

VALID FROM: FROM 12 MARCH 2020

**CIB Vario Term Loan and CIB Vario Fixed-Rate Term Loan  
CUSTOMER INFORMATION NOTICE**

Below we draw your attention to the product **CIB Vario Term Loan** which can be applied for even with a fixed rate, **tangible collateral and/or with no tangible collateral, for general business financing, property purchase, property construction, extension, modernisation, renovation, or car purchase and loan refinancing purposes.** The loan is available for operating resident companies (Nyrt, Zrt, Kft, Bt, Kkt), sole traders, single-person companies, smallholders with an annual net sales revenue and balance sheet total of no more than HUF 300 million.

**Main characteristics of CIB Vario Term Loan:**

**Loan type:** Term loan

**Loan currency:** forint, euro

**Loan amount:** HUF 1,000,000 – 150,000,000 or its equivalent in EUR.

The amount of the credit line that may be granted depends on the debtor rating, sales revenue, indebtedness of the borrowing company and its credit history with CIB Bank.

**Loan term:** Without tangible collateral: 1-3 years  
With tangible collateral: 1-10 years (depending on collateral)

**Loan collateral:** **The loan** may be applied for with tangible collateral and/or without tangible collateral and institutional guarantee.

- The tangible collateral may be: property, cash, or security. (In the latter case, only government securities maturing within 3 years, bonds issued by CIB HUF Money Market Funds, CIB Yield Protected Deposit Fund or CIB-issued bonds are acceptable.)

Institutional guarantee may include:  
- 20%-80% absolute suretyship (with 10% increments available) by Garantiqa Hitelgarancia Zrt.; In this case, at least one material collateral is required at an extent of at least 20%.

In the case of HG-COSME portfolio guarantee, the extent of suretyship is contained in the table for non-startup debtors in Annex 3 to Garantiqa Hitelgarancia Zrt.'s Business regulations on absolute suretyship for loans, guarantees, and financial leasing provided on the basis of cooperation agreements.

Where a surety is required: absolute suretyship of natural persons who own directly or indirectly at least 50% of the votes in the company in the case of **companies**, at least 10% in the case of **cooperatives**; of the borrower in the case of **sole traders** and **smallholders**; of a natural person other than the company owner in the case of **single-person companies**; of the limited partner in the case of **limited partnerships**.

**Other loan securities** - A collection order based on a letter of authorisation is required in

respect of any accounts kept by the borrowing company and sureties at other banks; in the case of sole traders and smallholders, also in respect of their private accounts, with the account holding bank's statement of acceptance.

**Required account turnover:** Annually, completion of credit transactions turnover corresponding to three/five times the credit line, according to the loan collateral

The valid terms for the products are contained in the effective **List of Conditions for the CIB Term Loan for small enterprises.**

**Main conditions applicable to the borrower:**

- Not subject to bankruptcy, liquidation or final settlement proceedings, and no foreclosure proceeding has been launched against it, either in the past 3 years or at present; tax number is not suspended or cancelled;
- Has no overdue public debt;
- No ongoing lawsuit filing is indicated in the company registration certificate of the applicant;
- There must be no transfer orders of authorities enforced against the company's bank account held at CIB Bank;
- At least one full closed year of business operation;
- The company's equity must not be negative and must be at least equal to subscribed capital;
- Not listed in the CCIS with a disqualifying entry;
- The customer's loans at CIB Bank have not been restructured in the past 12 months;
- In the past 12 months, there have been no official transfer orders against the customer's account kept at CIB that were not fulfilled or were only partially fulfilled for more than 35 days, and no such orders are currently outstanding;
- The full list of grounds for exclusion from the absolute suretyship of Garantiqa Hitelgarancia Zrt. is contained in Section 4 of the Business regulations on absolute suretyship for loans, guarantees, and financial leasing provided on the basis of cooperation agreements is available here: <https://garantiqa.hu/penzugyi-intezmenyeknek/uzletszabalyzat/>

**Main conditions applicable to the absolute surety:**

- An adult Hungarian citizen or adult citizen of an EU member state, or a private individual with dual or multiple citizenship including citizenship of an EU member state, who has had a registered (permanent) address in Hungary for at least 3 years;
- In all cases the absolute suretyship of the two largest owners is required, but one surety is also acceptable if that person's ownership ratio in the enterprise is at least 50%. If the owners of the enterprise include another enterprise, then the absolute suretyship must in all cases be provided by the private individuals who are – either directly or indirectly – the largest owners. In the case of a single-owner limited liability company (Kft) one surety is required. In the case of sole traders or single-person companies and smallholders, the absolute suretyship of another natural person/in the case of single-person companies, of a natural person other than the owner, is required.
- The full list of grounds for exclusion from the absolute suretyship of Garantiqa Hitelgarancia Zrt. is contained in Section 4 of the Business regulations on absolute suretyship for loans, guarantees, and financial leasing provided on the basis of cooperation agreements is available here: <https://garantiqa.hu/penzugyi-intezmenyeknek/uzletszabalyzat/>

**To apply, you need to submit the following documents to the bank branch that manages the account:**

- Fully completed **Application Form** appropriate for the requested type of credit facility, signed by the company and the sureties;
- Annual **financial statements** for 1 full closed year (uploaded), or duly signed returns for personal income tax (SZJA)/simplified business tax (EVA)/itemised small-taxpayer tax (KATA) for 2 years (in the case of 1 year closed, for 1 year);
- The **latest memorandum of association**, deed of establishment consolidated with amendments (and any amendments thereto, unless consolidated with the base contract, and members' resolution, if these documents require this for any borrowing).  
If the private individual surety is one of the owners of the related company, it must be submitted also in the case of the related company;
- **Documentation** related to the surety acceptance of **Garantiqa Hitelgarancia Zrt.:**  
<https://garantiqa.hu/penzugyi-intezmenyeknek/kerelmi-nyomtatvanyok/hitel-es-garancia/>
- **Documentation** related to the acceptance of suretyship provided as part of the HG-COSME Program (Cosme Porfoliogarancia):  
<https://garantiqa.hu/penzugyi-intezmenyeknek/kerelmi-nyomtatvanyok/cosme/>
- In the case of **loan refinancing**, the **contract** that underlies the liability to be refinanced.

**To apply, you need to submit the following documents, depending on collateral, to the bank branch that manages the account:**

- Authenticated copies of the **title deeds** for all the affected properties, issued no earlier than 30 days before (full deed and informative copy are acceptable); or the non-authenticated title deed queried by the Bank;
- where the property offered as collateral is a land with a building on it, a layout plan or **map copy** not older than 30 days;
- Property **valuation** (commissioned by the Bank);
- In the case of undivided shared ownership, the agreement on the division of usage rights, and statement on waiver of pre-emptive rights; in the case of companies and public institutions, it is only acceptable with the counter-signature of a legal representative.
- In the case of a let property the rental agreement (presentation of the original in the branch)
- **In the case of sale** (presentation of the originals in the branch):
  - No later than the signing of the contract, the sale and purchase agreement having affixed the stamp of the land registry office for the land to be purchased; \*
  - In the case of a binder, the sale and purchase binder that also includes the provisions specified by the Bank – endorsed by a lawyer or prepared by a notary public; \*
  - In the case of condominiums, the deed of establishment of the condominium, where the apartments have not yet been subdivided into units (acceptable in the case of no more than 10 properties) or the title deed is not completed;
  - If a minor is also involved in the transaction: a legally effective declaration of consent of the Child Care Authority on consent to the sale and purchase;
  - Certification by a lawyer of the content of the margin note on the Title Deed for the property affected by the loan purpose – in the case of the purchase of a new-build property.

Requirements in the case of staggered financing:

- Disbursement is executed in multiple (2 or 3) instalments, depending on the degree of completion, within maximum 18 months. A precondition for the disbursement of the 1st and 2nd instalment is a Technical Review carried out by the Appraiser, which also includes a confirmation of the degree of readiness.
- Partial disbursements shall be executed as follows (the approval may differ from this):
  - 1st instalment: If a 40% degree of readiness has been reached, its extent is 45% of the loan,
  - 2nd instalment: If a 65% degree of readiness has been reached, its extent is 45% of the loan amount
  - 3rd instalment: if an occupancy permit or an official certificate attesting to acknowledgement of occupancy is submitted, 10% of the loan amount (no technical review is required)

\*If the loan purpose is sale and purchase, the content requirements related to the sale and purchase contract are as follows:

- The real estate to be purchased must be free from litigation, encumbrances and claims (the real estate is disencumbered simultaneously with the sale and purchase).
- The final deadline for payment of the purchase price part that is intended to be financed from the loan has not yet expired by the date of the expected disbursement.
- The contract must stipulate that the sale is with suspension of title, and the manner of the final transfer of ownership.
- The seller must consent to the **registration of the buyer's title**, but the parties must request that this procedure be suspended until further conditions are met (until the payment of the last purchase price instalment using the loan or the submission of the specific permission to register, deposited in escrow with a lawyer). **No contrary provisions may be included** in the sale and purchase agreement (retention of title).
- The loan amount should always be the last purchase price instalment. The seller must declare that he or she has received the amount of the purchase price paid until that time.
- The sale and purchase contract must specify that the buyers wish to repay the last purchase price part from the loan to be provided by CIB Bank, by bank transfer into the bank account indicated by the seller.
- In the case of more than one seller – or where there is a usufructuary, who waives the usufruct in exchange for consideration – or usufructuary, the ratio in which the sellers and the usufructuary share the right to the purchase price part that payable from the loan and the specific amount must also be indicated.
- In the case of countersigning by a lawyer, placing of the statement on transfer of title in escrow with a lawyer, and acceptance to file the statement on transfer of title at the Land Office within 5 working days following receipt of the full amount of the purchase price. In the case of representation by legal counsel (public institutions), acceptance to file the statement on transfer of title at the Land Office within 5 working days following receipt of the full amount of the purchase price.
- The final deadline for payment of the last purchase price part that is intended to be financed from the loan has not yet expired by the date of the expected disbursement.
- The Buyer(s)' commitment to the effect that if CIB Bank, for any reason, accepts to provide a loan amount smaller than the loan requested by the Buyer(s), the Buyer(s) will pay the part of the purchase price in excess of the loan amount to Seller(s) using their own funds, prior to the disbursement of the loan provided by CIB Bank.
- In the case of several buyers, stating the ownership ratios of the buyers.
- Countersigning by a lawyer or legal counsel, or notarial deed.
- The parties' and the lawyer's/legal counsel's signed initials on every page.

You can download the application form from our website ([www.cib.hu](http://www.cib.hu)) or you can receive a physical copy in any of our branches.

Our bank makes a decision on the credit application submitted with no deficiencies, and the contract may be signed in the case of a positive decision. In the case of suretyship by Garantiqa Hitelgarancia Zrt. or an absolute suretyship granted under the HG-COSME Program (Cosme Portfolio Guarantee), where the loan amount is at least MHUF 5, or in the case of property collateral, the loan and absolute suretyship agreement must be executed as a bilateral notarial deed or a unilateral debt acknowledgement statement.

**Documents to be submitted for signing the contract:**

- **NAV tax clearance certificate** issued within the past 30 days, **OR**
- The customer is listed on the **NAV website** among taxpayers with **no unpaid public dues** or among qualified **taxpayers**;

**Documents required for disbursement:**

- A validly executed (signed) **loan and mortgage contract** (executed as a unilateral debt acknowledgement statement or bilateral public deed);
- **Absolute suretyship contract** (executed as a unilateral debt acknowledgement statement or bilateral public deed);
- **Mortgage registration application registered** by the Land Office or a **title deed** issued within the past 30 days and containing the registration request at least in the form of a margin note, or the non-authentic title deed requested by the Bank;
- Collection order based on a **letter of authorisation**;
- **Property insurance documentation** (policy or offer, proof of payment of premium, notification of the Bank as beneficiary of the lien to the insurance company; proof that the insurance company has been relieved from its obligation to keep the insurance secret from the Bank; the insurance company's statement to the effect that in the case of the insurance company's payout, the amounts from the property insurance shall be paid to the Bank);
- Suretyship contract signed by Garantiqa Hitelgarancia Zrt. / Valid portfolio guarantee suretyship by Garantiqa Hitelgarancia Zrt.
- **In the case of a sale and purchase:**
  - The seller must declare that he or she has received the amount of the purchase price paid until that time (a private statement is sufficient);
  - Certification by a lawyer of the content of the margin note on the Title Deed for the property affected by the loan purpose – in the case of the purchase of a new-build property;
  - The Condominium's Deed of Foundation – in the case of the purchase of new-build property;
  - Legally effective occupancy permit – in the case of the purchase of a new-build property;
  - Invoice issued by the seller (if the seller is a business entity or a company);
  - Sale and purchase contract bearing the received stamp of the land registry office;
  - In the case of the purchase of a partial ownership of a property that is in a joint and several ownership, a declaration of waiver of the prepurchase right endorsed by a lawyer, from all the owners;
  - Lawyer's statement concerning release of title, deposited in escrow with the lawyer, which proves that the depositing in escrow has taken place (escrow certificate), and the lawyer's commitment that he or she shall submit this statement to the land office within no later than 5 working days following payment of the full amount of the purchase price. In the case of representation by legal counsel (public institutions), a commitment in the sale and purchase agreement on acceptance to file the statement on transfer of title at the Land Office within no later than 5 working days following receipt of the full amount of the purchase price.
- In the case of loan refinancing:
  - **Certificate on outstanding debt** not older than 30 days before the day of acceptance, which includes:
    - the Client's debts itemised and totalised on a given day (which is the disbursement date);

- account number for the repayment and the transfer order details as required by the previous creditor for the transfer;
  - a commitment, for the case of repayment, on terminating the securities, liens, rights pledged as collateral for the loan(s) to be refinanced; waiver of the assignment of insurance, lien on any receivables from the insurance, or status as beneficiary;
  - Transfer order regarding the transfer to the crediting bank;
  - Notification of the Bank as beneficiary of the lien to the insurance company, and deletion of the earlier beneficiary must be certified within 1 month following the disbursement.
- Discretionary documentation request:
- In the case of an unacceptable third-party encumbrance the copy of the relevant deletion request bearing the received stamp of the land registry office, or the title deed indicating this in a margin note (an exception to this is loan refinancing, where the request must be presented retrospectively);
  - In the case of a remaining third-party encumbrance, the copy of the agreement on the change of ranking bearing the received stamp of the land registry office;
  - In the case of a prohibition on alienation and sale, the declaration of consent to the CIB mortgage registration bearing the received stamp of the land registry office (unless the beneficiary is the Hungarian State, in which case it is required at the time of disbursement);
  - In the case of usufruct, widow(er)'s rights, the waiver of the usufruct or widow(er)'s rights executed as a notarial deed (part of the contract).

If you have any other questions, please call our CIB24 non-stop phone helpdesk at **(+36 1) 4 242 242**, or contact the experts in our branch network, who will gladly help you.

Please be advised that the information is not comprehensive. The detailed terms of the product are contained in the CIB Term Loan List of Conditions for Small Enterprises; General Terms and Conditions of Credit Facility Agreements and Bank Guarantee and Letter of Credit Commission Agreements for the small-enterprise business line; Specific Business Regulations for Credit and Loan Contracts, and the General Corporate Banking Business Regulations supplementing them; and in respect of sole traders, the General Terms and Conditions of Credit Facility Agreements and Bank Guarantee and Letter of Credit Commission Agreements for the small-enterprise business line for sole traders; the Specific Business Regulations for Credit and Loan Contracts for sole traders; Specific Business Regulations pertaining to Collaterals for consumers and sole traders; and the General Retail Banking Business Regulations for consumers and sole traders, supplementing them. The Bank reserves the right to change the terms of credit appraisal and the conditions. The product can be applied for if your business meets the Bank's credit appraisal requirements.