

REAL ESTATE LOANS¹

GENERAL INFORMATION

Recipient

Any adult, natural person customer who has a Société Générale Bank & Trust bank account.

Lender

Société Générale Bank & Trust, a *société anonyme* headquartered at 11, Avenue Emile Reuter L-2420 Luxembourg

Registered with the Luxembourg Trade and Companies Register B6061

Financing options

- Any type of project financed by a loan guaranteed by a mortgage, by another comparable guarantee on real estate assets for residential use or by a right linked to a real estate asset for residential use²; and
- Any type of project allowing the acquisition of or continuation of ownership rights to a plot of land or an existing or projected building.

Loan amount

Up to 100% of the value of your transaction.

Loan currency

The loan can be provided in euros, US dollars, Swiss francs or pounds sterling. Please contact the Lender regarding any other currency. If the loan you are applying for is not in the currency of the Member State in which you normally reside or if it is denominated in a currency other than the currency in which you receive income that will be used to repay the loan, the value of your loan may change.

For example, if value of your national currency falls by 20% against the loan currency, the value of the loan in your national currency will rise.

Possible nature of the loan

The loan can be amortising or a bullet loan (non-amortising).

Term

3 to 15 years for amortising loans and 3 to 10 years for bullet loans.

Please contact the lender regarding longer terms.

¹ Loan granted subject to lender approval of the application. The borrower has a 14 (fourteen) day cooling-off period before accepting the loan offer. The real estate sale or the construction is subject to obtaining the loan required to finance it. Failing that, the seller is required to reimburse the sums paid.

² If the loan financing this type of project is not backed by such guarantees, it falls under the consumer credit scheme.

Lending rate

▪ **Fixed rate:**

A fixed-rate loan is a loan in which the interest rate is fixed throughout the term of the loan in order to provide more control over its cost. This is set when taking out the loan and remains unchanged throughout its term.

▪ **Variable rate:**

A variable-rate loan is a loan in which the interest rate can rise or fall, on each due date, throughout the term of the loan.

This rate is determined based on one of the following benchmark rates, on the understanding that these benchmark rates cannot under any circumstances be less than 0: EURIBOR (interbank offered rate in euros); LIBOR (London interbank offered rate); EONIA (weighted average rate in euros); SONIA (weighted average rate in pounds sterling); effective federal funds rate (US); SARON (interbank rate used in Switzerland).

A change in the interest rate will increase or decrease the monthly payment due on the loan. Meanwhile, the term of the loan is never altered by a change in the interest rate.

Repayment terms adapted to suit the borrower:

▪ **Amortising loans:**

- Monthly, quarterly, half-yearly or annual repayments, i.e.: 36 to 180 monthly instalments, (12 to 60) quarterly instalments, (6 to 30) half-yearly instalments or (3 to 15) annual instalments depending on the term chosen.
- Loan repayments can be deferred during the initial months of repayment, limited to 24 months (construction period for example). There are two types of deferments:

▪ **Grace period**

During the grace period:

- you do not repay any capital.
- you must make payments comprised of interest calculated on the amounts drawn down. This enables you to alleviate your cash flow situation.

▪ **Bullet loan:**

Repayment of the capital in a single instalment at the end of the loan contract.

Securities:

Below is a list of the securities that are usually used to secure the loan.

The loan can be secured in particular by:

▪ **The joint surety of a natural person:**

This is a free surety, in accordance with the civil code, under which a person, "the guarantor", makes a commitment to Société Générale Bank & Trust to personally and jointly and severally honour your debt if you fail to meet your obligation to make instalments and/or payments.

The beneficiary of the surety is Société Générale Bank & Trust, which is the only party that may take advantage of the security or relinquish it.

The principle of solidarity means that Société Générale Bank & Trust may request the repayment in full of the sum guaranteed by the surety without first making a repayment claim against you.

The undertaking of the guarantor has two limitations: it cannot exceed the amount due by you and cannot extend beyond the obligations that the guarantor has expressly agreed to assume.

As soon as the debt is due, the bank may therefore ask the guarantor to pay 100% of your debt (if there are several guarantors the bank is not obliged to divide the debt between them) and seize the guarantor's possessions without being obliged to seize yours as a priority. The joint guarantor is then required to pay as soon as s/he is requested to do so by the bank.

If the guarantor pays your debt, it will be subrogated in the rights of the bank. S/he may therefore pursue remedies against you to obtain the reimbursement of the sums that s/he paid.

In the event of the guarantor's death, his/her heirs are required to repay the loan if you default.

- **A mortgage security:**

- **Conventional mortgages:**

This is a real right that enables Société Générale Bank & Trust, in the event of delinquencies, to order the seizure of the real estate asset mortgaged, obtain its sale and be paid from the sale price with seniority over other creditors. This security, which must be certified by a document received by a notary, can be granted by you or a third-party guarantor that owns the real estate asset pledged as security.

An estimate of the mortgage fees is included in the total cost of the loan.

If the mortgaged asset is resold before the loan repayment date, you must ask Société Générale Bank & Trust for the mortgage to be discharged in return for payment of the sums due. The mortgage is discharged at the registrar of mortgages through a notary or, if the mortgage loan is taken out with the Bank and Caisse d'Epargne de l'Etat, Luxembourg, through this establishment itself. The discharge fees are to be paid by you and are not included in the total cost of the loan.

- **Lender's privilege concerning assets located in France or Monaco:**

A lender's privilege is a security very similar to a mortgage. It enables a bank that has not been repaid by the borrower to sell the asset in order to be paid from the sale price. This security gives the bank seniority over all other ordinary creditors and mortgage creditors one rank below its own.

A lender's privilege must be certified by a document received by a notary. It must be included on the registers of the registrar of mortgages and is ranked on the date of the sale (meaning that the privilege has priority over all other securities taken out on the asset).

A lender's privilege is only possible if the loan is used to pay the purchase price of an existing asset (an already constructed house, an apartment or a plot of land). It therefore cannot be used to guarantee the part of the loan used to finance, for example, construction works or a sale before completion.

A lender's privilege is less expensive than a mortgage. You are liable for its cost and an estimate of the privilege registration fees is included in the total cost of the loan.

As with a mortgage, if the financed asset is resold, you may ask Société Générale Bank & Trust to discharge it in return for payment of the sums due. A lender's privilege is discharged at the registrar of mortgages through a notary. This discharge is also necessary if the loan is repaid early. The discharge fees are to be paid by you and are not included in the total cost of the loan.

- **Pledge on assets:**

A pledge is a contract in which an obligated person (the pledger), or his/her third-party guarantor, provides assets to the creditor to ensure the fulfilment of his/her obligations. The pledge gives the creditor the right to be paid from the asset that is the subject of the pledge, by privilege and with seniority over other creditors.

- **Pledge on receivables:**

You directly pay an agreed sum to your creditor, which becomes the holder of this sum.

- **Pledge on financial instruments:**

The pledge concerns an account containing financial securities that you, or a third-party guarantor, holds and which falls under the scope of regulations (equities, bonds, collective investment schemes, etc.), as well as the associated cash account if applicable.

The pledge includes:

- all securities or cash replacing or supplementing the initial securities pledged, as well as their proceeds and income in any currency;
 - the financial securities and sums in any currency subsequently credited to the pledged account, as security for the loan, considered as having been pledged on the date the initial pledge was declared.
- A discount is applied in accordance with the security or underlying asset.

The pledge results in you being dispossessed of the financial securities and cash. As a result, you may no longer dispose of them, with the exception of arbitrage transactions if specifically agreed upon with the creditor.

▪ **Assignment of receivables:**

An assignment of receivables is a legal transaction between three parties, in which one party (the assignor) accepts at the request of another (the assigning party) to commit to a third party (the assignee). The assignment of a life insurance policy is the most common example. This is a security by which, at your request, your insurer assigns the sums to receive in respect of this contract to Société Générale Bank & Trust as repayment of the sums due under the loan.

▪ **A transfer of title for security purposes:**

A transfer of title for security purposes consists, in this case, of the transfer of the title on all or part of your assets to Société Générale Bank & Trust in order to secure your financial obligations to it. This transfer is combined with a commitment by the bank to re-transfer your assets, or other equivalent assets, unless all or part of the financial obligations covered are not met.

▪ **An autonomous first demand guarantee:**

An autonomous guarantee is a personal guarantee that, unlike a surety, is not linked to the initial contract.

This is an irrevocable and unconditional commitment by which a guarantor, in consideration of the loan that you take out with Société Générale Bank & Trust, is obliged, on your instruction, to pay a certain sum on first demand, or in accordance with agreed terms, to Société Générale Bank & Trust.

This guarantee obliges the person acting as the guarantor to pay as soon as s/he is asked to do so, without having the ability to object (unless fraud or an abuse of right has been committed).

The legal rights applicable to a first demand guarantee are stated in the Uniform Rules for Demand Guarantees no. 758 (URDG 758) of the International Chamber of Commerce.

Without prejudice to any guarantee that it has been able to obtain, Société Générale Bank & Trust is entitled to demand, at any time, the creation of new guarantees or an increase in those that have been granted to it, notably by means of a margin call, to cover all risks that it incurs as a result of the loan, notably due to a decrease in the value of the assets or financial instruments pledged. If the Recipient does not provide the guarantees thusly requested within the given time period, Société Générale Bank & Trust is entitled to realise, in accordance with legal provisions in force, the collateral that has been granted to it.

Example for the financing of a real estate acquisition:

In the case of a fixed-rate real estate loan, repayable monthly (constant due dates) without deferment, of €526,000.00 over 15 years granted to a borrower and drawn down in a single instalment, at a fixed annual borrowing rate of 2%:

- 180 monthly instalments of €3,384.75, excluding insurance
- Total cost of the loan: €87,024.80, of which:
 - €83,274.80 in interest,
 - €750 in administrative fees,
 - €3,000.00 in security fees
- Total amount due (excluding insurance): €613,024.80.

Estimate or valuation of the real estate asset:

If the loan is granted under a mortgage, a comparable guarantee on real estate assets for residential use or a right linked to a real estate asset for residential use, the real estate asset in question must be estimated or valued. Depending on the characteristics of the asset in question and the loan that you apply for, an estimate or valuation may be made by a real estate agency or a real estate expert respectively. Société Générale Bank & Trust may request periodic real estate estimates or valuations. The cost of this estimate or valuation is to be paid by you and is included in the calculation of the APRC.

Costs not included in the APRC

The following costs are not included in the annual percentage rate of charge:

- Fees for the annual provision of information to the guarantor, if the loan is guaranteed by a surety.
- Fees to discharge the mortgage or lender's privilege if the loan is guaranteed by a mortgage or a lender's privilege.
- Optional insurance payments.
- Admission and management fees for life insurance policies taken out before the loan is granted.
- Late payment interest due.

Early repayment:

You have the option of repaying your loan early in full or in part at any time. In this case, you are entitled to a reduction in the total cost of the loan, corresponding to interest and fees due for the remaining term of the loan contract.

You must notify us of your intent to make such a repayment by registered letter at least two (2) business days before the date on which early repayment is scheduled. The notification must specify the amount that will be repaid early, the origin of the funds used to make this early repayment and the date on which it is due to take place.

Following this notification, we will immediately notify you of the exact amount of the reduction in the total cost of the loan and, where applicable, the penalty stated below.

If the loan is repaid early in full or in part, Société Générale Bank & Trust is entitled to fair and objectively justified compensation for directly incurred costs linked to the early repayment of the loan. This compensation cannot exceed the financial loss incurred by Société Générale Bank & Trust.

If the loan was taken out to purchase a home that was used as your actual and main residence for an uninterrupted period of at least two (2) years, the penalty cannot under any circumstances exceed an amount corresponding to six (6) months of interest on the capital repaid calculated at the interest rate applicable to the loan on the day of early repayment.

Any early repayment is final. In the event of repayment in full, the loan contract will be terminated on the date of repayment. In the event of partial repayment, the loan contract will not be terminated.

Ancillary services

In order for Société Générale Bank & Trust to be able to make you a real estate loan offer, you must have first opened an account in your name in its books. Furthermore, depending on the loan that you apply for, Société Générale Bank & Trust may grant a loan subject to you taking out other ancillary services (such as additional securities in the event of a payment default or subscribing to an insurance policy) which may, where applicable, be taken out with providers other than Société Générale Bank & Trust.

Warning concerning the potential consequences of the borrower's failure to meet the obligations linked to the loan agreement.

A real estate loan is a long-term commitment that must be repaid: you must consider how you will finance your real estate project by drawing up a financing plan that will allow you to determine the amount you need to borrow.

As such, you must compare all of the expenses related to your project (purchase price, potential works, scheduled or upcoming works in the co-property where applicable, notary fees, etc.) and all of the resources on which you may draw to finance it (personal contribution, loans, etc.).

Important: you must reasonably anticipate probable changes in your resources and requirements in order to assess your ability to assume the loan transaction that you are considering.

Your advisor is on hand to assist you in this process.

Are you experiencing temporary difficulties or are facing a significant change in your personal or professional situation? Your advisor is on hand to support you and find a solution: payment term, the deferral of due dates and a decrease in the amount to repay each month. Don't hesitate to contact your Société Générale Bank & Trust branch at the earliest opportunity.

If you fail to repay your loan:

- the securities provided may be at risk, resulting in the consequences laid out above;
- a forfeiture of term may be issued, resulting in the obligation to repay the sums remaining due plus late interest payments where applicable, as well as, where applicable, fees and subsidiary expenses incurred by Société Générale Bank & Trust to recover its receivable.

As a final resort, your real estate asset may be seized.

Borrower's insurance

Société Générale Bank & Trust does not offer borrower's insurance and reserves the right to request the contracting of such insurance.