

## Terms and Conditions for Utilization of an Approved Credit Limit, Applicable to Credit Cards

1. The initial credit limit shall be determined by the Bank and shall be indicated in the Agreement for Credit Card Issuing.

1.1. The Bank shall be entitled to change this limit, as the Cardholder shall be informed of the current disposable credit limit by means of monthly account statements or by statements at UBB's ATM terminal devices in the business hours of the Bank. The maximum amount of the limit shall be up to BGN 50 000 (fifty thousand Bulgarian leva), unless stipulated otherwise in the credit card agreement;

1.2. The Cardholder shall not be allowed to exceed the current credit limit. Upon exceeding the limit fees according to the Bank's tariff shall be charged.

2.1. Upon accruing interest on credit cards the Bank shall apply Base Interest Rate (BIR) for this product and a margin, periodically determined by UBB AD. The methodology for calculation and the Base Interest Rate percentage are stated in the Bank's website.

2.2. The interest rates, indicated in the agreement for credit card issuing, shall be accrued as of the date of accounting the transaction in the Bank until the date of repayment of the amounts due.

2.3. The default and penalty interest rates shall be accrued as of the date of breaching any contractual provision or as of the beginning of the delay – until elimination of the breach or repayment of the past due payable.

3. No interest shall be due for payments, made at merchants, in case that until the determined maturity date, the Cardholder has repaid the entire amount due according to the latest statement. The *grace period* shall start on the date of accounting the payment until the maturity date and shall be applicable solely to Cardholders who have effected **full** repayment (*either from an account or in cash*). The maturity date shall be indicated in the statement. In case that full repayment has not been made by the maturity date, the interest for these purchases shall be included in the next statement.

4. The Cardholder shall be bound to repay his/her obligations to the Bank on a monthly basis until the maturity date. The maturity date shall be 14 days following the date of statement issuing, as indicated in the credit card agreement. In case that the 14-th day is a non-business day, the maturity date shall be the first business day to follow. After this period the Bank shall accrue *a margin for delay over the annual interest rate*. The fact that the Cardholder has not received a statement shall not relieve him/her from his/her obligation to pay the amounts due in line with the card's use.

5. The Cardholder shall repay the due amounts through:

5.1. Cash deposits in a branch of the Bank;

5.2. An account with the Bank, from which the repayment is executed;

5.3. Charging a debit card, issued by UBB AD, at an ATM of the Bank;

5.4. Cash deposit at an ATM of the Bank with such functionality, directly to the credit card;

5.5. Fund transfer from a BGN account with UBB AD to a card by a payment order in a branch of the Bank, online banking, UBB AD Customer Service Centre at tel. 0700 117 17.

Credit limit repayment via a transfer from an account with another bank shall not be possible.

6. In case that the Cardholder has indicated repayment from an account the Bank shall automatically deduct on the maturity date the due amounts from the account, provided that the account balance is either equal or exceeds the amounts due.

7. In case the Cardholder has chosen repayment of his/her liabilities from an account, he/she shall indicate in the application for card issuing the way for repayment of the utilized credit limit – either full or partial. The repayment manner may be changed through a request to the Bank, which shall become an integral part of the Agreement, or by calling the Customer Service Center at 0700 11717. In case **partial repayment has been selected** the Cardholder shall be obligated to repay the amount, indicated in the statement as a *minimum payment*. The Bank shall continue to accrue the standard agreed interest rate on the non-repaid limit portion until the next maturity date. **Upon full repayment** selected, the Cardholder shall be obliged to repay the total due amount, indicated in the statement.

8. The Cardholder undertakes:

**8.1. upon partial repayment** – to repay not less than the amount, indicated in the currently effective Tariff, out of the total amount of drawdowns, payments at merchants, annual card maintenance fee, as well as the insurance premium under the Double Protection insurance program /only in cases when the client has signed an insurance policy/, the entire monthly installment pursuant to **Item 11**, plus the entire amount of the accrued interest for the previous period, penalties, fees and commissions for the previous month, as the amount of the partial repayment installment shall be not less than the amount, indicated in the currently effective Tariff. The Bank shall be entitled to unilaterally change the repayment amount by notifying the Cardholder through the monthly installment or in any other suitable way.

**8.2. upon full repayment** – to repay the total amount of the withdrawals, payments at merchants, the annual card maintenance fee, the insurance premium under the Double Protection insurance program/only in the cases when the client has signed an insurance policy/, the entire monthly installment pursuant to **Item 11**, plus the entire amount of the accrued interest, penalties, fees and commissions;

**8.3.** the receivables of the Bank shall be remedied in the following sequence: overdue interest, fees and principal, standard interest, penalties, fees and commissions for the previous month, principal representing the total amount of withdrawals and payments, including the amount deducted from the credit limit for payment of the insurance premium upon having the Cardholder subscribed to the Double Protection insurance program, as well as an installment pursuant to **Item 11**.

9. The Cardholder may deposit own funds, apart from depositing funds for repayment of the utilized credit limit. Upon executing transactions, the Cardholder's own funds shall be utilized with priority. The deposited own funds shall not bear interest, nor shall they influence the approved credit limit and the currently effective transaction limits.

10. The due interest, penalties, fees and commissions shall be deducted ex officio from the credit limit, as the latter shall be decreased with their total amount, which the Cardholder consents to by signing the Credit Card Agreement, however this shall not exempt him/her from the obligation to pay to the Bank all due amounts in case the balance in the account/ card is insufficient.

#### **Purchase of goods in equal installments - prior to or after the credit card's issuing**

11. Cardholders of credit cards have the opportunity of buying goods or services in equal monthly installments from Merchants, who have signed agreements with the Bank. For purchases prior to cards' issuing, Clients shall sign agreements for credit card issuing through the Merchant. For purchase of goods in equal installments after the card's issuing, the Cardholder shall state his/her preferred way of repayment before the Merchant. The Bank shall transfer the amount of the goods, purchased by the Cardholder, to the Merchant's account. The value of the goods shall be at the expense of the approved credit limit.

12. The Cardholder shall pay to the Bank the purchased goods in equal monthly installments. Upon purchase of goods or services pursuant to the previous item, the Cardholder agrees that the Bank shall block part of the credit limit up to the value of the goods, which blocked amount shall reduce the disposable credit limit.

13. When purchasing goods or services pursuant to **Item 11** the amount and number of monthly installments, appreciation inclusive, shall be indicated as follows:

**13.1.** prior to card's issuing - in the agreement;

**13.2.** after the card's issuing – in a receipt from the POS terminal at the Merchant, as by laying his/her signature the Client agrees with the installments' number and amount.

**13.3.** The Client's failure to appear in the indicated UBB's branch to receive the card shall not relieve him/her from his/her obligations to the Bank under the Agreement for Credit Card Issuing.

**14.** Each monthly installment shall be accounted on the statement date and the Cardholder shall be bound to repay it on the maturity date at the latest.

**15.** Prepayment of a debt, formed upon a purchase at a Merchant in equal installments, shall be possible only in case there are no overdue payables under the card and after lodging a request in a branch of UBB. Early repayment of an installment portion shall not be possible.

**16. Upon full prepayment** of the due installments, and when their number is up to three, the Cardholder shall owe their entire amount, including the total appreciation of goods. When the number of installments is more than three, the Cardholder shall owe their entire amount in three installments, while the amount of the rest shall be reduced with the appreciation of the goods or services, corresponding to the period of the loan non-utilization.

**17. Partial prepayment** shall be executed in, at least, three full installments. The amount, deposited by the Cardholder, which stands residual balance over the amount of the repaid installments (the residual balance is not sufficient for repayment of next full installment) shall remain as own funds if there are no further liabilities under the card. Depending on whether the installments are three or more the determination of the due amount shall be executed as indicated in the preceding item.

**18.** Upon the Cardholder's delay in repayment of the monthly installment for purchased goods pursuant to **Item 11** et seq., the Bank shall charge a penalty for the period of delay on the overdue portion of the installment, standing principal, in amount equaling the agreed interest rate plus 5% penalty margin.

**19.** In case the monthly installments are due for a period longer than the card's validity, upon the latter's reissuing the Bank shall block part of the credit limit, corresponding to the sum of the monthly installments due.

**20.** In case the monthly installments are due for a period longer than the card's validity period, but the Cardholder declares unwillingness to renew it, the amounts due shall be repaid simultaneously with the written prior notice by the Cardholder for refusal of card's reissuing, which shall be submitted a month prior to expiry of the card's validity.

#### **Non-performance by the Cardholder on cash obligations or increased risk of non-performance on a cash obligation**

**21.** The Bank shall be entitled to:

**21.1.** Accrue penalty as per Item 4 and Item 18

**21.2.** Block the use of the credit card as the entire debt shall become automatically callable ahead of schedule upon delay of two consecutive monthly installments or upon any other non-performance without the need to inform the Cardholder thereof. 'Repayment installment' stands for the minimum amount due by the Cardholder, irrespective of the repayment method chosen – either full or partial. The automatic callability ahead of schedule shall occur irrespective of whether the Bank has blocked the use of the credit card, or not.

**21.3.** Block the entire credit limit or a part thereof, or decrease it.

#### **Additional provisions regarding the initial purchase of goods (prior to card issuing)**

**22.** Upon the first purchase of goods, following the signing of the Agreement for Card Issuing and prior to the card's issuing (initial purchase), the Cardholder shall receive from the Merchant **a notification letter** on behalf of the Bank, indicating the terms for installment payments, card's receipt, statement issuing, etc.

**23.** In case the value of purchased goods is higher than the current credit limit, less the annual maintenance fee, the difference shall be paid directly to the Merchant by the Cardholder.

**24.** The Cardholder shall have to visit the designated branch of the Bank for receiving the card within the period, indicated in the notification letter.

These Terms and Conditions for Utilization of an Approved Credit Limit are integral part of UBB AD General Terms and Conditions on Payment Services for Individuals and Credit Card Agreements, signed prior to 23.07.2014.