

## GENERAL TERMS AND CONDITIONS OF FIRST INVESTMENT BANK AD FOR LOANS TO INDIVIDUALS SECURED BY MORTGAGE

### I. DEFINITIONS

1.1. For the purposes of these General Terms and Conditions (hereinafter GTC), the bank credit Agreement (hereinafter the Agreement) concluded between the Borrower and First Investment Bank AD having its registered office at: 37 Dragan Tsankov Blvd., city of Sofia, with UIC 831094393, holding universal license No PA22-2257 / 16.11.2009 issued by the Bulgarian National Bank (BNB), which supervises the activities (hereinafter the Bank) and all appendices thereto, the terms listed below shall have the following meanings:

- a) „Base Interest Rate (BIR)” shall mean a variable interest rate index used by the Bank as basis for calculating the interest rate on the loan. BIR shall be approved by the Managing Board of the Bank and calculated for each individual type of currency, following a method announced by the Bank, on the basis of the ratio between the projected costs of the liabilities of the Bank and the market interest rates for the same currency, applicable to credits in local and foreign currency. BIRce shall mean the Basic Interest Rate adjusted with market environment ratio. BIR shall be applied as a Reference rate for credit agreements entered into before 23 July 2014;
- b) „the Agreement” shall mean a written agreement concluded between the Bank and the Borrower, whereby the Bank undertakes to grant the Borrower a loan (overdraft) for a particular purpose and under agreed terms and conditions, and the Borrower undertakes to use and repay the loan (overdraft) together with the due interests, fees, charges and expenses under the terms and conditions of the Agreement and the present GTC;
- c) „Borrower” shall mean a legally qualified and capable individual to whom the Bank has provided a bank loan which is drawn, used and repaid according to the terms and under the conditions provided in the Agreement and these GTC;
- d) „Interest Period” shall mean every month of the validity of the Agreement, during which interest is accrued as agreed between the parties. The last interest period ends on the date of repayment of the loan and may be incomplete;
- n) „Savings-based Interest rate” (SIR) shall mean a Reference rate calculated for each type of currency following a method announced by the Bank, used as basis for calculating the variable interest rate applicable to the credit agreement;
- e) „Collateral” shall mean any surety, guarantee, pledge or mortgage, requested by the Bank and provided by the Borrower, which gives the Bank the opportunity in case of non-repayment of any amount due under the loan, to collect it from the surety or guarantor, or by selling the pledged or mortgaged property;
- f) „Total amount of credit” shall mean the maximum limit, or the total amount provided under the credit Agreement;
- g) „Total cost of credit to the consumer” or „Total Cost” shall mean all costs on the loan, as defined in the Additional Provisions, § 1, item 1 of the Law on Real Estate Loans for Consumers (LRELC).
- h) „Total credit exposure” shall mean the sum of all financial obligations of the Borrower to the Bank and to other credit and financial institutions, including mutual funds, regardless of the grounds on which they have occurred;
- i) „Total amount payable by the consumer” shall mean the sum of the total amount of credit and total cost of credit to the consumer;

j) „Overdraft” shall mean credit which the Borrower uses in the form of exceeding the balance available on the Current account, up to a limit, for a period of time, and under the conditions specified in the Agreement and these GTC;

k) „Business Day” shall mean any day on which banks in the Republic of Bulgaria work and carry out transactions;

l) „Current account” or „The Account” shall mean the account specified in the Agreement, kept by the Bank in the name of the Borrower, to which the loan amounts are disbursed by the Bank, and to which the principal, interest, commissions and other expenses due are repaid by the Borrower. The Bank shall open the Account at the request of the Borrower, which is considered given by signing the Loan Application. The relations between the parties in connection with the Account shall be governed by the Bank’s General terms and conditions for opening and maintenance of bank accounts and provision of payment services. The Bank shall have the right to automatically close the Account at the expiration of the term of the Agreement;

m) „Reference rate” shall mean the interest rate used by the Bank as basis for calculating the variable interest rate applicable to the credit agreement. The Bank shall publicly disclose the Reference rates – SIR, as well as the applicable base interest rates – BIR, BIRce (Reference rates for credit agreements entered into before 23 July 2014), by announcing them in the Interest Bulletin, an integral part of the Tariff of fees and commissions of the Bank, published on the website of the Bank at [www.fibank.bg](http://www.fibank.bg), and made available in the Bank’s offices, or in another generally accessible way. In cases where the Reference rate is a market index, the Bank shall indicate publicly available sources of information;

n) „Benchmark rate” shall mean a market index or indicator used in determining the Reference rate, such as LIBOR, EURIBOR, BIR and/or other indicators published by the Bulgarian National Bank (BNB), the National Statistical institute, or a combination thereof;

o) „Co-debtor” shall mean any natural or legal person that, under Art. 121, et seq. of the Obligations and Contracts Act and Art. 304 of the Commerce Act, undertakes to be jointly liable with the Borrower for repayment of all obligations arising from the Agreement and pursuant to these GTC. The references and provisions of the Agreement and these GTC concerning the obligation of the Borrower to secure and repay the loan, together with all interest, fees and other expenses payable, shall apply and be fully relevant to the Co-debtor in their capacity as joint debtor;

p) „Tariff” shall mean the Tariff of fees and commissions of First Investment Bank AD, adopted by the Managing Board of the Bank, including the Bulletin of Interest Rates accrued by the Bank on bank accounts in local and foreign currency (hereinafter the Interest Bulletin), together with all amendments and supplements thereto as at the date of their application;

1.2. Where the context so requires, the terms listed above in the singular may also be used in the Agreement and these GTC in the plural, without changing the meaning attributed to them.

### II. SUBJECT

2.1. These GTC shall regulate the terms and conditions for granting, utilization, securing and repayment of credits to individuals secured by mortgage and shall form an integral part of the Agreement.

### III. CONDITIONS FOR UTILIZATION OF THE LOAN

3.1. The loan agreed under the Agreement shall be disbursed as a single amount or in parts as per the provisions of the Agreement, after signing of the Agreement, providing/ensuring the provision of the agreed collaterals by the Borrower, presenting the corresponding certificates of liens in connection with their establishment proving the rights of the Bank as first priority creditor, and insuring the property pledged as collateral under the terms of item 9.5. below.

3.1.1. Upon conclusion of a agreement for overdraft, the Borrower shall have the right to utilize funds from the overdraft up to the amount specified in the Agreement. The Bank may unilaterally terminate the right of the Borrower to utilize funds from the overdraft if the Borrower fails to fulfill his obligations under the Agreement or these GTC.

3.1.2. In case of payments exceeding the agreed amount of the overdraft, made by order of the Borrower or officially by the Bank for repayment of fees, commissions, interests, insurance premium or other fees due to the insurer owed by the Borrower, the excess amount used shall be considered an unauthorized overdraft, which shall be immediately due from the Borrower.

3.2. After expiration of the time period for utilization of the loan specified in the Agreement, the obligation of Bank to disburse the unused amount of the loan shall be extinguished.

3.3. In agreements for overdraft, the time period for use of the overdraft shall be specified in the Agreement. After expiration of this period, the right of the Borrower to use an overdraft on his Current account shall be extinguished.

3.4. The utilization and repayment of amounts of the loan shall be reflected in the books of the Bank with value dates as follows:

- a) the day of crediting the current account with the respective disbursement amount;
- b) the day of debiting the current account with the respective repayment amount.

3.5. The amount of the loan shall be considered utilized when it is credited to the current account.

3.6. If the loan is utilized prior to the disbursement deadline specified in the Agreement, the respective date shall be considered as disbursement deadline.

### IV. INTERESTS, FEES AND COMMISSIONS

4.1. The Borrower shall pay to the Bank annual interest rate charged on the outstanding principal, amounting to the applicable Reference rate for the currency of the loan under the Agreement, increased by a margin as indicated in the Agreement. The Agreement may also provide for a fixed interest rate for all or part of the loan term. Interest shall be charged only for the days of actual use of the loan.

4.1.1. The interest owed by the Borrower, determined in the Agreement, shall be paid periodically, according to the amounts and maturity dates detailed in the repayment plan – Attachment to the Agreement. The amounts of the interest payments specified in the repayment plan are calculated on the loan principal based on the reference rates for the loan currency effective as at the date of the Agreement. They do not reflect the exact amount of interest due for each individual interest period and are of indicative nature only.

4.1.2. The exact amount of interest owed by the Borrower shall be calculated by the Bank for each interest period upon maturity of the respective interest payment, specified in the repayment plan – Attachment to the Agreement.

#### Changes to the repayment plan and installment amounts

4.1.3. In case of change of the interest rate as a consequence of change in the applicable benchmark rate for the currency of the loan, whereby

the monthly installment exceeds the agreed amount under the current repayment plan, the Bank shall change the repayment plan and recalculate the monthly installment according to the new interest rate without the need for resigning the Agreement. The Bank shall notify the Borrower and the Co-debtor on paper or another durable medium of the change in the amount of monthly installment and send them the new repayment plan for the loan reflecting the change, which shall be binding for the parties.

4.1.4. In case the conditions for applying a preferential interest on the loan are no longer in place, or there are grounds to increase the interest due under the Agreement with an additional margin, the Bank shall recalculate the monthly installment according to the new interest rate and change the repayment plan. The Bank shall notify the Borrower and the Co-debtor on paper or another durable medium of the change in the amount of monthly installment and send them the new repayment plan for the loan reflecting the change, which shall be binding for the parties.

4.1.5. In case of change of the interest rate as a consequence of change in the applicable benchmark rate for the currency of the loan which does not lead to the result indicated in item 4.1.3 the Bank shall, for the convenience of the Borrower, preserve the agreed monthly installments with the exception of the last one. The Parties agree and the Borrower has been informed in advance that this last loan installment shall be an equalizing installment reflecting the outstanding principal, in the calculation of which the actual principal and interest payments made have been taken into consideration, as well as the movement of the benchmark rate from the date of the last repayment plan applicable to the Agreement to the date of drafting the new repayment plan. The Bank shall provide the Borrower, on paper or another agreed durable medium, once a year by the end of January following the end of the respective calendar year, with information on the installment amounts, as well as of the number and periodicity of installments in case of change, by sending the new repayment plan reflecting the change, which shall be binding for the parties.

4.1.6. In other cases indicated in these GTC.

4.1.7. In the case of an overdraft agreement between the Borrower and the Bank, the interest owed by the Borrower shall be charged on the utilized amount of the overdraft and collected automatically by the Bank at the end of each calendar month from the Current account, pursuant to item 12.1 of these GTC.

4.1.8. Upon termination of the right of the Borrower to use an overdraft under the Agreement, the interest due from him shall be paid pursuant to item 4.1.1 and item 4.1.5 of these GTC.

4.2. The Bank shall have the right to change the Total Cost of the loan, increasing or decreasing it through an increase, respectively decrease in one or more of the cost components comprising the Total Cost of the loan provided one or more of the following circumstances are in place: (1) significant changes in the legislative, respectively the regulatory requirements by the supervisory bodies that affect the activity of the banking system and/or the Bank; significant changes in the monetary policy of the Central Bank, such as change in the official exchange rate of the Bulgarian lev to the euro, devaluation of the lev, denomination of the lev; and/or (2) any changes in the amounts of insurance premiums or the costs of other additional services related to the loan agreement that were agreed upon its conclusion or subsequently requested by the Borrower. Changes in the respective type/s of cost/s shall apply to the Agreement automatically, from the date of their occurrence, without the need to conclude an additional agreement with the Borrower. The Bank shall inform the Borrower for the change in 7 days, excepting that other applicable law, related to the cost, requires longer term for notification before the changes are in force, by notification on its website at [www.fibank.bg](http://www.fibank.bg) or by ensuring them available in writing on a durable medium, by announcing them in its banking offices or in another specified way. In case that the changes concern fees and commissions related to payment services the charges are in force regarding the requirements of Law on Payment Services and Payment Systems. In case of disagreement by the Bor-

rower, the latter shall be entitled to terminate the Agreement and repay his obligations under the terms of the Agreement.

4.3. The Bank shall notify the Borrower of any change in the reference rate (SIR, respectively BIR for credit agreements entered into before 23 July 2014) on the Bank's website at [www.fibank.bg](http://www.fibank.bg) or by making it available on paper or another durable medium in the bank offices, or in another agreed manner.

4.4. In connection with the disbursement, commitment, utilization, securing and repayment of the loan, as well as with the use of any other banking services related to the execution of rights and obligations of the parties under the Agreement and these GTC, the Borrower shall owe the Bank fees and commissions according to the current Tariff as at the date of their payment.

4.5. All payable interests and other analogous amounts shall be calculated based upon the actual number of days, accepting the year as consisting of 360 days.

4.6. The methodology of First Investment Bank AD for determining the Reference rate shall form an integral part of the Agreement.

4.7. In the event that a market index ceases to be calculated or undergoes a material change, or any of the indicators used by the Bank for the formation of SIR (the variable component) cease to be officially announced, then for the remaining period of the Agreement the Bank shall form the variable component on the basis of another combination of officially announced indicators, or another current market index, provided that at the date of the change the total interest rate on the loan (defined as the variable component plus the fixed margin) may not exceed the total interest rate on the loan at that date calculated under the previous procedure. The change shall automatically apply to the Agreement, without signing an annex with the Borrower being necessary. The Bank shall announce the change by a notification on its website, and in its banking offices. The notification shall contain information on the interest rate applicable after the change, and the date from which the change becomes effective. Should Borrowers disagree with the change, they shall have the right to terminate the Agreement after settling all their obligations under the terms of the Agreement.

## **V. REPAYMENT OF THE LOAN**

5.1. The loan used by the Borrower shall be repaid through the Current account, in equal monthly installments, each one with maturity and to the amount as specified in the repayment plan – Attachment to the Agreement. The final term for repayment of the loan shall be specified in the Agreement.

5.1.1. In the case of an overdraft agreement between the Bank and the Borrower, the Bank shall close the overdraft on the day following the final term for use of the overdraft, specified in the Agreement.

5.1.2. If there are any outstanding obligations on the overdraft at the date of its closure, those shall be repaid by the Borrower according to the attached repayment plan, an integral part of the Agreement. The final term for their repayment shall be indicated in the Agreement.

5.1.3. If on the day following the closing of the overdraft the debit balance on the Current account is less than the maximum amount specified in the Agreement, and if the parties have not expressly agreed otherwise, the repayment plan for the remaining outstanding amount shall be recalculated by the Bank and the outstanding amount of the overdraft shall be repaid by the Borrower according to a new repayment plan while preserving the deadline for the repayment of the loan specified in the Agreement, to which effect the parties shall sign an annex to the Agreement. The Bank shall notify the Borrower of the number and amount of the monthly installments on the loan and send them the new repayment plan which shall be binding for the parties.

5.1.4. If on the day following the closing of the overdraft the debit balance on the Current account is greater than the maximum amount specified in the Agreement, the agreed amount of the loan obligation shall

be repaid by the Borrower according to the repayment plan – Attachment to the Agreement. The exceeding amount shall be due immediately, referred in arrears, and accrue interest pursuant to item 6.1.1 of these GTC.

5.2. The amounts of the monthly installments specified in the repayment plan are calculated based on the Reference rate of the Bank for the loan currency effective as at the date of signing the Agreement. They do not reflect the exact amounts of the installments due for each individual interest period or the ratio between the principal and interest which are paid with each installment, and are of indicative nature only.

5.3. When a payment made by the Borrower is not sufficient to cover in full the latter's obligations under the Agreement, those obligations shall be covered in the following order: 1. fees, commissions and expenses 2. late payment compensation (penalty surcharge); 3. overdue interest; 4. contractual interest; 5. principal, unless the parties have expressly agreed otherwise.

5.4. The Borrower shall have the right to repay early part or all of their obligations under the Agreement pursuant to an express written request deposited at the Bank, containing the amount of early repayment and the date on which the Borrower wishes to make it.

5.5. In case of early repayment of all or part of their obligations under the Agreement as set out in item 5.4. above, the Borrower shall not owe a commission to the Bank except where expressly provided by law, in the amount as per the Tariff.

5.6. In the event of early repayment of part of the obligations of the Borrower under the Agreement, the Bank shall recalculate the amount of the interest due for the remainder of the period until the full repayment of the loan.

## **VI. OVERDUE PAYMENTS**

6.1. Any amounts payable but overdue because of insufficient balance on the current account of the Borrower shall be referred in arrears. For the period of delay, the Borrower shall owe late payment compensation (penalty surcharge) on the overdue amount. Such penalty surcharge shall be in the amount of the statutory rate.

6.1.1. In the case of an overdraft agreement between the Bank and the Borrower, any amounts due which exceed the authorized limit of the overdraft shall be considered an unauthorized overdraft and accrue the respective interest according to the Interest Bulletin to the Tariff of the Bank. The excess amount used shall be immediately due from the Borrower.

6.1.2. Items 6.1. and 6.1.1. shall also apply in cases of early collection.

## **VII. RIGHTS AND OBLIGATIONS OF THE BORROWER AND THE CO-DEBTOR**

7.1. The Borrower shall be obliged to:

a) use the approved credit only for the purposes provided in the Agreement;

b) ensure sufficient funds on the Current account for timely performing of the payments under the repayment plan – Attachment to the Agreement, as well as of any other amounts due to the Bank under, and/or in relation to the Agreement. If the maturity date of the respective installment coincides with a public holiday, the Borrower shall be obliged to provide funds on the Current account for the respective payment on the last working day prior to maturity day;

c) provide the Bank with reliable and up-to-date information about his financial condition, creditworthiness and about the provided collateral, as well as with any additional documentation concerning his activities for the purposes of the banking supervision;

d) allow performing of inspections by employees of the Bank concerning both the proper utilization of the loan funds, and the presence and condition of the pledged collaterals, while providing them with the nec-

essary assistance;

e) provide a declaration of relatedness (in a standard form) and notify the Bank immediately and in writing in case of any changes to the circumstances declared therein;

f) immediately notify the Bank upon the occurrence of circumstances which constitute grounds for modification, termination, or giving a notice for termination of an employment/service contract or a civil or management contract to which the Borrower is a party, regardless of the basis for this, of entering into a new employment/service contract, or of any circumstance which may cause non-execution of the insurance policy terms, its termination or a refusal by the insurer to take out an insurance as well as upon the occurrence of events that create objective impossibility or undermine in any way his ability to fulfill his obligations under the Agreement;

g) maintain for the entire term of the Agreement the correlation between the constant net monthly income in comparison with the total amount of the monthly payments at the total credit exposure of the Borrower and the same correlation as of the date of the granting of the loan;

h) not to pledge his receivables to accounts with the Bank in favor of third parties without the consent of the Bank;

i) to take out an insurance of the property taken as collateral at his expense in favor of the Bank co-ordinating the insurance risks in advance.

7.2. The Borrower shall be obliged to immediately notify the Bank upon the occurrence of any changes in the data declared by him before the Bank.

7.3. The Borrower shall be entitled to receive free of charge upon request, at any time of the implementation of the Agreement, copies of the latter and of the annexes thereto, and account statements showing the made and future payments under the repayment plan. The rights under the preceding sentence may also be exercised by each mortgagor, guarantor or joint debtor under the Agreement.

7.4. Upon signing the Agreement and acceptance of these GTC, the Co-debtor declares that they are qualified and/or legally competent to enter into, secure, and perform under the terms of the Agreement and the GTC in the capacity as Co-debtor pursuant to Art. 121 et seq. of the Obligations and Contracts Act and Art. 304 of the Commerce Act and irrevocably and unconditionally undertakes:

a) to be jointly liable with the Borrower for the entire amount of the Borrower's debt and for all consequences of non-fulfillment of the obligations arising from the Agreement and the GTC, including for interest, fees, commissions and expenses, and also including for payment of the insurance premiums due under the mortgaged property insurance;

b) in case of default by the Borrower on the obligations under the Agreement and the GTC and without the need for the Bank to direct its action first to the Borrower, to pay voluntarily at the earliest invitation by the Bank all amounts due, including for interest, fees, commissions and expenses, and also including for unpaid insurance premiums under the mortgaged property insurance;

c) to be liable with all their movable and immovable property until final repayment of the obligations arising from the Agreement and under the GTC, without obligation for the Bank to bring an action against the Borrower within a specified period;

d) promptly notify the Bank of any changes to the information and documents provided by them at the conclusion of the Agreement, or which have served to motivate the Bank for its conclusion;

e) if, after being invited to pay any due obligation of the Borrower under the Agreement and pursuant to the GTC, the Co-debtor fails to do so within the period specified by the Bank, the Bank shall be entitled at its discretion to collect the amounts due to from all accounts of the Co-debtor kept in the Bank, to which effect the Co-debtor gives their explicit consent by signing of the Agreement.

## VIII. OBLIGATIONS OF THE BANK

8.1. The Bank shall be obliged to provide the approved credit as agreed in the Agreement and according to the present General Terms and Conditions.

## IX. COLLATERALS

9.1. To secure the claims of the Bank on the provided credit – principal, interest, fees, commissions and expenses, the Borrower and/or third parties shall establish in favor of the Bank a first ranking legal or contractual mortgage on real estate property described in the Agreement, unencumbered by weights or limited property rights in favor of third parties, as well as other collaterals according to the Agreement.

9.2. All expenses for the evaluation, establishment, renewal and cancellation of the collaterals shall be borne by the Borrower.

9.3. The Borrower shall be obliged:

a) not to perform any acts of disposal, establish property rights, or encumber in any other manner the mortgaged real estate property without the prior written consent of the Bank;

b) to maintain the real estate property in a condition suitable for its intended use by performing all the necessary repair works, as well as to pay all required taxes, fees and expenses for its maintenance;

c) not to perform or permit the performance of any actions that would restrict the rights of the Bank as a secured creditor, or reduce the value of the mortgaged real estate property.

9.3.1. In the event that the obligations of the Borrower under the Agreement are secured by a mortgage established by a third party in favor of the Bank, the Borrower shall ensure the consent for property insurance as well as the fulfillment of the obligations under item 9.3, item 9.5 and item 9.10 by the third party.

9.4. The Bank shall have the right at least once every 12 months to perform periodical assessments of the market value of the mortgaged real estate property, for which the Borrower shall be obliged to provide it with the necessary assistance. The assessment shall be performed by licensed appraiser designated/accepted by the Bank. At any time of the operation of the Agreement, the market value of the mortgaged real estate property shall not be lower than a percentage from the loan debt as defined in the Agreement. The assessments of the market value of the property shall be made at the expense of Borrower at fees for the assessment or position for the assessment according the Tariff of fees and commissions of the Bank.

9.5. The Borrower shall conclude and maintain, or ensure the conclusion and maintenance, for the entire term of the Agreement, of property insurance on each of the real estate properties subject to insurance that the Bank has accepted as collateral, for insurance risks agreed with the Bank in advance, and under the following conditions:

9.5.1. the insurance shall be taken in favor of the Bank as a third utilizable person and as a first beneficiary under the insurance contract including the insurer's obligation to repay the amount of the insurance collateral on the account of the Bank up to the outstanding part of the loan together with the interests and the expenses as of the date of occurrence of the insured event provided there is an insurer approved by the Bank.

9.5.2. The insurance sum for the initial one-year period of the duration of the insurance policy shall be equal to the market value of the property serving as collateral under the Agreement, but not more than 1.5 times the amount of the loan, and for each subsequent one-year period of the Agreement's term the amount of the insurance sum shall be equal to the market value of the property specified in the Agreement, but not more than 1.5 times the outstanding on the loan as at the time of renewal of the insurance policy.

9.6. The Borrower shall be obliged to pay in time the entire insurance premium and other amounts when concluding the insurance policy without negotiating deferred payment.

9.6.1. The Borrower shall be obliged to conclude and provide in the Bank a new insurance policy following the conditions under item 9.5. above in a 10 (ten) days term before the expiry of each insurance policy.

9.7. By concluding the Agreement the Borrower shall agree and authorize the Bank on his behalf, and on his account and by Bank's decision to conclude a contract for property insurance of each real estate taken as a collateral in Bank's favor and liable to insurance having an insurer appointed by the Bank under the terms of item 9.5.1. and item 9.5.2. of these General terms and conditions beyond the cases when the insurance is concluded by the Borrower himself.

9.7.1. In case the Bank is notified that an insurance policy concluded by the Borrower is being terminated or in case the Borrower has not provided to the Bank an insurance policy for a subsequent term of one year in the term under item 9.6.1. the Bank shall conclude an insurance policy as per item 9.7. on behalf of the Borrower/the Mortgager and on Borrower's account by providing the Borrower the information under item 9.8. on a paper or other durable medium.

9.7.2. The Borrower shall be obliged to provide enough funds on his account for payment of the insurance premium and the amounts due to the insurer in the term under item 7.1., letter "b". After the first year of the Agreement's term the Bank shall notify the Borrower of the maturity of the insurance policy.

9.7.3. The Bank shall debit the Borrower's account with the amounts due to the insurer on the last day of the insurance policy term as well as in case the Bank has taken out an insurance of the real estates which are liable to a collateral as per item 9.7.1. and the Borrower shall give his explicit consent for that by signing the Agreement. In case of insufficient balance on the account the exceeding amount shall be considered as unauthorized overdraft and shall be immediately collectable by the Borrower.

9.8. By signing the Agreement, the Borrower declares that he has received from the Bank all the information relevant to the conclusion and performance of the insurance contract, including the general terms and conditions of the insurance, information about the insurer, the subject of the insurance, the insurance sum, the term of the insurance, and the beneficiaries thereof, the questions raised by the insurer and the answers given by the Bank.

9.9. All expenses over concluding the insurance as insurance premiums, taxes due under the Law on the Insurance Premiums Tax (LIPT), taxes on property valuation as well as other expenses due to the insurer shall be on Borrower's account and paid by him unless other agreed between the Borrower and the Bank.

9.10. For all insured events in favor of the Bank the Borrower shall be obliged to:

9.10.1. comply with all conditions and requirements of the insurer under the insurance policy, as well as not to conduct or allow any actions or inactions which would lead to revocation or restricting of the rights of the Bank under the insurance.

9.10.2. notify immediately the Bank and the insurer of each insured event which has taken place in a 48 hours term after he has come to know about these circumstances, unless a shorter term is provided in the insurance policy.

9.10.3. in case of occurrence of an insured event to take, within the time prescribed by the insurance contract, all actions that are necessary and required by the insurer, including to submit the documents required to establish the event and the amount of damage based on which the Bank is to be indemnified under the insurance policies.

9.11. In case of occurrence of an insurance event under the insurances above, the Bank shall be entitled to preferential indemnification from the insurance compensation. The amount of the insurance compensation received by the Bank shall be used to repay the obligations of the Borrower under the Agreement, unless the parties expressly agree otherwise. When the received amount exceeds the obligations of the Borrower on the

loan, the Bank shall pay the difference to the full amount of the received insurance compensation to the Borrower.

9.12. After full repayment of all obligations of the Borrower under the Agreement, the Bank shall be obliged to release all collaterals established in its favor according to the Agreement, including to give its consent for release of the legal or contractual mortgage, not later than 14 days from receiving a written request from the Borrower and payment of the fees due.

## **X. EARLY COLLECTION**

10.1. The Bank shall have the right to call the loan due and payable early and in full:

10.1.1. Immediately, by written notice to the Borrower, in the event that:

a) the Borrower allows restrictions to be imposed on his ownership rights on real estate property, or any interdictions or legal weights are put on his real estate property, and/or forced execution is carried out on any of his property;

b) the Borrower has used the loan for purposes other than those stipulated in the Agreement;

c) the operation of the Agreement is terminated, regardless of the reason for that – from the date of its termination;

d) the correlation between the constant net monthly income in comparison with the total amount of the monthly payments at the total credit exposure of the Borrower has been reduced comparing with the same correlation as of the date of the granting of the loan;

e) as a result of changes in the prices, damages, failures and others, the value of the provided collateral according to the assessment under item 9.4. becomes insufficient and, following an invitation in 2 months, is not supplemented or replaced with another, and/or the amount of the duty has not been reduced to reach the proportion duty/assessment of the collateral specified in the Agreement or the Borrower has provided a collateral but has not fulfilled his obligations under item 9.5. or item 9.6. of the present General terms and conditions and has not taken out an insurance in case of a real estate collateral – from the date of expiry of the term;

f) the insurance policy concluded under the conditions of item 9.5. or item 9.6. is terminated before the Agreement's term; the Borrower or the third party–mortgager cause by their actions a refusal for repayment of the insurance policy collateral by the insurer;

g) a distraint in favor of a third party is imposed on the Current account.

10.1.2. By written notice to the Borrower for a term determined by the Bank, in the event that:

a) the Borrower does not make any payment under the Agreement (does not ensure sufficient balance on the Current account) for more than 30 working days after the date on which such payment has become due;

b) the Borrower fails to make any payment due on another loan provided by the Bank due to serious deterioration of his financial condition;

c) the Borrower has provided false or inaccurate data, information, confirmations, statements, certificates or other documents which have motivated the Bank to conclude the Agreement and perform its obligations under it;

d) the employment/service contract of the Borrower is terminated, except in the case of entering into a new employment/service contract, or concluding of a civil or management contract with compensation equal to or greater than that under the terminated employment/service contract;

e) the Borrower violates any other condition under the Agreement, these GTC, or in relation to the collaterals provided.

10.2. In the event that by expiration of the term of the written notice under item 10.1.2. the Borrower fulfills his due obligation or eliminates the admitted violation, the Bank may waive its right to demand the loan to be repaid early and in full.

10.3. The used credit shall become due and payable immediately and in full and the Bank shall have the right to take action for compulsory collection of its receivables, including by court order, without notifying the Borrower and without allowing additional time for compliance, in all cases where there is a delay in payment of any due obligation of the Borrower to the Bank for a period longer than 150 (one hundred and fifty) calendar days from the date on which such obligation has become due under the Agreement and these GTC.

## **XI. DEFAULT**

11.1. In the event that the Borrower fails to fulfill any of his obligations under the Agreement and the present GTC within the set time limit or the loan is called due and payable early and in full under the conditions of Section X of these GTC, the Bank shall have the right to:

- a) suspend granting of the undisbursed amounts of the loan;
- b) indemnify itself at its own discretion from all collaterals simultaneously, or from one or several of them, in the order provided by law and according to the responsibility chosen from the Borrower and specified in the Agreement;
- c) make the Borrower's data available to third parties whom the Bank has commissioned with the collection of its receivables under the Agreement, or who, by virtue of a law or regulation, keep a public register of defaulting debtors, for which by signing of the Agreement the Borrower gives his unconditional and irrevocable consent;
- d) collect officially, without court intervention, its due receivables, including expenses, fees, commissions, interest and principal from all accounts of the Borrower with the Bank in the order stipulated in Section XII of these GTC, and/or to offset such receivables against its obligations to the Borrower.

## **XII. OFFICIAL COLLECTION**

12.1. With the signing of the Agreement, the Borrower gives to the Bank his explicit written consent for official collection of due payments within the meaning of Ordinance № 3 of the BNB and the General terms and conditions of First Investment Bank AD for opening and maintenance of bank accounts and provision of payment services, Section XV, based on which the Bank shall be entitled to officially collect on the maturity date or after it the due payments owed under the Agreement from each of the accounts of the Borrower kept with the Bank, including from deposit accounts, regardless of the conditions of the specific deposit contract. In the case of the preceding sentence, all consequences from the violation of the terms of the deposit shall be borne by the Borrower.

12.1.1. The consent given under the preceding item shall be deemed given also for the amounts payable for servicing of the Current account, according to the Tariff.

12.2. Should the Bank proceed with the official collection of amounts owed to it pursuant to item 12.1. from bank accounts of the Borrower which are in another currency, the exchange rate of the Bank for the respective currency for the date of performing the transaction shall apply.

## **XIII. TERMINATION**

13.1. The Agreement shall be terminated:

- a) by mutual agreement of the parties expressed in writing;
- b) unilaterally by the Borrower – by a written request to the Bank, provided that the Borrower has repaid in full his obligations under the Agreement prior to the date of its termination.

13.2. In the cases under item 13.1. the Agreement shall be deemed terminated:

- a) under letter „a” – from the date of reaching an agreement between both parties for its termination, or from another date fixed by mutual consent between the parties;
- b) under letter „b” – from the date of full repayment of the Borrower's obligations under the Agreement.

## **XIV. CURRENCY RISK**

14.1. The Borrower may exercise their right under Art. 33 para. 1 of LRELC to a currency in which the credit product is offered by the Bank, and under the conditions of the credit agreement signed. Currency conversion shall be made using the exchange rate of the Bank for the day.

14.2. For loans in foreign currency, in case of change in the exchange rate that leads to increase in the total loan outstanding or in the repayment installments by more than 20 per cent compared to their amounts calculated using the BNB exchange rate at the date of signing the credit agreement, the Bank shall notify the Borrower in writing to that effect. The notification shall include information on the amount of increase, the right of the Borrower to convert the loan currency, the applicable conditions, and the other relevant mechanisms for limiting currency risk.

14.3. If the loan is Bulgarian levs, upon change in the official exchange rate of the Bulgarian lev to the euro according to Art. 29, para. 1 and 2 of the Law on the BNB, the Bank:

- a) shall recalculate and adjust the remaining loan balance according to the new rate, so that the amount of adjusted debt (principal and interest due) in Bulgarian levs is equal to the euro-denominated amount owed by the Borrower on the day preceding the entry into force of the change in the official exchange rate, recalculated at the new lev/euro rate;
- b) may unilaterally amend the repayment plan of the loan, whereby failure by the Borrower to perform under the new plan shall make the loan due and payable pursuant to item 10.1. of these GTC.

## **XV. DECLARATIONS**

15.1. By signing of the Agreement, the Borrower declares that:

- a) the documents and information provided by him in relation to the conclusion and performance of the Agreement are valid, accurate and comprehensive;
- b) he is not party to court, arbitration or administrative proceedings, and is not aware of any pending or possible property claims of third parties that could have a material adverse effect on his ability to perform his obligations under the Agreement;
- c) he gives his consent to the Bank to transfer its receivables from him, arising from the Agreement, to third parties;
- d) s/he has been informed by the Bank of all conditions of the Agreement prior to its conclusion, and is familiar with them, as well as with the consequences and expenses in the event of late payment of amounts due, including on the basis of the pre-contractual information received from the Bank.
- e) s/he works under an employment/service or civil contract, or management contract, or has another source of permanent income with salary/net income declared to the Bank.
- f) s/he has received clarifications of the risks of possible movements in the exchange rate of the foreign currency or currencies that may affect the total amount due for loans in currencies other than the lev and the euro;
- g) s/he is aware of having a period of 14 days from receipt of the draft credit agreement to take a decision on the conclusion of the credit agreement.

15.2. The Borrower hereby states his knowledge of the fact that declaring of false or incomplete facts and circumstances constitutes grounds for: 1) material liability claims; 2) calling the loan fully due and payable; and 3) inclusion of the Borrower in the register of the BNB for defaulting debtors, or in another similar register kept by a third party by virtue of a law or regulation.

## **XVI. OBJECTIONS. DISPUTE RESOLUTION. APPLICABLE LAW**

16.1. The Borrower shall have the right to submit written objections concerning the Agreement according to the procedure provided by the Bank

for submitting of complaints and dispute resolution. The Bank shall make the information about its procedure for consideration of complaints „Procedure for Submission and Consideration of Customer Complaints“ available to customers in written form on a durable medium, by publishing it on the website of the Bank: [www.fibank.bg](http://www.fibank.bg), Customer Support section, as well as at the Bank's offices (upon request by the client). The Bank shall decide and notify the Borrower in writing of its decision on any objection submitted in relation to the Agreement within 30 days from the date of its receipt by the Bank.

16.2. The address of the Commission for Consumer Protection is: 1000 Sofia, 4 Slaveikov Square, Floor 3.

16.3. For any unsettled issues in the Agreement and the present GTC, the current banking regulations, the Law on Real Estate Loans for Consumers, the Law on Consumer Protection, the Commerce Act, and the other applicable legislative acts of the effective Bulgarian legislation shall apply.

16.4. Any disputes arising between the parties in relation to the implementation or the interpretation of the Agreement and the present General Terms and Conditions, shall be resolved by mutual consent, and in case such cannot be reached – by the competent Bulgarian court.

## **XVII. ACCESS TO INFORMATION**

17.1. By signing of the Agreement, the Borrower gives his unconditional and irrevocable consent to the Bank to perform checks and obtain any tax and insurance information within the meaning of Art. 72 of TSIPC from the revenue authorities, respectively from public executors, regardless of the form, type, quality and representative powers with which he is registered, in cases of:

- a) failure to fulfill any of the obligations under the Agreement;
- b) calling by the Bank of the loan due and payable fully or in part, under the conditions specified in the present GTC and in the Agreement.

17.2. The parties to the Agreement agree that the consent of the Borrower under the preceding item shall be considered valid authorization of the Bank in respect of all registered tax entities related to him, regardless of the form, type, quality, and representative powers, or the territory of the revenue authority, respectively public executor, and that this consent is given pursuant to Art. 74, para. 2, item 1 of TSIPC.

17.3. As a controller of personal data, First Investment Bank AD shall act in compliance with the legislation of the European Union (EU) and the Republic of Bulgaria, including with the requirements of Regulation (EU) 2016/679 of the European Parliament and of the Council on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EU (General Data Protection Regulation - GDPR), effective 25.05.2018. Personal data of clients shall be lawfully processed in the presence of at least one of the conditions under Art. 6, para. 1 of the GDPR.

The Bank shall provide to each client a document containing the information on processing of personal data required by law and under Articles 13 and 14 of GDPR, as well as personal data protection information in case of granting of credits. Where necessary, the Bank shall update the information provided. The latest version shall be made available on paper or other durable medium at any time in the Bank's offices and on the website of First Investment Bank AD at [www.fibank.bg](http://www.fibank.bg).

## **XVIII. ADDITIONAL PROVISIONS**

18.1. If the Borrower uses more than one loan, the Bank may use the proceeds on his accounts to repay with priority the one which is most burdensome for him.

18.2. The amount of the obligations of the Borrower under the Agreement shall be established on the basis of the entries in the accounting books of the Bank.

18.3. All appendices, annexes, correspondence, as well as any other formal written statements of the parties relating to the implementation and

interpretation of the Agreement shall form an integral part of it.

18.4. Changes in the GTC relating to extending the scope of the products and services offered by the Bank, when they are more favorable to the customers, shall apply immediately, with the Bank notifying the Borrower of their entry into force.

18.5. The Bank shall have the right, at its own discretion, to assign its claims from the Borrower to a third party. In this case the Borrower shall be entitled to address to this third party all the objections which he has had against the Bank.

18.6. The Borrower gives his consent to the Bank and authorizes it, upon transferring of the claims, to provide the new creditor with information relating to the Agreement that constitutes bank secrecy.

18.7. In case the claims of the Bank under the Agreement are transferred to a new creditor, the Borrower gives his unconditional and irrevocable consent that the Bank collects on behalf of the new creditor all amounts due under the Agreement – principal, interest, penalties, commissions, fees and expenses, according to the order for official collections of the Bank.

18.8. Should any provision of these General Terms and Conditions be declared unfair, respectively null and void, this shall not affect the enforceability of the remaining provisions of the General Terms and Conditions.

## **XIX. CORRESPONDENCE**

19.1. The correspondence between the parties shall be conducted in writing to the addresses, including electronic addresses, of the Borrower, the Co-debtor and the Bank referred to in the Agreement. All notifications between the parties shall be considered properly addressed if they were sent to the address, including electronic address, indicated by the respective party. In case of change of their address, the Borrower and/or the Co-debtor/s shall be obliged to immediately notify the Bank. Failing that, all notices, invitations and messages sent by the Bank to the address indicated in the Agreement shall be deemed served.

19.2. Each party shall ensure receipt of notifications sent to it by another party to the Agreement, to the respective address specified in the Agreement. The parties agree that as far as their relations under the Agreement and the GTC are concerned, any message, notice, communication, invitation, or others sent to the address of the respective party by registered letter or telegram, shall be considered received on the date referred to by the postal service or courier as date of delivery to the address of that letter, telegram or notification, regardless of whether it was actually received or not, and shall give rise to all legal consequences associated with its receipt. This stipulation shall also apply to the service of notary invitations and court documents, unless the respective party has expressly notified the other party of change of the address indicated above.

19.3. Any person of whom circumstances may suggest that he/she is a member of the family and/or household of the Borrower and the Co-debtor shall be deemed authorized to receive notifications on their behalf.

## **XX. CONCLUDING PROVISIONS**

All agreements reached between the Bank and the Borrower in contracts concluded up to 31.10.2012 inclusive with regard to insurance of the property liable to collateral shall be preserved.

These General Terms and Conditions have been drawn up pursuant to Art. 298 of the Commerce Act, adopted by the Managing Board of First Investment Bank AD and amended and supplemented by a resolution effective 10.08.2018.