accounts are available at all times.
- The interest rate is calculated on the daily account balance and is transferred at the end of every month to the current account connected with the FlexSave account.

B. Interest rates for Term Deposit Accounts

Maturity	Interest rate		
	ALL	EUR	USD
12-month	1,2 %	0,3%	1%
24-month	1,8 %	0,4%	1,1%
36-month	2,1 %	0,5%	1,2%

Notes:

- Minimum balance of Term Deposit Account is ALL 500,000 / EUR 5,000 / USD 5,000
- The interest is transferred automatically at the end of every month to the current account connected with the Term Deposit Account

Deposits in ProCredit Bank are insured by the Deposit Insurance Agency (DIA) up to ALL 2,500,000 - www.asd.gov.al

C. Loans for legal entities and physical entities with VAT

Currency	Turnover	Floating capital loan	Loan for fixed assets and investments
		Maturity 0-36 months	Maturity over 36 months
ALL	Up to ALL 45,000,000	5% - 7%	T-Bills 12m + 2,5% up to + 4.5%, min 5.5%
	ALL 45,000,001-300,000,000	4.5% - 6.5%	T-Bills 12m + 2% up to 4%, min 5%
	Over ALL 300,000,000	4% - 6%	T-Bills 12m+ 1% up to +3%, min 4%
EUR/ USD	Up to ALL 45,000,000	5% - 7%	Euribor/Libor + 4% up to + 6%, min 5.5%
	ALL 45,000,001-300,000,000	4.5% - 6.5%	Euribor/Libor + 3.5% up to + 5.5%, min 5%
	Over ALL 300,000,000	4% - 6%	Euribor/Libor + 3% up to + 5%, min 4.5%

D. Loan for agricultural business with Tax Code

Currency	Loan with exposure	Floating capital loan	Loan for fixed assets and investments
		Maturity 0-36 months	Maturity over 36 months
ALL	ALL 2,800,000-14,000,000	7% - 10%	T-Bills 12m+ 3% up to +6%, min 6.5%

Notes on the price list for loans:

- The interest rate for business overdrafts is 1% higher than for standard loans.
- The interest rate for credit lines is 0.5% higher than for standard loans.
- For legal entities and physical persons registered for VAT in the InnovFin fund, a discount of 0.25% will be offered on the regular interest rate. The discount will be applied to the spread and also to the minimum interest rate.
- All loans destined for energy efficiency and other environmentally friendly investments will benefit from a discount on interest rates.
- For loans without collateral, the rate is 1% higher than the rate for a term of up to 36 months.
- The disbursement fee for legal entities and other physical persons with VAT is up to 1.5%.
- The disbursement fee for farmers registered in accordance with the tax code is 1%.
- The commission for unused portion of credit line limit is 1%.

- Interest will be calculated on an annual basis with 360 (for loans)/365 (for overdrafts) days. The calculation of monthly interest for overdrafts and loans will be as follow :
 - **IR for Loans = Outstanding principal * p.a Ir%/360 days * the number of days in the month**
 - **IR for Overdrafts = sum of (outstanding daily balance on used portion of overdrafts * p.a Ir%/365 days)**
 ➤ For all loans in EUR/ALL/USD, instalments in the payment plan will be rounded to the closest EUR/ALL/USD.

- The Euribor/Libor that applies to loans will be defined as of the last day of the previous month, while the Tribor will be defined as of the date of the last auction held by the Bank of Albania. The applicable Euribor/Libor will change every 12 months from the time of disbursement, while fixed interest rates remain unchanged throughout the duration of the loan. The interest rates which apply after 12 months will be calculated according to the same method used at the time the loan was issued.

- **The effective interest rate** is the total cost of the loan for clients expressed as an annual percentage of the loan. The total cost of the loan includes all expenses including interest, commission and every expense the client pays towards the loan agreement (insurance premiums and expenses for services if the services are required for the client to benefit from the loan).

Example 1: For a loan of ALL 14,000,000 with a maturity of 36 months, the nominal rate applied is 6%; the commission is 1%. The effective interest rate (NEI) for this loan is 6.97%.

Example 2: For a loan of ALL 20,000,000 with a maturity of 60 months, the nominal interest rate is: T-Bills 12-month rate+3%; the disbursement fee is 1% (T-Bills 12-month rate on 31.01.2020 was 1.764%). The effective interest rate (NEI) for this loan is 5.08%.

EARLY REPAYMENT OF LOANS, OVERDRAFTS

Business overdrafts and credit lines	The Commission for early repayment is 3% over the approved limit.
All types of standard loan	The Commission for early repayment is 3% over instalment minimum EUR/USD 100 or ALL 15,000 if the loan is closed with client funds or commission for early repayment is 5% over instalment minimum 100 EUR/ USD or ALL 15,000 if the loan is closed with financing by another financial institution or the disbursement commission was 0%.
For all types of financing approved with 0% commission	The Commission for early payment is 5% of loan principal, minimum EUR/USD 100 or ALL 15,000.
For all types of financing approved with financial guarantee	The Commission for early repayment is 0%.
Commission for partial repayment**	The Commission for partial repayment is 3% over the amount deposited

** Partial repayment of a loan is the advance payment of at least six instalments on the outstanding loan.

PENALTIES FOR FINANCING

All types of loans	Penalty interest on arrears: 15% p.a. on the overdue amount *
Business overdrafts and credit lines	Penalty interest on arrears: 15% p.a. on used amount of overdrafts/credit lines **

* **Example:** If the next instalment is ALL 80,000 and it is due on 5 January and the borrower does not pay on that date, on 10 January the amount increases to ALL 80,167, including a penalty of ALL 167 calculated for 5 days in arrears. The calculation is as follow: ALL 80,000/instalment * 15% p.a./360 days (daily penalty) * 5 days in arrears for instalment payments.

** **Example:** In the event of arrears, if ALL 3,000,000 of an overdraft has been used, and on the closing date the principal and interest have not yet been repaid, then as of the next day, the penalty interest will be 15% p.a., and for every day in arrears. The interest is calculated as follows: 15% p.a./365 days * ALL 3,000,000 * number of days in arrears after the maturity date.

EVALUATION OF COLLATERAL		
	Collateral	Price (ALL)
Collateral Evaluation (The Full Evaluation Report)	Apartment	12,000
	Villa, cottage, country house	18,000
	Residential building	36,000
	Stores, offices	15,000
	Restaurant, hotel, gas station	40,000
	Multifunctional building, business centre	66,000
	Land	17,000
	Factories, plants	58,000
	Supermarket, storehouse	31,000
	Land + building functioning as business units, offices, pubs, shops, stockyards	23,000
	Agricultural land	14,000/12,000/18,000
Evaluation of Movable Property (The Full Evaluation Report)	Vehicle 4+1	7,000
	Vehicle 8+1	10,000
	Trucks, buses	15,000
	Production lines < EUR 50,000	21,500
	Production lines > EUR 50,000	45,000