

INFORMATION TO CLIENTS – BUSINESS ENTITIES – ON THE PRINCIPLES OF DETERMINING AND CALCULATING INTERESTS AND FEES IN TRANSACTION BUSINESS OPERATIONS

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INTRODUCTION

With a Client, Raiffeisenbank Austria d.d. (hereinafter: the Bank) agree the following:

- interest rates in keeping with the *Decision on Bank Interest Rates*, and
- service fees in keeping with the *Decision on Service Fees*,
pursuant to the provisions of the *Rules on Calculating Interests and Fees*.

All the above documents are available upon request in the Bank business network.

Information to Clients-Business Entities (residents and non-residents) is a summary of the regulations from the above Decisions and the Rules for the transaction business segment: RBA Transaction Account (hereinafter: the Account), payment and collection in the domestic, international and cross-border payment services, currency conversions in the Account. The Client receives the Information at Account opening or at request, and it is also available on the Bank Internet site www.rba.hr.

In use from 01/01/2017

1. METHOD AND PROCEDURE OF CALCULATING AND PAYMENT OF RBA TRANSACTION ACCOUNT FEES

1.1. Interests Calculation Method

For the a-vista deposits and assets of the utilised overdraft in the Account, the Bank applies the proportional interest calculation method.

The Bank calculates interests for a real number of days with the period of interest payment from the value date until one day before the payment, by applying the following formula:

Interests = basis × annual rate / 100 × calendar number of days in the accounting period / calendar number of days in the year

The accounting period is usually the calendar month – the real number of days in a particular calendar period (for month 30, 31, and 28 or 29, and for the year 365 or 366).

1.2. Defining Interest Rates

For the Account, the Bank applies the amount of interest rates as under the *Decision on Interest Rates* or in the case of any departures therefrom, as under the Decision of the Management Board or the competent body of the Bank.

The Bank can agree:

a) Fixed Interest Rates – contracted for the entire agreed period, and not changed when passing from one accounting period to another.

b) Variable Interest Rates – contracted for the period of interests calculation (interest period); the Agreement defines a fixed interest margin, and the reference interest rate changes regularly, at the beginning of every accounting period according to the quotation on the market.

Interest rates are agreed in a percentage with relation to the principal, and are declared on the annual level usually.

1.3. Procedure of Calculating, Paying and Collecting Interests

The Bank credits the Account for the amount of interests calculated for the assets in the Account (a vista deposits and time deposits) in keeping with the dynamics and terms and conditions as under the corresponding *Decision on Interest Rates* or in the manner agreed.

The Bank collects the regular interests calculated for the utilised overdraft assets in the Account by debiting the Account of the Borrower as on the day of executing the calculation.

If the overdraft is agreed at an interest rate tied to the ZIBOR, it will be calculated in the following manner, e.g.:

- 3-month ZIBOR, determined as on every 1st at the beginning of the calendar quarter (01/01, 01/04, 01/07 and 01/10) and applied on all overdrafts with an agreed interest rate tied to the 3-month ZIBOR,
 - if the 1st day at the beginning of the calendar quarter is a non-business day, the 3-month ZIBOR determined for the previous business day will apply,
 - thus determined interest rate will be valid for the beginning of the overdraft use within the respective accounting period (if the beginning of the use is on 14/05, the interest rate determined as on 01/04 will apply.)

The Bank delivers to the Client a quarterly *Notification on Interests Calculation* for the calculated interests, and if the Client is using also an overdraft in the Account, the Notification is delivered in keeping with the agreed periodicity or upon the closing of the Account.

Interests for the positive Account balance, interests for the utilised overdraft in the Account, default interests and fees for the overdraft (management fee) are set-off in interest entry, and the Bank debits or credits the Account for the net amount.

Interests are	calculated	entered/paid
1. a vista deposits		
- kuna deposits	monthly	quarterly
	when closing the Account	when closing the Account
- FX deposits	monthly	quarterly
	when closing the Account	when closing the Account
		as under the Agreement
- kuna deposits in FlexiBIZ savings	monthly	quarterly
	when closing the Account	when closing the Account
2. time deposits (up to 1 year)		
- kuna deposits and deposits with currency clause	monthly / upon deposit term expiry	as under the Agreement / Confirmation
- FX deposits	monthly / upon deposit term expiry	as under the Agreement / Confirmation
In the case of early time deposit cancellation, the interest rate in the amount of 50% of the agreed interest rate is calculated for the recognised time deposit term.		
3. time deposits (over 1 year)		
- kuna deposits, deposits with currency clause, FX deposits	monthly / upon deposit term expiry / upon Agreement cancellation	<ul style="list-style-type: none"> no interests entry paid: <ul style="list-style-type: none"> - upon interests maturity, - upon deposit term expiry, - upon Agreement cancellation.
- escrow deposit (pursuant to the Agreement on Escrow Deposit)	as under the Agreement	<ul style="list-style-type: none"> no interests entry paid as under the Agreement
In the case of early time deposit cancellation, the interest rate in the amount of 100% of the agreed interest rate is calculated for the recognised time deposit term.		
4. overdraft in the Account for residents		
- in kuna	monthly / quarterly	monthly / quarterly

1.4. Default Interests

Method of Calculation and Collection

If not otherwise determined under a special Agreement or other Bank acts, from the maturity date of the fees for provided services, as well as for the real costs, the Bank calculates revaluation of their receivables in the amount and by the legal default interests calculation method starting from the date of calculation until the final collection of the calculated fees and / or costs.

Default interests are calculated and charged monthly, by applying the proportional calculation method. Default interests are calculated from the maturity date until one day before settlement.

Default interests calculated in one accounting period are not included in the basis for the default interest calculation in the following accounting periods.

Default interests are overdue immediately. Collection of default interests ensues upon calculation, without any previous notification to the Client.

Amounts up to HRK 1.00 are not recorded in the regular accounting of active and default interests for the Account.

2. METHOD OF CALCULATING AND COLLECTING FEES AND OTHER COSTS OF THE BANK

2.1. Fee Calculation Method

Fee calculation differs by service types. For no-risk transactions, the calculation basis can be the transaction amount (fee calculated as a percentage from the transaction amount), or an individual transaction (fee calculated according to the number of executed transactions).

Fee calculation is one-off or periodic (half-monthly, monthly, quarterly or annually) for continuous providing of services.

The fee accounting period with respect to the particular service can be defined in advance or in arrears with regard to the day of service execution.

2.2. Fee Types

The fee amounts for no-risk service types are declared in absolute amounts or in a percentage from the transaction amount, in the kuna or a currency (payment of fees declared in a currency is executed in the respective kuna countervalue).

For the risk and no-risk transactions, the Bank can set a minimum and a maximum fee amount. If the calculated fee amount is lower than the minimum or higher than the maximum for a particular service type, the mentioned minimum or maximum fee amount is charged.

For the tariff items shown with the VAT, the fees are increased by the rate prescribed as under the VAT Act for the clients subject to the respective tax payment.

2.3. Fee Calculation and Collection

As a rule, the Bank conducts the fee calculation and collection in the following manner:

- Account management fees are calculated in the kuna and collected monthly from the Account.
- For cashless and cash payment transactions in kuna, fees are calculated and collected from the Account upon executing the transaction.
- For payment transactions in foreign currencies, fees are calculated and collected upon executing the transaction in the transaction currency, converted at the Bank's middle exchange rate.
- For other services in the kuna and FX business, the Bank calculates and collects fees one-off, monthly or upon executing a transaction, in keeping with the *Decision on Service Fees*.

Usually, fees calculated for executed services, as well as real costs, are due immediately. For the calculated and collected fees, the Bank delivers the monthly *Recapitulation of Fee Charges* to the Client.

2.4. Calculation of Real Costs

Besides the service fees, the Bank can calculate and charge also the real costs of external service providers for the services required to provide the respective service to the Client. Real costs are calculated in the currency in which they occurred (in kuna or foreign currency).

Real costs are as follows:

- fees and other costs charged by other domestic and foreign banks who are involved in a business deal,
- costs of facsimile and international telephone calls,
- costs of postage and costs of special handling of shipments, and transportation costs,
- costs of SWIFT,
- costs of protest, public notary costs, B/E litigations, executions, etc.,

- costs of special forms in foreign business (B/Es, duties, etc.),
- costs of the chief custodian in the custodian service,
- other costs occurring at the service user's request.

3. RBA TRANSACTION ACCOUNT INTEREST RATES

The amount of interest rates is defined under the *Decision on Interest Rates*. Departure from the Decision is adopted by the Bank Management Board or a body appointed the authorisation rights by the Management Board.

- For the kuna Account component, the Bank calculates and charges "interests within a class", depending on the amount of assets in the Account:
 - for assets of up to HRK 2 million – 0.01% interest rate p.a.
 - for assets over HRK 2 million – 0.02% interest rate p.a.
- For the FX Account component, the Bank calculates and charges no interests.

4. AMENDMENT TO THE DECISION ON INTEREST RATES / FEES

The Bank retains the right to change the amount of the interest rate and / or of the fee during an agreement period, pursuant to a special Decision. The change in the price of resources and / or of the premium on capital can be reflected on the change in the amount of the fees and / or of the interest rates. In the case of any change in the input price, the Bank will make the decision on change only after they evaluate that this will not damage their market position.

Of the above, the Bank will notify the Client in writing and / or by a publishing the information on the Bank internet site. The change in the interest rate amount can be performed only on the first day of an accounting period.