

## GENERAL TERMS AND CONDITIONS FOR LENDING TO PRIVATE CLIENTS OF PROCREDIT BANK (BULGARIA) EAD

### I. LOAN GRANTING AND CHANGES IN CREDIT RELATIONSHIP

1. The loan is granted and may be utilised after the Borrower/Co-debtor has provided all documents required by the Bank, the loan agreement has been signed and the agreed collateral, established in accordance with the procedure laid down in law, has been provided, relevant fees and commissions have been paid and all conditions laid down in the loan agreement and these General Terms and Conditions have been fulfilled.
2. A condition for disbursement of amounts from the loan is that the Borrower/Co-debtor opens/ has an Active current account (CA) in the currency of the loan, and to have registered "ProB@nking" Internet banking at the Bank, which shall be maintained until full repayment of all obligations under the loan agreement.
3. The content of the loan agreement may be amended and supplemented only by the mutual consent of the parties expressed in writing, except for the cases of unilateral change of the total cost of the loan, made on the occurrence of a pre-condition, as stipulated in the agreement or in these General Terms and Conditions.
4. For loan agreements granted in the form of overdraft, the Bank shall have the right to carry out financial monitoring in every 12-month period. As a result of the monitoring, the Bank:
  - extends the use of the overdraft for another 12-month period, for which no annex needs to be signed;
  - changes the amount and conditions for the use of the overdraft for a new 12-month period and shall notify the Borrower thereof. The Borrower shall be entitled, within 7 (seven) days of receipt of the notification, to sign an annex for extension of the overdraft under the new conditions. Should not the annex be signed within the stipulated time-limit, the utilised limit shall be automatically transformed into a loan with equal monthly installments, the repayment of which shall be made according to the repayment plan announced by the Bank in the internet system ProB@nking. The Co-debtor/s agrees/agree to be informed by the Borrower about the change.
5. The Bank is entitled to transfer the rights and/or obligations under the loan agreement to third parties, in accordance with the provisions of the Bulgarian legislation. The Borrower shall have the right to transfer the rights and/or obligations under the loan agreement to third parties, only with the prior written consent of the Bank.

### II. FEES, COMMISSIONS AND COSTS ON THE LOAN

6. ProCredit Bank (Bulgaria) EAD charges fees and commissions for the loan granted, including the application processing fee for funding, the amount of which is indicated in the Price List for Private Clients of ProCredit Bank (Bulgaria) EAD that is up-to-date at the time of their collection. The fees and commissions may be changed unilaterally by the Bank by changing the Price List for Private Clients of ProCredit Bank (Bulgaria) EAD, pursuant to the General Terms and Conditions for Lending to Private Clients and the General Terms and Conditions for Payment Services of the Bank in case of occurrence of the envisaged preconditions. In the event the Borrower disagrees with the amendments, he/she shall have the right to terminate the loan agreement, otherwise the Bank assumes that the Borrower agrees with the amendments to the Price List for Private Clients.

The annual percentage of costs (APC) on the loan represents the total cost of the loan (interest, fees/commissions, expenses), expressed as an annual percentage of the total amount of the loan and are determined in accordance with the type of the loan, its term and amount, the existence of another credit agreement. The calculation of the APC on the loan does not include costs due in case of default on the loan agreement. The APC shall be stated in the attached to the loan agreement a loan repayment plan. The APC shall be calculated taking into account that repayment of the loan will be made in accordance with the term and conditions of the loan agreement and under the following assumptions:

- (a) For consumer, housing and/or mortgage loans and for credit cards it is assumed that the total amount of the loan is fully utilised;
- (b) For consumer overdraft it is assumed that the total amount is fully utilised for a period of 12 months;
- (c) In the case of more than one credit relationship, the entire cost of servicing of the Active Current Account is included in the APC in only one of the credit relationships.

The APC information contained in the loan repayment schedule attached to the loan agreement shall be valid only until a subsequent change in the interest rate or in the additional costs.

### III. INTEREST ACCRUAL

8. In the Interest Bulletin published on the website of the Bank, the interest rates applicable to the relevant type of loan agreement are stated. Stated in the loan agreement is the specific interest rate, which may be

changed unilaterally by the Bank in case the preconditions provided for in the agreement and in these General Terms and Conditions arise.

9. The interest rate on the loan is accrued on the amount by which the Borrower's account is credited from the loan disbursement day- monthly, on the basis of the actual number of days/360 (three hundred and sixty) for all types of loans to private clients.

10. For overdraft, as an exception to the rule in the previous item, the annual interest rate shall be accrued on the basis of the actual number of days/360 (three hundred and sixty) of the actual outstanding loan amount. The interest accrual is carried out on a daily basis on the outstanding amount in the respective day, and the interest shall be paid on a monthly basis on the first business day of the month for the previous month. The Borrower is obliged on the date of interest payment, to provide sufficient funds in his/her current account at the Bank, to pay the interest due on the loan so that the maximum approved overdraft limit is not exceeded.

11. A change in the total cost under the loan agreement occurs upon a change in: the EUR/BGN exchange rate or the EUR/USD exchange rate; the EURIBOR reference interest rate index; the price of the service provided by the insurance company and/or the company performing collateral valuation; the Bulgarian and/or European legislation concerning the activities of banks; the current account maintenance fee, caused by an increase in inflation.

12. The Bank shall inform the Borrower in a timely manner about the change and the date on which it takes effect, including the new loan repayment schedule, by notification in the internet banking system "ProB@nking" or by other means specified herein. For the change in the total cost of the loan, carried out in accordance with the procedure referred to above, the parties do not sign an annex or an additional agreement to the agreement.

13. Upon disagreement with the changed total cost of the loan, the Borrower has the right, before the change comes into effect, to make an early repayment of the loan liabilities without payment of a fee for early repayment.

14. The annual interest rate on the loan may be fixed or floating. In the event it is a floating rate, it shall be determined for each three-month/six-month period from the sum of the three-month/six-month EURIBOR reference index and an individual margin set out in the loan agreement.

#### **IV. Repayment**

15. By signing the loan agreement, the Borrower/Co-debtors/Guarantors give their consent for the Bank to collect ex officio on the maturity date all obligations relating to the total cost of the loan (fees, commission expenses) from the available balances in their accounts opened at the Bank. In the event of insufficient available funds therein, the Borrower/Co-debtors/Guarantors authorise the Bank at its sole discretion to debit their current, deposit or savings accounts with the amount due and in the absence of sufficient funds on the account, to charge a penalty interest in accordance with the Tariff of the Bank until repayment of the obligation.

16. When the payment is made in a currency other than the currency of the loan, currency exchange shall be carried out to settle the claims of the Bank under the loan agreement by applying the sell rate of the Bank for that day. Foreign exchange gains or losses from such currency exchange shall be borne by the Borrower.

17. When the day of repayment of obligations on the principal and/or interest is an official holiday, the repayment date shall be on the first next business day.

18. Should the Borrower fail to perform his/her obligations in full, they shall be repaid in the following order: fees/commissions due under the Bank's Price List for Private Clients; penalties laid down in these General Terms and Conditions; court costs; penalty interest; overdue contractual interest; overdue principal; statutory interest; regular contractual interest; regular principal.

Where the Borrower uses simultaneously several loans from the Bank and the amount paid thereby is not sufficient to pay all due and payable obligations and it is not stated which obligation is extinguished, the parties agree that the Bank is entitled to choose which of the obligations to repay.

19. The Borrower may at any time early repay some or the entire utilised loan amount and shall notify the Bank in writing thereof and shall pay the interest and fees due, including a fee for early repayment. The early repayment fee is set out in the Price List for Private Clients of ProCredit Bank (Bulgaria) EAD and is calculated on the amount of the outstanding principal. In the event the amount of the fee for the full early repayment exceeds the outstanding amount of the contractual interest, a fee on the smaller amount shall be charged.

20. In the event of early repayment, including of the demand for early repayment, the Borrower shall pay the interest due as of the moment of the early repayment, accrued for the period from the date of the previous paid installment until the date of recording in the Bank of the notice for the early repayment of the loan.

## **V. COLLATERAL**

21. Upon a reduction of the value of the collateral provided, regardless of the reasons therefor, the Borrower is obliged to provide, upon first written invitation by the Bank, a new collateral, or to repay his/her obligations to an amount indicated by the Bank.

21.1. The Borrower is obliged not to carry out any actions of disposal, including mortgaging/pledging of the collateral established in favour of the Bank, as well as to ensure non-performance of actions of disposal where the collateral is established by third parties.

22. In the event of housing and mortgage loans the Borrower undertakes to ensure payment of the fees: for renewal of the registration of the collateral under the loan agreement within 30 days before the expiry of the initial period of registration. In case the Borrower fails to submit a document certifying payment of the fees within the time limit specified, they shall be paid by the Bank, but the account for the servicing of the loan shall be debited with their amount. In the absence of available funds in the account, the Bank shall have the right to debit any other account of the Borrower or of the co-debtors kept with it: the preparation of an update of the collateral assessment is carried out according to the Bank's Tariff for private individuals. For the collateral assessment other than the types listed in the Tariff for Private individuals, fees according to the Tariff for legal entities shall apply.

23. Each mortgaged or pledged property shall be insured annually only to the benefit of the Bank and the insurance should cover its actual value, but not less than the remaining amount/credit limit of the loan. The BORROWER undertakes, within 7 days before the end of the insurance year, to submit to the BANK documents for the paid insurance premium as due or for the insurance taken out for the property/items, constituting collateral under the Agreement with an insurance company included in [the list](#) published on the Bank's website. Failure to submit the documents within the specified time-limit shall be deemed as consent granted by the Borrower for the collateral to be included in the insurance cover by the Bank, and the account of the Borrower to be debited with the amount of the insurance premium paid by the Bank, as set out in the Price List for Private Clients of ProCredit Bank (Bulgaria) EAD. The Borrower shall owe the Bank annually a fee for the inclusion, processing and maintenance of the collateral in an insurance cover in the amount set out in the Price List for Private Clients of ProCredit Bank (Bulgaria) EAD.

## **VI. OBLIGATIONS FOR NOTIFICATION**

24. By signing the loan agreement, the Borrower/Co-debtor/Guarantor agrees for the Bank to send any notifications, invitations, letters to him/her by one of the following channels: via the Internet banking system ProB@nking of ProCredit Bank (Bulgaria) EAD, via e-mail; by a letter with acknowledgement of receipt or to deliver them in person.

The letters will be deemed served if sent to the address specified by the liable person, regardless of whether they are received thereby. In the event the letters are sent via the Internet banking system ProB@nking, they shall be considered received upon the expiry of 7 business days from dispatch thereof. The Borrower is obliged to promptly notify the Co-debtor/Guarantor of the notification made with the relevant letter.

## **VII. DEMAND FOR EARLY REPAYMENT**

25. The Bank is entitled to block the account of the Borrower/Co-debtor/Guarantor, to unilaterally suspend the utilisation of loan amounts and/or to demand immediate payment all its receivables under the loan agreement regarding the principal, interest and any other incurred and outstanding obligations and to commence their early collection, in the following hypotheses:

- (a) non-payment on the scheduled date of any due installment or interest payment;
- (b) non-payment on the scheduled date of any fee/commission/expense;
- (c) failure to ensure timely establishment of collateral as agreed in the loan agreement;
- (d) upon termination of the employment/service contract and/or upon reduction of the employment or equivalent remuneration of the Borrower;
- (e) where the Bank finds that the decision on granting the loan was made on the basis of untrue data submitted by the Borrower/Co-debtor;
- (f) the Borrower/Co-debtor becomes insolvent or insolvency proceedings are opened against him/her, or enforcement actions are taken against his/her property by third parties;
- (g) the Borrower/Co-debtor under a signed agreement for housing/mortgage loan fails to fulfil his/her obligation for renewal of the registration of the collateral provided prior to expiration of its validity.

25.1 Demand for early repayment occurs on the basis of a decision of the Bank. Notification of the debtor in such cases is only for information purposes, therefore the notification is not a precondition for the occurrence of the consequences of demand for early repayment.

26. Demand for early repayment of receivables occurs automatically on the 90<sup>th</sup> day from the scheduled date of the overdue obligation, regardless of its origin (fee/commission/interest/principal). In this case, notification to the Borrower/Co-debtor/Guarantor is not required.

27. Should the Bank demand early repayment of receivables, it shall have the following rights: to block existing and incoming funds in the accounts of the Borrower/Co-debtor/Guarantor and related parties and to proceed with repayment of the receivables;

to dispose of the pledged property by selling it under the terms of the Registered Pledges Act and art. 311 of the Commerce Act, subject to the terms and conditions of the respective pledge agreement and the legislation applicable to it;

to obtain an Court order/Writ of execution for its receivables pursuant to the loan agreement and to initiate enforcement proceedings under the Civil Code of Procedure against the collateral and the other movable and immovable property of the Borrower/Co-debtor/Guarantor in order to satisfy its claims.

28. All expenses concerning the judicial and extra-judicial collection of the loan payable to the Bank or paid by it shall be borne by the Borrower.

## **VIII. CONSEQUENCES OF NON-PERFORMANCE**

29. Should the Borrower fail to fulfil a condition of the loan agreement for the transfer of his/her salary to an account at ProCredit Bank (Bulgaria) EAD and/or to ensure establishment of collateral within the time-limit agreed between the parties and/or in case of non-fulfillment of any other condition of the credit agreement, the Bank shall be entitled to a penalty in the amount specified in the Tariff of the Bank for Private Individuals, which shall be deducted once from the Borrowers **account**. In case the default / non-provision of collateral lasts for more than 60 days, the Bank is entitled to unilaterally increase the interest rate as follows: for consumer loan - by 2 (two) percentage points; for housing/mortgage loan secured by a real estate mortgage - by 0.50 (zero point fifty) percentage points;

The Bank shall notify the Borrower within 7 business days of the upcoming change and the amount of the new installment on the e-mail address specified thereby or via the Internet banking system "ProB@nking". In the event of disagreement with the new interest rate the Borrower is entitled to repay early its obligation on the loan within 30 (thirty) days without a fee for early repayment.

30. In case of breach of the time-limits for repayment of the principal and/or interest on the loan, in addition to the agreed due interest specified in the repayment schedule the Borrower shall owe a default interest set out in the Price List for Private Individuals of ProCredit Bank (Bulgaria) EAD.

30.1. The Bank may block existing and incoming funds in the accounts of the Borrower/Co-debtor/Guarantor and their related parties without prior notice and before declaring its demand for early repayment in the following cases:

(a) systematic non-performance by the Borrower of any of his/her obligations under the loan agreement and/or these General Terms and Conditions;

(b) the Bank receives instructions for distraint of the funds held in the Borrower's and/or the Co-debtor's and/or the Guarantor's accounts;

## **IX. CO-DEBTOR/GUARANTOR**

31. The Co-debtor shall have the same obligations under the loan agreement with the Bank and these General Terms and Conditions as the Borrower. The Co-debtor/Guarantor shall be jointly and severally liable with the Borrower and by signing the loan agreement they give their unconditional consent to the Bank to collect ex officio from their accounts all obligations due on the loan in case the Borrower fails to pay.

## **X. TERMINATION**

The loan agreement may be terminated unilaterally by the Bank in the event of non-performance of obligations by the Borrower or where conditions for demand for early repayment exist. The Bank is entitled to block the accounts of the Borrower/Co-debtor/Guarantor until the full repayment of all its receivables under the loan agreement, and to deduct ex officio amounts from the accounts of the Borrower/Co-debtor/Guarantor for repayment of an obligation due.

33. The agreement shall be terminated upon expiration of the contractual period, except in the cases of an existing clause for its automatic renewal upon occurrence of the preconditions set out in the agreement.



34. A consumer loan agreement may also be terminated when exercising the right of renounce within 14 (fourteen) days from the date of conclusion of the loan agreement and upon occurrence of the preconditions under art. 29 of the Consumer Loan Act.

## **XI. RESOLVING DESPUTES**

35. The Borrower has the right to file objections related to loan agreements in each of the offices of ProCredit Bank (Bulgaria) EAD, at e-mail [contact@procreditbank.bg](mailto:contact@procreditbank.bg), at the Contact Centre on tel. 0 700 1 70 70.

36. Within 30 (thirty) days from the date of receipt of the complaint/objection, the Bank shall provide the Borrower with a written statement on the conflict/objection.

37. The official body responsible for supervision of the requirements:

- of the Consumer Loan Act is the Commission for Consumer Protection, with mailing address: Sofia 1000, 4A Slaveykov square, fl. 3, 4 and 6, e-mail address: [info@kzp.bg](mailto:info@kzp.bg);

- of the Real Estate Customer Loans Act is the Commission for Consumer Protection, with mailing address: Sofia 1000 4A Slaveykov square, fl. 3, 4 and 6, e-mail address: [info@kzp.bg](mailto:info@kzp.bg) and the Bulgarian National Bank with mailing address: Sofia 1000, 1 Knyaz Alexander I square, e-mail address: [pressoffice@bnbank.org](mailto:pressoffice@bnbank.org).

## **XII. MISCELLANEOUS**

38. The Bank collects, processes and stores personal data of the Borrower/Co-debtor/Guarantor, of their representatives or persons authorised thereby in compliance with Regulation (EU) 2016/679 on the protection of personal data and the Bulgarian legislation. In this regard, the Borrower/Co-debtor/Guarantor are familiar with their rights and with the Privacy Policy of ProCredit Bank (Bulgaria) EAD, and are informed that their refusal to provide personal data where this involves a legal requirement for the Bank shall prevent emergence of the relationship.

39. The General Terms and Conditions shall form an integral part of the loan agreement and in the event of a discrepancy between them and the agreement, the clauses of the loan shall prevail.

40. For any matters not settled herein, the provisions of the effective Bulgarian law shall apply.

41. ProCredit Bank (Bulgaria) EAD reserves the right to amend these General Terms and Conditions and shall announce the changes by displaying them up in the bank halls for customer access, by publishing them on the Bank's official website [www.procreditbank.bg](http://www.procreditbank.bg) and via the Internet banking system "ProB@nking". In the event the user does not agree with the amendments to the General Terms and Conditions, he/she may, within thirty days of receipt of the notification, prepay the loan without owing a fee for early repayment. In the event the Borrower is notified of the change in the General Terms and Conditions and he/she expresses no disagreement with the change within the 30-day period, the amended General Terms and Conditions shall become an integral part of the agreement.

The present version of the General Terms and Conditions for Lending to Private Clients has been approved by the Management Board of ProCredit Bank (Bulgaria) EAD in accordance with Minutes No. 895 and is effective as of 15.09.2023