

# GENERAL TERMS AND CONDITIONS OF CIBANK FOR GRANTING OVERDRAFT CONSUMER LOANS ON A BANK CARD TO INDIVIDUALS

## GENERAL PROVISIONS

1. These General Terms and Conditions govern the terms and conditions under which CIBANK JSC (the Bank) provides overdraft consumer loans to individuals (Borrowers).

## PURPOSE OF FINANCING/COLLATERALS

2. The overdraft consumer loan of CIBANK is granted to individuals to finance their current needs.

3. The Bank grants:

3.1. Overdraft consumer loans, secured with a pledge on future receivables of individuals shall be provided under the conditions of the following credit programs: *Classic, Advance, Premium, Partners*, which are differentiated according to the amount of social insurance income and/or the relations between the Borrower's employer and the Bank;

3.2. Overdraft consumer loans secured with a pledge on future receivables under contracts related to one's business, when the Borrower has a freelance practice, are granted according to the conditions of the credit program *CI Professional*.

3.3. Overdraft consumer loans secured with a pledge on a financial asset (deposit) owned by the Borrower or another individual.

As an additional collateral for an overdraft loan, the Bank requires a pledge on cash receivables on existing accounts of the Borrower at CIBANK and on accounts which will be opened at the Bank.

## REQUIREMENTS TO THE BORROWER

4. The Borrower shall meet the following conditions:

- To be an active adult individual with permanent residence in Bulgaria;
- To have a current account at the Bank;
- To have no outstanding state and/or municipal debts;
- If the Borrower has credit liabilities under loans granted by CIBANK and/or other banks, they should appear as "regular exposures" as of the date of filing the credit application.

5. When the Bank grants an overdraft consumer loan secured with a pledge on future receivables, the Borrower is required to have a permanent monthly (social security) income at an amount acceptable for the Bank, originating from an employment/service relationship under an employment contract/order/contract for management and control with a minimum of 6 (six) months of service with the company-employer as to the date of submitting the credit application. The Borrower is not in a probationary period or awaiting termination of the employment/service relationship, is not employed temporarily or seasonally, and has received regularly its employment/service remuneration;

6. When the Bank grants an overdraft consumer loan secured with a pledge on future receivables under contracts related to a freelance practice, the Borrower is required to have a permanent monthly income at an amount acceptable to the Bank, social security, as well as registration as a freelancer in the Republic of Bulgaria, with at least one year of freelance practice and without a registered interruption of the activity during the six months preceding the credit application.

## PROVISION OF PRE-CONTRACTUAL INFORMATION

7. Before the client is bound by a proposal or conclusion of an overdraft consumer loan contract, the Bank shall provide the client with free pre-contractual information according to the client's preferences and on the basis of the conditions offered by the Bank under the respective credit products.

## AMOUNT, PERIOD AND CURRENCY OF THE LOAN

8. The amount, repayment period and currency of the overdraft loan shall be determined depending on the type of credit product, the credit capacity of the Borrower, and the type and sufficiency of the offered collateral.

## ANNUAL PERCENTAGE RATE

9. The Annual Percentage Rate (APR) of overdraft consumer loans shall be calculated using a formula specified in the Law on Consumer Credit which reflects the total expenses on the loan for the Borrower - current or future (interest, fees, commissions, etc.). The APR shall be determined according to the specific loan amount and term.

## DISBURSEMENT OF THE LOAN

10. The loan is utilized via a CIBANK bank card after the establishment of the collateral provided under the loan contract and the payment of the payable fees and commissions, which are deducted automatically by the Bank from the available funds on the Borrower's current account, including from the approved limit of the overdraft loan in case of insufficient funds on the account. When the overdraft loan is secured by a pledge on future receivables, the Bank also provides for use the approved limit after receiving at least one transfer of the Borrower's remuneration into the client's account at the Bank.

11. Within the agreed term of use, the granted credit limit on the overdraft loan can be used fully or in parts, including revolving.

## INTEREST, FEES AND COMMISSIONS

12. Consumer loans shall bear interest at fixed or floating annual interest rates, as specified in the respective loan contract signed between the Bank and the Borrower.

13. The floating interest rate shall be formed as the sum of the variable bank interest rate (BIR) of CIBANK for loans in national/foreign currency and an agreed margin.

14. The Bank may change unilaterally the BIR of CIBANK for loans in national/foreign currency. The BIR amount is changed by a decision of the Management Board of the Bank, in compliance with the adopted methodology, upon change in any of the following objective parameters and factors, by which the BIR is determined, namely: the weighted average value /in %/ of the cash resources borrowed by the BANK in the respective currency; the price of the new cash resources which the BANK may borrow at any time; the market interest indexes BIR, SOFIBOR, EURIBOR, LIBOR; the direct non-interest expenses related to the borrowed cash resources - minimum required reserves, the amount of the contribution to the Deposit Insurance Fund; the legislation and/or regulations of the Bulgarian National Bank;

15. The Bank shall inform the Borrower of any changes in the applicable BIR by putting information in its bank offices and by sending a written notice to the Borrower to his/her last known address. If the Borrower does not accept the change, it may notify the BANK in writing about that and terminate the contract, while repaying the entire outstanding amount of the loan by the date of entry into force of the new BIR. Any failure of the Borrower to repay the outstanding amount of the loan within the specified period shall be deemed an act of acceptance of the changed BIR.

16. The accrual of due interest shall begin on the date of the first drawdown of the loan. For the purposes of interest accrual, the year is deemed to consist of 365 days.

17. The Borrower shall pay to the Bank with own funds the fees and commissions specified in the loan contract as well as in the Tariff within the specified time limits. If there are not sufficient funds in the Borrower's account at the moment when payments are due, the Bank may collect automatically the payable fees and commissions from the amount of the approved credit.

18. The Bank shall charge the following fees and commissions on the granted overdraft consumer loan:

- One-off application and review fee payable upon filing an application for obtaining an overdraft consumer loan;
- One-off processing and management commission accrued on the amount of the approved loan and payable upon signing an overdraft consumer loan;

19. Other fees and commissions payable for the overdraft loan, including those for the related servicing account and bank card specified in the Bank's Tariff, as follows:

- Fee for changing an established pledge;
- Processing and management commission payable upon renegotiation of terms and/or parameters of the loan, as well as in the case of automatic renewal of the duration of the loan contract;
- Fees and commissions for effected banking transactions, including those related to the account servicing the loan and the used bank card.

The amounts of fees and commissions under item 18, except for those under the Bank's Tariff, are specified for each loan product and included in the loan contract signed between the Bank and the Borrower.

The Borrower shall pay all fees and other expenses related to the establishment, changes, and deletion of collaterals for the loan.

#### LOAN REPAYMENT

20. The loan repayment term and the maturity date shall be specified in the loan contract.

21. The overdraft loan shall be repaid with each receipt of funds in the Borrower's current account used for servicing the loan, with an option for revolving up to the agreed credit limit and within the term of the contract.

22. The interest rate on the loan shall be accrued over the utilized and outstanding credit limit and shall be paid monthly on the 20th (twentieth) day as from the date of the first drawdown. The amount of the utilized and outstanding credit limit shall be due on the final maturity date of the loan.

#### RIGHT OF WITHDRAWAL FROM THE CONTRACT

23. The Borrower may, without owing any compensation or penalty and without giving any reason, withdraw from the signed overdraft consumer loan contract within 14 (fourteen) days as from the signing date of the contract. In order to exercise his/her right of withdrawal, the Borrower shall:

- Send a written notice to the Bank about the client's willingness to do so before the expiration of the specified period. The notice shall include the Borrower's full name, ID and telephone number and be deposited at the branch of the Bank where the contract was signed or sent via registered mail or a letter with return receipt to the address of the BANK branch where this contract was signed;
- Repay to the Bank the utilized amount of the loan, together with the interest accrued on a daily basis from the date of first drawdown of loan funds to the date of returning the principal without undue delay, but in any event not later than 30 /thirty/ calendar days as from sending the notice to the Bank;
- The withdrawal made by the Borrower shall enter into force and the loan contract shall be terminated only if the specified conditions are met and the deadlines have been observed. Otherwise, the contract shall not be deemed terminated.

24. If the Borrower withdraws from the loan contract, the Bank shall not be obliged to return the fees and commissions collected until that moment.

#### ADDITIONAL PROVISIONS

25. In case of any differences between the provisions of these General Terms and Conditions and the overdraft consumer loan contract and/or contract/s for establishment of a pledge on collateral(s), the provisions of the respective contract shall apply.

26. In case of any differences between the provisions of these General Terms and Conditions and the mandatory legal framework, the provisions of the existing Consumer Loan Act shall apply.

27. The Bank reserves its right to update these General Terms and Conditions, and in case of amendments hereto, the Bank shall promptly notify its clients of the changes and the most recent update by displaying such information in the Bank's offices and via its e-channels.

These General Terms and Conditions were approved with a decision of the Management Board of CIBANK under Minutes No 37/09.09.2010r, effective as of 13.09.2010r. . They were amended with Minutes No 29/02.08.2012.