

GENERAL TERMS AND CONDITIONS of CENTRAL COOPERATIVE BANK AD

for providing consumer loans to individuals

These General Terms and Conditions (GTC) regulate the terms and conditions under which Central Cooperative Bank AD (The Bank) provides consumer loans, incl. credit-overdraft and credit card credit limit, on borrowers - individuals, the conditions for utilization, use, provision and repayment of these loans, as well as the conditions for concluding and operating credit agreements.

CONCEPTS

Loan - the amount of the loan provided for use by the Bank to the borrower, based on a concluded consumer credit agreement (Agreement), amount, as well as, respectively, the debt formed by and in connection with the amounts utilized on the principal, including interest, fees, commissions and other expenses due, according to the terms of the Agreement, the present GTC and the Tariff of Interest, Fees and Commissions of the Bank (the Tariff).

Borrower - able-bodied natural person - party to a Consumer Loan Agreement, to which The Bank has provided a Loan and which utilizes and repays the Loan within the terms and under the conditions provided for in Of the Treaty and in the present GTC.

Third obligated person - able-bodied natural person or legal entity - party concluded in connection with the Contract, another contract, or under the Contract itself, which has undertaken, in the capacity of a guarantor, joint and several debtor, pledgor, etc., to be personally or with certain of his property before the Bank for the execution of the obligations of the borrower under the Contract.

Total loan amount - the maximum amount (limit) or the total amount granted to The borrower with the loan agreement.

Total cost of the loan - all costs, including interest, commissions, fees, and all other types costs directly related to the consumer loan agreement that the Borrower must pay, including the cost of additional services related to the credit agreement, in particular insurance premiums in cases where the conclusion of the service contract is a mandatory condition for obtaining the credit, or in cases where the granting of the credit is the result of the application of trade terms and conditions. The total cost of the loan does not include notary fees, when such are due.

Total amount due from the Borrower - the sum of the total amount of the loan and the total loan costs agreed in the contract.

Annual interest rate - the interest rate applicable to each period of interest on the loan, determined in absolute value (fixed interest rate) or formed as the sum of a variable basic the reference interest rate determined in accordance with the methodology set out in these General Conditions, and agreed fixed (unchanging) allowance.

Annual percentage of costs (APC) - is formed by the amount of all costs for the term of the contract credit (interest, fees, commissions and required insurance, in cases where the borrower agrees to conclude the insurances offered through the bank, including the ones required as a condition for granting the loan insurance coverage) as of the date of concluding the contract, as specified in the repayment plan value.

For the Bank:
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(names by identity document)
Joint and several debtor:
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(names by identity document)

Borrower:
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(names by identity document)
Guarantor:
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(names by identity document)

PURPOSE OF CONSUMER LOANS

The Bank provides consumer loans with the following purpose:

- 1. To finance the current needs** of the Borrower and his family, such as: purchase of movables or goods, covering the cost of home repairs, training, treatment, tourism, payment of services, etc .;
- 2. For refinancing of other loans received from the Borrower** with similar purpose and parameters.

The purpose of the requested loan must not contradict the law and the acts of the Bank.

I. CONDITIONS FOR GRANTING CONSUMER LOANS

1. The Borrower shall submit to the Bank a written Request for granting a loan (according to the The Bank), together with the required documents and information in Bulgarian. In case the document is prepared on foreign language, the Bank may request its provision, together with a legalized translation into Bulgarian, performed according to the procedure established by law.
2. After performing an analysis of the creditworthiness of the Borrower on the basis of all necessary documents and information, the Bank shall notify the Borrower of its decision on the requested loan within 5 (five) working days. In case additional documents and / or information have been requested, the term expires from their receipt in the Bank. The bank is not obliged to motivate a refusal to grant a loan. The term of validity of the decision to grant a loan is 1 month, provided that there are no changes in the circumstances concerning the Borrower or a Third Debtor. If there is no contract within this period signed, the validity of the decision expires.
3. On the basis of the decision taken, in accordance with the pre-contractual information provided, to granting a loan The Bank signs an Agreement with the borrower under terms acceptable to both parties and in compliance with the principle of relations confidentiality.

II. CONDITIONS FOR CONSUMPTION OF CONSUMER LOANS

1. The Borrower has the right to utilize amounts under the Loan after the signing of the Agreement by all parties to it and fulfill the following conditions:
 - 1.1. Establishment of the agreed collaterals in the manner prescribed by law and their entry in the relevant ones registers.
 - 1.2. Presentation of certificates in the appropriate form for each agreed security, certifying the rights of the Bank as the first secured creditor, as well as the lack of registered encumbrances, rights and claims from and in favor of third parties regarding the subject of the security.
 - 1.3. Payment of due fees and commissions in the amount specified in the Contract and / or applicable according to the Tariff as of the due date and their accrual.
 - 1.4. The borrower has concluded the agreed insurances.
2. The Bank shall not authorize or suspend the disbursement of the loan in case it is provided in favor of the Bank collateral does not correspond to what is specified in the Agreement or in these GTC, and in these cases the Bank does not bear liability and does not owe reimbursement made in connection with the establishment of collateral, the conclusion or the fulfillment of conditions under the Contract costs.

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3. The credit shall be utilized in the manner agreed between the parties and shall be kept and recorded in the accounts of the The Bank by recording all amounts utilized and recovered.

III. INTEREST AND COMMISSIONS

A. Regular annual interest

1. The specific amount of interest due on the loan shall be determined and repaid in accordance with the Agreement and current GTC. The utilized part of the loan shall bear interest at an annual interest rate fixed at or formed as a sum of a variable basic reference interest rate determined by the Management Board of the Bank percentage (VBRIR) applicable to the relevant interest period and a flat-rate allowance set out in Contract.
2. Unless otherwise specified in the Contract, interest on regular debt shall be repaid on a monthly basis and interest on arrears are immediately due.
3. The VBRIR shall be calculated according to the following:

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METHODOLOGY FOR DETERMINING THE BASIC REFERENCE INTEREST RATE ON CONSUMER LOANS OF CENTRAL COOPERATIVE BANK AD

I. CALCULATION OF BASIC REFERENCE INTEREST RATE

1. The basic reference interest rate on consumer loans (VBRIR) of CCB AD is calculated as sum of the following components with different weights in its determination by the following formula:

$$\text{VBRIR} = (t_1 * \text{DepRate}^{\text{HH}} + t_2 * \text{DepRate}^{\text{NFI}}) / (1 - \text{MRR}) + t_3 * \text{InterestIndex} + t_4 * \text{HICP}$$

Where:

- t₁** - weight of New Business deposits with agreed maturity up to 1 year of the Households sector;
- t₂** - weight of New Business deposits with agreed maturity up to 1 year of the Non-financial sector enterprises ”;
- DepRate^{HH}** - interest rate in the respective currency of New Business deposits with agreed maturity up to 1 year of households in the Bulgarian Banking system;
- DepRate^{NFI}** - interest rate in the respective currency of New Business deposits with agreed maturity up to 1 year of non-financial enterprises in the Bulgarian Banking System;
- MRR** - value of minimum required reserves on household deposits in Bulgaria;
- t₃** - weight of interest rate index in the respective currency;
- InterestIndex** - interest rate on New Business deposits with agreed maturity of 3 to 6 months on Households sector in the Bulgarian Banking system, for loans in BGN and value of interest rate for 3 months index EURIBOR per euro.
- t₄** - weight of harmonized index of consumer prices;
- HICP** - value of harmonized index of consumer prices;

* - multiplication sign

2. DETAILED DECISION OF THE COMPONENTS OF VBRIR

2.1. t₁ is the weight of the relevant interest rate on deposits / indices at which it participates in the formula for determination of VBRIR

t₁ + t₂ + t₃ + t₄ = 1, as the values of the respective weights are:

t₁ = 40%; t₂ = 25%; t₃ = 20%; t₄ = 15%

2.2. DepRate is an interest rate in the respective currency on New Business on deposits with agreed maturity up to 1 of the Households and Nonfinancial Enterprises sectors of the Bulgarian Banking System. This data is published on a monthly basis by the BNB:

[Българска народна банка \(bnb.bg\)](http://bnb.bg)

2.3. The MRR is the value of the minimum required reserves set by the BNB in Ordinance №21 deposits in Bulgaria that banks maintain with the BNB, expressed as a percentage of the deposit base.

2.4. InterestIndex is the value of the interest rate in BGN on New Business deposits with agreed maturity from 3 to 6 months of the Households sector, for loans in BGN, which is published by the BNB on the one indicated in item 2.2

of this Methodology address, respectively the value of the 3-month interest rate EURIBOR for loans in euros.

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2.5. HICP is the value of the total harmonized index of consumer prices for Bulgaria. For the purposes of the calculations a harmonized index of consumer prices is used, showing a change from the corresponding period of the previous year, expressed in %. Published by the NSI:

[ХИПЦ, съответният месец от предходната година = 100 | Национален статистически институт \(nsi.bg\)](#)

II. PROCEDURE FOR CALCULATING VBRIR ON CONSUMER LOANS, BODIES OF CCB AD, RESPONSIBLE FOR THE DETERMINATION, FREQUENCY OF ITS CHANGE AND THRESHOLD

SIGNIFICANCE

3. As of the day of entry into force of this methodology, the value of the Bank's PDL shall be determined based on the components listed in **Section I** for the last month for which data were published by the BNB, NSI and ECB. When the index included in the formula is dropped, due to objective reasons, it is replaced on the other hand, if possible, a similar representative index. For the purposes of this methodology representative is an index used by at least two financial institutions.

4. The value of the VBRIR shall be calculated monthly / by the 15th day of the respective calendar month or at the latest on the first working day following the 15th day of the respective month, if the same is a non-working day / according to the formula described in Section I, based on the values of the components for the last month for which data were published by the BNB, the NSI and the ECB. The calculation is performed by the Risk Analysis and Management Directorate, and the value of the VBRIR is rounded to the second decimal place, so that it is divisible by 0.1 without remainder.

5. VBRIR is changed in case that in the current calculation, the obtained value differs by more than 30 basis points. from the current / actually applicable in the relations with the clients value of VBRIR for the respective currency. The VBRIR, as well as the components from which it is formed, cannot accept negative values and are always a positive number or participate in the calculations with a value of 0.

6. Information on the amount of the value of the VBRIR to be applied in the relations with the clients shall be published on the official website of the Bank on the 15th day of the respective calendar month or at the latest on the first working day following the 15th day of the respective calendar month, if the same is a non-working day, and enters into force on the next working day.

III. ADDITIONAL PROVISIONS

7. In compliance with the Methodology, the Bank, on the basis of a Decision of its Management Board, within the term under item 4 of The methodology unilaterally changes (increases and decreases) the size of the applicable ORLP Pk, without being necessary signing of a specific annex to the contract, reflecting the express consent of The borrower and third party debtors. In case of increase of the value of VBRIR at

its current determination (i.e. to the detriment of the client), the Management Board of CCB AD has the right to postpone its entry into force in whole or in part until the occurrence of a new ground for change, according to item 5 of this section of the Methodology, as well as to revoke at any time its decision to postpone its entry in force, in accordance with what is stated in the Methodology. In the hypotheses settled in this point, information about the amount of the value of the VBRIR to be applied in the relations with the clients is published on the official website of the Bank on the 15th day of the respective calendar month or at the latest on the first working day following the 15th day of the month in question, if the same is a non-working day, and enters into force on the next working day.

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8. In accordance with the legal requirements, the Bank announces on its website and on the premises of the Bank for work with its clients, the Methodology for determining the VBRIR, its current, applicable in customer relations, value, as well as an archive of its previous applied values. The bank promptly informs the borrowers by the order of item 6 of the Methodology for the changed amount of VBRIR and the date on which it enters into force, by publishing them on the official website of the Bank. At any time of the loan agreement Borrowers can inform about the specific amount of the applicable VBRIR on the loans in the premises of the Bank for work with clients and on the Bank's website.

9. With the change of the current at the respective interest period VBRIR, the parties to the loan agreement will consider the interest rates on the loan to be automatically changed, while maintaining the agreed margin, and the new interest conditions will be binding on them from the date on which the change takes effect.

End of the methodology

B. Default interest

1. In case of non-payment on time of the principal, for the period of delay the overdue part of the principal shall bear interest with interest generated by the regular annual interest rate fixed in the Contract, plus late payment equal to the maximum amount established by law.

C. Fees, commissions and additional costs.

1. In connection with the request / use of the loan, the loan applicant / Borrower shall pay the fees and commissions specified in the Contract, including, where applicable:

1.1. Fee for processing the loan application;

1.2. In the case of an overdraft, a commitment fee charged on the difference between the amount of the credit permits and the utilized amount of the loan for each day of the period of its use. The fee shall be paid monthly, within the period of use, on the due date of the interest due for regular debt.

1.3. Penalty / indemnity in case of early repayment of the Loan, if any, accrued on the amount repaid in advance.

1.4. Expenses for payment of insurance premiums concluded by the borrower and / or the co-debtor's insurance / and Life / Accident for securing the loan with "ZEAD CCB Zhivot EAD" or etc., in cases where such insurance is a condition for concluding a credit agreement or for providing credit on preferential terms.

2. The Bank shall be entitled to receive all costs of compulsory recovery awarded to it.

IV. SECURITY

1. The Bank accepts the following collateral / the list is not detailed /:

1.1. Pledge under the Law on Obligations and Contracts (LOAC) on a receivable opened with the Bank bank account or other receivable under contract, including employment contract or order (in case of official legal relationship).

1.2. Special pledge under the Special Pledges Act (PPA) on movable property / receivables.

1.3. Participation as a party to the Contract of Solidarity Debtor - a person who, pursuant to Art. 101 and at the conditions of art. 121-127 of the LOAC, is jointly and severally liable with the Borrower for the performance of its obligations for repayment of the Loan, from the moment of occurrence of these obligations until their final repayment, according to the Agreement and the present GTC.

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1.4. The establishment of a guarantee through the conclusion of an agreement between the Bank and the Guarantor - a person who, on the grounds and under the conditions of art. 138-148 of the LOAC, is jointly and severally liable with the Borrower for performance of its obligations to repay the Loan, from the moment of occurrence of these obligations until their final repayment in accordance with the Agreement and these GTC. In case of non - fulfillment of the obligations under the Contract from Borrower the Guarantor undertakes, at the first invitation of the Bank, to voluntarily repay the outstanding amounts of the Loan. The full repayment of the Loan also repays the liability of the Guarantor. In case of partial execution, the liability of the Guarantor is reduced accordingly.

1.5. Other collaterals allowed by law.

2. In the case of insurance taken out in favor of a creditor, between an insurer and policyholder who is a debtor, or a third party who is a pledged or mortgaged debtor of the loan, upon the occurrence of the insurance event the insurer is liable to the creditor up to the amount of the sum insured for the outstanding portion of the obligation for which the insurance contract has been concluded, including principal, interest and the expenses as of the date of occurrence of the insured event.

V. CONDITIONS FOR MATCHING

1. The loan principal shall be repaid monthly, after the expiry of the grace period, if agreed. In other repayment terms may be agreed upon in the contract.

2. Where the installment is due on a non-attendance day and is not repaid at the latest on the first following day working day, the amount is due in arrears from the last.

3. The loan shall be repaid in the currency in which it is provided.

4. When the amount received by the Bank is insufficient to repay the entire installment of the Loan, the following shall be repaid the amounts due and payable in the following order: penalty for early repayment, if any, fees and commissions, interest, principal, unless otherwise agreed in the contract.

5. The Bank has the right, based on the written consent of the Borrower and the Third Obligors for official collection of receivables and / or consent for direct debit within the meaning of Ordinance № 3 of the BNB on the terms and conditions for the execution of payment transactions and for the use of payment instruments to collect unilaterally on or after the maturity date, the amounts due under the Loan from each of their accounts in the national and foreign currency in the bank.

VI. RIGHTS AND OBLIGATIONS OF THE BANK

1. In managing the Bank's loans:

1.1. Provides upon request information to the Borrower in connection with the utilization, use and repayment of the Loan, through statements on the loan in person / by hand /, at the address for correspondence or the email address specified in the loan application. When agreed, the Bank provides the information also through internet banking or mobile banking of CCB AD. In case of errors found in the Borrower shall immediately notify the Bank. The non - contestation in writing of the data under the statement within 14 days after its receipt is considered tacit consent and confirms the accuracy of the data on it **1.2.** Provides information on the Loan only to the Borrower, authorized by him with a notary certified power of attorney, third party debtors, as well as bodies and persons provided by law and / or in contract cases. The bank may also provide information to its counterparties, for which The Borrower gives its explicit consent to the signing of the Agreement.

For the Bank:
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(names by identity document)
Joint and several debtor:
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(names by identity document)

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(names by identity document)
Guarantor:
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(names by identity document)

2. In case of established violations of the current GTC, the Contract and the collateral agreements from The borrower and / or any of the third party debtors or deterioration of their financial condition, in case no written adjustment measures are taken after a written invitation of the Bank within ten days, the Bank may:

- 2.1. Suspend or not to allow further disbursement of amounts under the Loan;
- 2.2. Declare the required principal due and required until the moment of declaration of early collection, interest;
- 2.3. Take other actions to protect your interests as a creditor.
- 2.4. To set off any amount due from it to the Borrower, including before its maturity, against due receivable of the Bank from the Borrower under one of its contracts with it. When repaying with funds in a currency other than the currency of the Loan, the Bank repurchases the currency at its "buy" rate on the day of the operation.

VII. RIGHTS AND OBLIGATIONS OF THE BORROWER / BORROWER

1. From the filing of the loan application until the moment of full repayment of the Loan and all other obligations under the Agreement and its other agreements with the Bank, the Borrower and third party obligors undertake not to allow, by act or omission, the occurrence of any is one of the circumstances indicated as grounds for declaring the loan due.

2. The Borrower / loan applicant:

2.1. Provides the Bank with reliable and up-to-date information on its financial condition, solvency and collateral provided.

2.2. Immediately notify the Bank of:

2.2.1. The initiation of claim, security or administrative proceedings, as well as for the ordered ones against the Borrower or a third obligor a conviction or constitutive decision.

2.2.2. Any invitation to grant received by its creditor or competent authority in connection with initiated enforcement proceedings, as well as for each imposed precautionary measure on a claim, administrative or enforcement proceedings.

2.3. Pays on time all public obligations (taxes, fees) and other obligations.

3. Until the final repayment of the Loan, the Borrower agrees, without prior written notice consent on the part of the Bank not to transfer the property, burden with encumbrances, establish any rights in favor of third parties or changes the location of any of the property subject to collateral under the Agreement.

VIII. EARLY LOAN RECEIVABILITY AND ENFORCEMENT

1. The loan may be declared by the Bank to be partially or fully prepaid under the terms of the Contract or on the occurrence of any of the following grounds:

1.1. Establishment of false and / or untrue data, confirmations, declarations, certificates or others documents provided by the Borrower and / or by third parties in connection with the conclusion and the implementation of the Agreement;

1.2. Failure to fulfill the commitment of the Borrower to provide the required / additional collateral or any of the obligations to provide insurance coverage in favor of The Bank on the basis of insurance policies handed over to it in its favor, as established in current GTC.

For the Bank:
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(names by identity document)
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- 1.3. Failure to repay the Borrower's due obligation for payment of principal and / or interest to the Bank;
 - 1.4. Refusal of the Borrower and / or third parties obliged to pay the respective fee for renewal of the effect of the established collaterals before the expiration of the statutory term of validity of the entry;
 - 1.5. Taking actions under the statutory procedure for enforcement against the property of the Borrower or the third obligated persons, when the property is subject to collateral under Credit.
 - 1.6. Seizure of receivables on the bank account of the Borrower and / or a third obligor in the Bank.
 - 1.7. Defaults by the Borrower and / or third parties, in their capacity as owners of property subject to collateral under the Loan, their obligations under the collateral agreements or failure to take due care in order to protect the interest of the Bank as a secured creditor.
 - 1.8. Failure to fulfill any other obligation under the loan agreement or under these GTC.
2. In case of declared pre-term demand ability the obligation of the Bank to provide unused amounts from the loan is repaid.
3. The Bank collects its due receivables by exercising its official collection rights and / or by enforcement under the law, without judicial intervention, according to the type of security, or as proceeds to court satisfaction for his receivables and obtains an enforcement title against the Borrower and third party debtors.

IX. OUT-OF-COURT SETTLEMENT OF DISPUTES

- 1. Objections and complaints in connection with the conclusion and execution of a consumer credit agreement shall be submit to the director of the bank branch through which the loan was granted.
- 2. The Borrower shall have the right to refer to the Sectoral Conciliation Commission for Disputes in the Field of financial services, established by the order of Chapter nine, Section III of the Consumer Protection Act, when his rights and legitimate interests have been violated. When the Bank does not rule within 30 days from receipt of the objection or when the decision of the Bank does not satisfy the Borrower, the dispute may be referred for consideration by the relevant body for alternative dispute resolution under sentence first.
- 3. The borrower has the right to file complaints related to the consumer loan agreement or with the contract for mediation for granting consumer credit, to the Commission for Protection of consumers at the address city of Sofia, 4A Slaveykov Square, 3rd, 4th and 6th floor.

X. GENERAL PROVISIONS

- 1. In case of conflict among the provisions of these General Terms and Conditions and a mandatory legal provision the current law applies.
- 2. In case of conflict between the provisions of these General Terms and Conditions and the credit agreement and / or the agreement the provisions of the respective contract shall be applied as collateral. Contradiction exists only when one and the same issue is settled in the Contract and these general terms and conditions in a mutually exclusive manner. In all other cases it is assumed that the content of these general conditions complements that of the Contract.

For the Bank:

 (names by identity document)
 Joint and several debtor:

 (names by identity document)

Borrower:

 (names by identity document)
 Guarantor:

 (names by identity document)

3. The terms used in the Contract have the meaning set forth in these General Terms and Conditions.

4. These General Terms and Conditions are an integral part of the content of each consumer contract a loan to which the Bank is a party. These General Terms and Conditions have been prepared on the basis of the Consumer Credit Act and have been approved by decision of the Management Board of Central Cooperative Bank AD under Protocol № 4 of January 23, 2020, in effective from February 17, 2020 and are amended and supplemented by a decision under protocol № 28 from July 09, 2020, in force from July 15, 2020. I declare that I agree with those applicable to the contract for № /, with creditor Central Cooperative Bank AD, General Terms and Conditions of Central Cooperative Bank AD for providing consumer loans to individuals and that at the conclusion of the contract I received a copy signed by an authorized representative of the bank from the cited General Terms and Conditions.

Date:

Borrower:

(names by identity document)

Joint and several debtor:

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(names by identity document)

Guarantor:

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(names by identity document)

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