



**SBERBANK**

# **Loan Terms and Conditions for Consumer Loans**

Effective as of  
1 May 2016

# LOAN TERMS AND CONDITIONS FOR CONSUMER LOANS

## Part I/ Introduction

- (1) The following Loan Terms and Conditions for Consumer Loans ("Consumer Loan Terms and Conditions") stipulate the binding rules for consumer loans granted by Sberbank CZ, a.s., Co. Reg. No. 25083325, registered in the Commercial Register with the Municipal Court in Prague, File No. B 4353 ("Bank"), to its clients – consumers ("Applicant"/"Client") under an application for consumer loan ("Application").
- (2) The Client has properly understood these Consumer Loan Terms and Conditions and in particular explicitly accepts the arrangements set forth herein and marked **bold**.

## Part II/ Agreement

- (1) The Application is the Applicant's/co-applicant's offer to the Bank to enter into a consumer loan agreement ("Agreement") pursuant to Section 2395 et seq. of Act No. 89/2012 Sb., the Civil Code, as amended ("Civil Code"), subject to the terms and conditions stated in the Application and the Consumer Loan Terms and Conditions. The Bank is in no way legally bound by the Application; all loans are discretionary. The deadline for the Bank to accept the offer is 30 calendar days, whereby the offer expires upon the lapse thereof.
- (2) The Applicant/co-applicant may obtain information on the Application status by calling the Bank's toll-free line one business day after the Application has been submitted to the Bank.
- (3) If the Application is accepted by the Bank, the Bank sends a loan acceptance letter to the Applicant's/co-applicant's address stated in the Application; confirming, in particular, that the Application has been accepted by the Bank and the loan has been granted with the stipulated parameters. If the Application is rejected by the Bank due to the negative results of a query made to the solvency database, the Bank notifies the Applicant/co-applicant as of the result and informs the same what database has been used; and does so by email / text message sent to the email address / telephone number stated by the Applicant in the Application or by post to the Applicant's mailing address (if no email address / telephone number was provided).
- (4) The Agreement is entered into once the loan acceptance letter is delivered by registered mail to the Applicant/co-applicant. If the mail is returned as "undelivered", the effects of delivery come into force on the day on which the mail was returned to the Bank as undelivered.
- (5) For the purposes of the Agreement, the Client means the Applicant/co-applicant having executed the Agreement; for the purposes of the Application and the Consumer Loan Terms and Conditions, the Applicant includes also the respective co-applicant. In signing the Application, the Applicant and co-applicant authorise each other to receive all written documents sent to them by the Bank under the Agreement.
- (6) If the Application is signed by both the Applicant and the co-applicant, the Applicant and the co-applicant are liable for the commitments under the Agreement jointly and severally; with married couples being regulated by the rules for the community property of spouses.

## Part III/ Duty to Inform

- (1) The Client must notify the Bank immediately as of any changes in the data stated in the Application and, if so requested by the Bank, submit necessary documents evidencing such changes; whereby the relevant documents may further be requested by the Bank also in case of doubt as to the validity of the data stated in the Application. Failure to submit the requested documents is considered a breach of the Agreement.

## Part IV/ Interest Rate and Payment Currency

- (1) Consisting of the loan amount stated in the Application and the Application processing fee, the aggregate loan (and default interest, if any) bears interest at the rate stipulated in the Application calculated by the Bank using the "actual number of days/360" convention.
- (2) Any interest due and not paid by the Client on the respective due date may be added by the Bank to the outstanding principal.
- (3) If the loan is provided in a foreign currency, the Bank may request the Client to make all payments (principal, interest, additional costs) in the loan currency. If the currency in which the payments are to be made under the Agreement is replaced by EUR (as the EU legal tender), such payments must be made in EUR whereby such transition in no case entitles the Client to terminate the Agreement unilaterally.

## Part V/ Drawdown and Repayment

- (1) The loan is drawn down once the loan amount stated in the loan acceptance letter is remitted by the Bank to the current account(s) stated in the Application.
- (2) Unless explicitly agreed otherwise, the Bank allows the Client to draw down the loan after the agreed terms and conditions for drawing down the loan have been met by the Client and the respective loan security (if so agreed) is created and documented to the Bank. The loan cannot be drawn down in circumstances entitling the Bank to suspend/cancel the loan drawing under the Agreement (if so claimed by the Bank). The Client agrees that the loan may be drawn down as early as on the day on which the loan acceptance letter has been sent by the Bank).
- (3) The loan (incl. interest) is repaid by flat (annuity) monthly payments stated in the Application; on the calendar day of the respective month stated in the Application. If the payment day falls on other than the Business Day, the respective payment is due on the next Business Day. The loan payments remain unchanged for the entire loan term; with the exception of the final payment that corresponds to the outstanding loan balance.
- (4) A statement from the loan account stated in the loan acceptance letter is sent to the Client on an annual basis. If so requested by the Client, the Bank informs the Client about the loan payments in the form of an amortisation table issued free of charge at any time during the respective loan term.
- (5) Any payments due under the Agreement (loan payments, interest and fees) must be made by the Client by bank transfer to the loan repayment account designated by the Bank in the loan acceptance letter. If the loan repayment account is the Client's current account opened with the Bank, the Client must ensure that there are sufficient

## LOAN TERMS AND CONDITIONS FOR CONSUMER LOANS

funds deposited in such account on the payment day so that the payments due can be settled in the account currency by direct debit; the Client's consent thereto is not necessary.

- (6) The loan term expires on the last loan payment date stated in the Application. The Client may repay the loan before the date stipulated in the Agreement and do so by making an extraordinary (early) loan payment agreed with the Bank in writing at least 14 days in advance subject to an early repayment charge (if any) stipulated in the List of Fees.
- (7) **Unless otherwise agreed by and between the Bank and the Client, the Client's payments made to discharge the Client's debt to the Bank are first used to cover the Bank's expenses and fees, default interest and regular loan interest, and only thereafter to repay the loan principal. If the Client is provided with several loans maturing on the same day and if the Client's payment is not sufficient to cover all loans, the Client's payment will be used to cover the loans at the Bank's discretion.**
- (8) **The Bank and the Client have agreed that the Bank may offset all its claims arising from or in connection with the Agreement, whether outstanding or non-outstanding, against any (even non-outstanding) claims recorded by the Client against the Bank; and in particular against claims for any payments made by the Bank in favour of the Client, Client's deposits at the Bank, any positive balance on any account(s) opened by the Client with the Bank in any currency, or non-outstanding claims of the Client against the Bank arising for any reason and in any currency. The Client's claims against the Bank cannot be unilaterally offset against any claim recorded by the Bank against the Client.**

### Part VI/ Bonus

- (1) The Bank and the Client have agreed that if the Client repays the loan without a minor breach the Bank pays to the Client a bonus in the amount stipulated in the Application. The bonus is paid within five business days after the loan has been repaid. For the purposes hereof, the loan is deemed repaid without a minor breach if the Client is in no default on loan payments of CZK 200 for over 10 calendar days.
- (2) The Bank and the Client have further agreed that if the Client repays the loan without a major breach the Bank pays to the Client a bonus of one half of the bonus determined in Part VI/ Paragraph 1 hereof. The bonus is paid within five business days after the loan has been repaid. For the purposes hereof, the loan is deemed repaid without a major breach if:
  - a) The Client is in default for over 10 calendar days but less than 30 calendar days; and simultaneously
  - b) The outstanding amount does not exceed CZK 200; and simultaneously
  - c) The Client is in default only once, whereas other payments are made properly and on time or, as the case might be, without a minor breach.
- (3) The bonus is paid in the form of a rebate on the loan interest paid. The bonus is paid by the Bank to the Client by bank transfer to the Client's account stated in the Application.
- (4) The Client is not entitled to the bonus stated in Part VI/ Paragraph 1 or Part VI/ Paragraph 2 hereof if:

- a) The Client withdraws from the Agreement pursuant to Part VIII/ Paragraph 4 hereof.
- b) The Client makes an extra payment.
- c) The Client is in default on any payments for over 30 calendar days.
- d) The Client breaches the Agreement otherwise and fails to remedy the situation within 15 days after having been notified by the Bank thereof.

### Part VII/ Costs and Payments, Agreement Termination

- (1) The services provided by the Bank are subject to a fee stipulated in the List of Fees. The fees may be changed subject to the terms and conditions stipulated in Part Three/ Clause III of the General Business Terms and Conditions.
- (2) The annual percentage rate (APR) for a consumer loan is understood to be the percentage share of the outstanding amount that the Client must pay to the Bank in the period of one year.
- (3) **In case of a loan payment default, the Bank may charge default interest from the day of the loan payment default until full repayment of the outstanding amount and do so at the rate stipulated in the List of Fees for unauthorised current account overdrafts; and charge also the default interest on the outstanding interest not paid by the Client properly and on time.**
- (4) Agreements executed for an indefinite period may be terminated by either party in writing without reason. If terminated by the Client, the Agreement is terminated subject to a period of notice of one month; whereby the Client undertakes to repay the loan prematurely. If terminated by the Bank, the Agreement is terminated subject to a period of notice of two months. The period of notice commences on the day the respective notice is delivered; no loans can be drawn down during the period of notice.
- (5) Agreements executed for a definite period may be terminated by either party in writing without reason. If terminated by the Client, the Agreement is terminated subject to a period of notice of one month; whereby the Client undertakes to repay the loan prematurely. If terminated by the Bank, the Agreement is terminated subject to a period of notice of two months. The period of notice commences on the day the respective notice is delivered; no loans can be drawn down during the period of notice.

### Part VIII/ Breach

- (1) **A breach is any circumstance that could result in a substantial change in the terms and conditions under which the Agreement was entered into and that may, in the Bank's opinion, threaten the proper performance of the Client's duties and obligations to the Bank, in particular:**
  - a) **The Client commits a material breach of any provision of the Agreement and no other case of a breach occurs.**
  - b) **The Client commits a minor breach of the provisions of the Agreement and fails to remedy the situation within 15 days after having been notified by the Bank thereof, provided no other case of a breach occurs.**
  - c) **The Bank discovers circumstances that may threaten the loan's repayment to the Bank (especially consid-**

## LOAN TERMS AND CONDITIONS FOR CONSUMER LOANS

erable deterioration of the Client's financial standing, the Client's inability to pay, pending insolvency proceedings, distraint order, etc.).

- d) During the loan approval process, the Client has failed to inform the Bank about circumstances that could result in an increased risk as to the loan repayment; or has provided the Bank with untrue, distorted or incomplete information.
  - e) **The Client is in default on any payment for over 14 days.**
- (2) **If a breach occurs, the Bank may undertake one or more of the following measures at its discretion:**
- a) declare due, whether in full or in part, the entire remaining amount of all loans and related charges and interest, enumerated as at the day stated in the declaration, regardless of the agreed loan term; whereby the stated amount and related charges and interest must be paid by the Client within 15 days after the respective notice has been delivered to the Client;
  - b) block the funds deposited in the Client's current or time (deposit) accounts opened with the Bank;
  - c) **offset all its claims arising from or in connection with the Agreement, whether outstanding or non-outstanding, against any (even non-outstanding) claims recorded by the Client against the Bank; and in particular against claims for any payments made by the Bank in favour of the Client, Client's deposits at the Bank, any positive balance on any account(s) opened by the Client with the Bank in any currency, or non-outstanding claims of the Client against the Bank arising for any reason and in any currency;**
  - d) require additional loan security;
  - e) limit or fully suspend the loan drawing; and notify the Client thereof (and specify the reasons) in advance or, if not possible to do so, without undue delay after such circumstances have arisen;
  - f) withdraw from the Agreement;
  - g) **claim a contractual penalty pursuant to Section 2048 et seq. of the Civil Code of CZK 50,000 for each breach of the Agreement without prejudice to the Bank's right to claim damages;**
  - h) realise the security;
  - i) terminate the loan drawing (remaining portion) with effect from the day the respective notice of termination is delivered to the Client; and
  - j) **take other legal measures (if any).**
- (3) The Bank may additionally withdraw from the Agreement and declare the entire remaining loan amount due if the Client breaches another agreement with any third party or another agreement entered into with the Bank and if such breach may, in the Bank's opinion, negatively affect the Client's ability to fulfil the Client's commitments under the Agreement; and do so with effect from the day the respective notice of withdrawal is delivered to the Client whereby the Client must settle the Client's debts to the Bank under the Agreement, including all interest and fees, within 15 days thereafter.
- (4) The Client may withdraw from the Agreement without reason within 14 days after having entered into the Agreement. If the Agreement does not contain the information

stipulated in Section 6(1) of Act No. 145/2010 Sb., governing the consumer loans, the withdrawal period does not end earlier than 14 days after the missing information has been provided by the Bank to the Client. A notice of withdrawal served by the Client must be made in writing whereby the withdrawal period is considered to be preserved if the notice of withdrawal is sent to the Bank in paper form or through another permanent data carrier no later than on the last day of that period. If the Agreement has been withdrawn as stipulated herein, the Client must pay to the Bank the loan principal drawn as well as the interest to which the Bank would be entitled had the Agreement been not withdrawn for the period from the day when the loan was drawn down to the day when the Client repaid the principal; and do so without undue delay within 30 days after the notice of withdrawal has been sent to the Bank.

- (5) If the Bank or a third party provides the Client with an additional Agreement-related service under a contractual relationship between the third party and the Bank, the respective arrangement is also terminated upon withdrawal from the Agreement. The agreement for the current account through which the loan is repaid in accordance with Part V/ Paragraph 5 hereof is deemed an additional service and as such is terminated upon withdrawal from the Agreement only if:
- a) The Client explicitly stated in the notice of withdrawal from the Agreement that the impacts of the withdrawal should also concern the agreement for the given current account. Or
  - b) No payment transactions were performed on the given account before the Agreement was entered into.
- In other cases, the agreement for the given current account is not deemed an additional service and the account is not cancelled upon withdrawal from the Agreement.
- (6) If the Bank or the Client withdraws from the Agreement, the obligation ceases to exist at the moment the withdrawal becomes effective.
- (7) The Client represents and warrants that the Client is aware of the value of performance provided to the Client by the Bank under the Agreement; and explicitly waives the Client's right to claim the termination of the Agreement and restoration of the rights.
- (8) **The Bank may assign its rights and responsibilities ensuing from or in connection with the Agreement to any third party; to which the Client explicit agrees. The Client may assign the Client's rights and responsibilities ensuing from or in connection with the Agreement to any third party only if so previously approved by the Bank.**
- (9) **The Bank is not obligated to accept any payment from any party other than the Client.**

### Part IX/ Final Provisions

- (1) If any provision of the Agreement or part thereof is or becomes invalid or unenforceable, the remaining provisions of the Agreement or parts thereof remain valid and enforceable.
- (2) The Agreement may be changed and/or amended only in writing. The Consumer Loan Terms and Conditions may be amended by the Bank as stipulated in Part Three/Clause III of the General Business Terms and Conditions (with the

## LOAN TERMS AND CONDITIONS FOR CONSUMER LOANS

exception of Paragraph 4 of Clause III thereof). If the Client disagrees with the amended Consumer Loan Terms and Conditions and notifies the Bank thereof in writing prior to the day the amendments are to take effect, the respective proposal to amend the Consumer Loan Terms and Conditions is cancelled ex tunc.

- (3) The Client and the Bank have hereby explicitly agreed that the rights of the Client and the Bank under the Agreement are subject to the statute of limitation of 10 years.**
- (4) The Agreement is governed by Czech law.
- (5) The terms defined herein will be used for the Application unless otherwise specifically stated in the Application.
- (6) The Consumer Loan Terms and Conditions take effect on 1 May 2016, replacing the wording dated 1 January 2014.
- (7) Any consumer disputes arising from the Agreement may be settled out of court by referring the same to the Financial Arbitrator, Legerova 1581/69, 110 00 Praha 1, [www.finarbitr.cz](http://www.finarbitr.cz).