Bank of Valletta p.l.c.
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Il-Belt Valletta VLT 1130 –Malta
Registration Number: C 2833

GENERAL CONDITIONS REGULATING BOV STUDIES PLUS+ STUDENT LOAN & EVENTS OF DEFAULT GRANTED BY BANK OF VALLETTA P.L.C. (THE "BANK")

Definitions

BOV Studies Plus+ Student Loan	Being the name of the product.
Financial Instrument (FI):	The instrument being implemented under OPII, intended to promote increased access to finance for students to further develop their potential through education.
StudentAssist FI:	StudentAssist Financial Instrument, the latter being the Guarantee Agreement signed between Bank of Valletta p.l.c. and the Malta Development Bank.
The Bank:	Bank of Valletta p.l.c., the lending/credit institution.
Guarantee:	The Guarantee provided by MDB to cover 80% of each individual loan.
Agreement:	The facility letter and these General Conditions, both as may be amended from time to time.
Facility Letter Signing Date:	The signing date by the Eligible Student accepting the terms and conditions of the Facility Letter. This signing date is the date utilised in the Inclusion Notice.
Interest Rate Subsidy:	Being the interest element being guaranteed and paid by the Malta Development Bank.
Moratorium Period:	The period in which no capital repayments will be scheduled to be met.
Repayment Period:	The period (after the expiry of the Moratorium Period) in which capital and interest repayments will be affected in equal monthly instalments, apart from the last repayment.
Student:	The borrower, being the main/first account holder if the loan account is held in joint form.
Student Transaction:	Any drawdown/disbursement or utilisation under the Loan.
MFI:	The Planning and Priorities Co-ordination Division (PPCD) within the Ministry Responsible for EU Funds (Government of Malta), being the Managing Authority (MA).
MDB:	Malta Development Bank.
Student Budget plan:	The budget plan presented by the student on application for the Loan/Facility and which forms an integral part of the Agreement. (downloadable from the Bank's website www.bov.com)

DETAILS

Preamble

This facility, being a loan (the "Facility" or the "Loan") branded as BOV Studies Plus+ Student Loan, is being provided under the StudentAssist FI managed by the MFI, who has agreed to allocate funds for a Financial Instrument to provide soft loans for students. The Managing Authority ("MA"), being the Planning and Priorities Co-ordination Division within the Ministry responsible for EU Funds ("MFI"), has agreed to allocate funds for a Financial Instrument ("FI") to provide Soft Loans for Students. The FI is financed under the current partnership agreement 2021-2027 Multi-Annual Financial Framework for Malta. The partnership agreement includes co-funding of financial instruments under the European Social Fund Plus ("ESF+") Programme 2021 - 2027. The implementation of the FI has been entrusted to Malta Development Bank ("MDB") through a Funding Agreement entered between the MDB and the MA.

The Eligible Student Transaction benefits from the support from the European Union pursuant the Operational Programme II (OPII), titled 'Empowering People with More Jobs and a Better Quality of Life, with the main objective of Investing in human capital to create more opportunities and promote the wellbeing of Society, through funding by European Social Funds Plus Programme 2021-2027 ("ESF+")

Whilst the loan is being granted on an unsecured basis as part of the Scheme, a guarantee has been issued by MDB in the form of a portfolio capped financial guarantee that covers, subject to a limited margin of 80% and a relative portion of 20% of the portfolio, the respective borrowings under StudentAssist Financial Instrument.

With the MDB providing guarantee support through the European Social Funds Plus Programme 2021-2027 ("ESF+"): Fostering the socioeconomic wellbeing of society through the creation of opportunities for all and investment in human resources and skills (Co-Financing rate 60% European Union; 40% national funds), you as a borrower will benefit from the following, when compared to the BOV Club Personal Loan, both attributed during the Repayment Period:

i. a longer financing term, (at a maximum of double the term for standard loans) and
ii. for the purposes of the definition of "Interest Rate Benefit", a level of the reduction of the interest rate shall be equal to 1.55% calculated as the difference between (i) the Standard Interest Rate; and (ii) the Covered Interest Rate. By way of example, and merely for illustrative purposes, the student interest offered by the Bank for the BOV Club Personal Loan, as at October 2025: (i) the Standard Interest Rate is 4.50%; and (ii) the Covered Interest Rate is 2.95% (calculated as the sum of the Bank Base Rate and the Bank Margin). The Interest Rate Benefit is therefore 1.55% (calculated as the difference between the Standard Interest Rate and the Covered Interest Rate). The above example is merely indicative, and the Parties agree and acknowledge that the Standard Interest Rate may vary from time to time and that accordingly the Covered Interest Rate may increase or decrease proportionately, provided that the Interest Rate Benefit shall be 1.55%.

Eligibility

To ensure that this Facility Letter qualifies as an Eligible Student Transaction, you must countersign it to confirm your acceptance of all terms and conditions. Please note, your Eligible Student Transaction will only take effect once you have accepted and signed, and provided that funding from the European Social Funds Plus Programme 2021-2027 ("ESF+") is still available under the StudentAssist Financial Instrument Scheme, at the time you sign the Facility Letter.

Additionally, the Loan, and any Student Transaction thereunder, will be considered as eligible (an "Eligible Student Transaction") within the StudentAssist FI (Financial Instrument) if the following conditions and criteria are satisfied. Throughout the duration of the loan and consequently all benefits and obligations of the StudentAssist FI will apply to same:

A. Student - "Student Eligibility Criteria" means the following criteria on the signing date of this agreement:

a) Nationality/ Citizenship/Residence status

i. Is a Maltese citizen; OR
ii. Is a national of an EU/EEA Member State or a family member of such EU/EEA national (as defined in Subsidiary Legislation (SL) 460.17 and SL217.04 respectively for EU and EEA nationals), provided that

such person has obtained permanent residence in Malta in accordance with SL460.17 and in SL217.04 respectively for EU and EEA nationals; OR

iii. Is a national of an EU/EEA Member State who is in Malta exercising his/her Treaty rights as an employee, self-employed person or person retaining such status in accordance with SL460.17; OR
iv. is a third country national that has been granted long-term residence status under SL217.05

b) Married couples - Community of Acquests

In the case of married couples where the Community of Acquests applies, one of the applying parties needs to comply with at least one of the “Student Eligibility Criteria” above.

c) Throughout the Moratorium Period of the loan, the Eligible Student must continue the course, whether on a full or part-time basis; and

B. "Student Transaction Eligibility Criteria" refers to the following criteria:

a) The Eligible Student Transaction shall be newly originated on signing date of this Agreement, that is, it shall not involve the refinancing of existing loans or costs.

b) The amounts being disbursed by the Bank as the Eligible Student Transaction cannot in total exceed the Sanctioned Amount throughout the duration of the Agreement/Loan.

c) The purpose of the Eligible Student Transaction shall specifically finance the costs for tuition fees, living expenses, accommodation fees, transport expenses, text books and other expenses directly related to the course being financed ("Eligible Costs"), subject to the following conditions:

i. The amount of the loan is not to exceed the projected Student Budget and
ii. Disbursements are to be made in line with the cost payments exigencies, against appropriate documentation (apart for your first disbursement made towards living expenses), and in line with the Student Budget; and
iii. All disbursements from the Eligible Student Transaction must be drawn down by the earliest of the course end date or 31 December 2028.
iv. In the case where the course term goes beyond the 31st December 2028, the allocated loan funds need to be fully disbursed by the said date and placed in a separate student account in the name of the Eligible Student. The funds will remain blocked, and disbursements will continue in line with the Student Budget. If you do not complete the course, any unutilised balances will be credited back to the loan in permanent reduction of capital only.
v. The Eligible Student Transaction shall target Accredited courses in MQF levels 5,6,7 and 8 or equivalent of, as well as internationally recognised certificates. The Bank may require approval to accept certain courses/certificates on a case-by-case basis from the Managing Authority.
vi. The Eligible Student Transactions shall specifically finance full time/part time courses.
vii. The Eligible Student Transaction shall not be affected by fraud, throughout the agreement.
viii. The Eligible Student Transaction can be in an exclusion situation if misuse of funds and other detrimental circumstances which may provide for the exclusion of the loan from the StudentAssist Financial Instrument, are determined by the Bank and/or MDB.

Interest Rate Subsidy

During the Moratorium Period the Bank will charge interest every six months and at the end of the Moratorium Period. The interest due during the Repayment Period must be paid directly by the student monthly, as part of the repayment programme of the Loan. During the moratorium period, you are not allowed to make any loan repayments. If any repayments are made during this time, the Bank will reverse them.

In the case an Eligible Student discontinues the studies for reasons related to health, the Interest Rate Subsidy will cease to be paid one month from the date of discontinuation of the studies. and hence the Repayment Term will come into force with effect from the date of such discontinuation.

In the case an Eligible Student discontinues the studies for any reason other than that related to health reasons, the Repayment Term will come into force with effect from the date of such discontinuation, and all Interest Rate

Subsidies paid on the loan have to be refunded back by the Eligible Student within a maximum of one (1) month from the date the Eligible Student has discontinued the studies, unless otherwise agreed by the MDB.

Exclusion of a Student Transaction

At any time, MDB and/or BOV may request information and documentation to verify whether a Student Transaction is an Eligible Student Transaction or a non-eligible Student Transaction.

Upon becoming aware that a Student Transaction is or has become a non-eligible Student Transaction, as a result of a breach by the student of his/her obligations, the Bank shall exclude same (such Student Transaction being an "Excluded Student Transaction") as of the date on which it became a non-eligible Student Transaction and inform the student accordingly.

The amount of such an Excluded Student Transaction shall become immediately due and repayable by the student, unless Student Transaction is reconfirmed as an Eligible Student Transaction, and failure to do so shall be considered as an Event of Default, in addition to the Events of Default listed below.

If a Student Transaction is or becomes an Excluded Student Transaction, it shall no longer be covered by StudentAssist FI, and hence by MDB's Guarantee and Interest Subsidy.

Alternative Funding

No double or alternative funding of the same Eligible Costs should be allowed through the Eligible Student Transaction if the Eligible Student is benefiting from other studies-related grants.

Maximum Term Periods

Maximum term of loans (inclusive of moratorium period) shall consist of:

A. The moratorium period, which should not exceed the 'Maximum Moratorium Period' of five (5) years and

B. A maximum of ten (10) years 'Repayment Period' for Interest and capital repayments terms, excluding the moratorium period as follows:

   a) facilities under or equal to €10,000 shall not exceed two (2) times the course period
   b) facilities greater than €10,000 but lower than or equal to €20,000 shall not exceed four (4) times the course period; and
   c) for facilities greater than €20,000 shall not exceed five (5) times the course period.

Subject to the maximum term of fifteen (15) years, any changes to these terms require the mutual agreement of both Parties, that is the MDB and BOV.

For avoidance of doubt, the combination of the Maximum Moratorium Period and the Maximum Period for the Repayment of interest and capital on the eligible loan shall not exceed 15 years. The Eligible Student Transaction Maturity starts from the first date of disbursement of the Eligible Student Transaction.

The Loan is to be settled in full by the end of the Repayment Period.

The Moratorium Period shall cover the duration of the course period plus an additional one year. During the additional one-year period, an Eligible Student is expected to find full-time employment in line with their studies.

Furthermore, if need be, an Eligible Student may apply for an extension of one year to the Moratorium Period to be able to complete the studies (e.g. in case they obtain an extension of the course or in case they have to re-sit exams). In all instances, the maximum Moratorium Period cannot exceed five (5) years.

Currency Denomination

This Loan may only be denominated solely in Euro. Therefore, disbursements from the Loan may only be made in the Euro equivalent in another currency at the Bank's discretion.

Disbursements

Disbursements are to be made in line with the cost payments exigencies and in accordance with the Student Budget Plan.

Disbursements towards the payment of tuition and accommodation are to be made directly to the payee by the Bank and you are to provide the bank with a copy of the relative invoices and/or receipts. In exceptional cases when the Bank cannot make the payment directly to the payee's account, you are to contact the Bank and obtain their authorisation to use a different method of payment before the transaction occurs. In such cases you must provide the Bank with sufficient documentary evidence originating from the payee, justifying that such payment is to be made through other channels, such as a payment portal.

You must provide the bank, after effecting the transaction in connection with tuition and accommodation fees, with supporting documentation such as receipts and/or bank or card statements in evidence of such payments.

You are to request and retain the relative receipts of all payments effected under the StudentAssist FI which you will need to submit to the Bank for its records, apart from those related to living expenses. Official invoices of "eligible costs" must be kept as the Authorities may request further supporting documentation at any time. You are required to keep all relevant documents for ten years after the final claim on the Guarantee or the last interest subsidy payment.

Use of Living Expenses Funds and Documentation Requirements

All funds allocated for living expenses under the BOV Studies Plus+ Student Loan must be utilized exclusively through card payments, which may include either debit or credit cards (and not against cash withdrawals), preferably all transacted through the same account held in your name to ensure proper use of these funds. You are required to provide the Bank with your card or account statement/s prior to requesting any subsequent disbursements related to living expenses. You are to clearly provide a breakdown of each individual living expense transaction through a copy of these statements provided to the Bank. The total of these transactions must match at least the amount previously disbursed for living expenses from your loan account. This requirement aligns with the Operational Agreement held with MDB (which may be subject to any future amendments from time to time). Failure to comply with this documentation process will result in the Bank being unable to process any further disbursements for living expenses.

Right of Cancellation

In addition to the Events of Default listed below, the Bank reserves the right to terminate this Agreement if not satisfied that the Loan is not being properly conducted or does not qualify as an Eligible Student Transaction/s if:

A. Insufficient and/or incomplete documentary evidence has been provided by the student for the loan to continue to be deemed as an Eligible Student Transaction; or
B. Your potential future income may not suffice to cover the proposed repayments.

Reporting by the Bank to MDB

You acknowledge the fact that the Bank shall be reporting to MDB at periodic intervals, the following information:

A. your Loan details,
B. the list of Eligible Student Transactions,
C. your respective Loan balances and drawdowns,
D. the interest payable, irrespective of whether being subsidised or not,

E. other details conducive to the above.

Relationship with the European Commission and other public bodies

The Bank, through MDB, is obliged to cooperate with representatives of the European Commission, or other relevant European Union entity empowered by applicable law, to carry out to any evaluation or assessment of the Scheme as may be required.

You are obliged and agree to cooperate with the Bank, whenever the European Commission or such other entity as aforesaid for the purposes of carrying out such evaluation or assessment.

You are aware and hereby give your full consent to the Bank to reply to requests for information, in liaison with the MDB, for local audit or investigative public bodies, the Commission and/or the European Court of Auditors that are entitled to carry out audits, controls and inspection of the documentation related to any Eligible Student Transaction and/or Loan, which are, and their performance also duly reported at periodic intervals by the Bank to the MDB.

This agreement, in respect of all different processes, being the origination, eligibility of transactions, the details therewith, the loan and conduct therewith, Know your Customer Checks, in addition are subject to verification by aforementioned entities all empowered, by applicable law, to may inspect and audit the internal policies and procedures of the Bank and your conduct in respect of the loan and that such are being operated by the Bank and you in compliance thereof.

You agree to provide any necessary documentation being requested, supporting any enquiries or request for information made by the Bank, within a month of such request. Failure to provide the necessary information would be considered as an Event of Default.

You acknowledge and agree that personal data relating to any natural person may be divulged to the Malta Development Bank (MDB), the Managing Authority and any Relevant Party to enable the Bank to fulfil its obligations in relation to the scheme. The personal data shall include, but is not limited to, the name, address, email address and other personal data of such person. You further acknowledge and agree that such information may be made public to fulfil regulatory requirements imposed upon the MDB and/or the Managing Authority and/or any Relevant Party. Information on the processing of personal data by the MDB may be obtained by accessing this link: https://www.mdb.org.mt/privacy-policy/. Information on the processing of personal data by the EIF may be obtained by accessing this link: https://www.eif.org/data-protection.

Representation of the Scheme

You as an Eligible Student undertake that disbursements under the facility will be utilised for the purposes specified in Student Transaction Eligibility Criteria and that representations, warranties and undertakings from you as the Eligible Student shall be complied in accordance with these General Conditions.

Undertakings

You undertake

A. to provide the bank, after effecting each Student transaction, with supporting documentation such as receipts and/or bank or card statements in evidence of such payments in connection with “Eligible Costs” (excluding living expenses) being financed in accordance with the Student Budget Plan.
B. to use the loan funds disbursed to your account exclusively for living expenses strictly via card transactions using either debit or credit cards, and not against cash withdrawals. Furthermore, you are required to submit a copy of your card or account statements to the Bank prior to requesting any subsequent disbursements for living expenses, clearly identifying a breakdown of each individual living expense transaction. The total of these transactions must match at least the amount previously disbursed for living expenses.
C. to keep all relevant documents for ten years after the final claim on the Guarantee or last interest subsidy payment effected the MDB at the end of the Moratorium Period.
D. that, in utilising this Loan, you shall ensure full compliance with local and relevant EU laws.

Notification to the Bank

You are to notify the Bank, by expedient means, when you are aware of the following events:

A. Should you intend or have to discontinue your studies.
B. Should you intend or require extending your study period.
C. Should your income levels be altered in any manner whatsoever.
D. Should you become aware of any material effect that requires notification to the Bank.

Course Completion Evidence

Within 60 calendar days of completing the course, you must provide the Bank with an official proof from the educational institution / academy that you have successfully completed the Course being financed through the BOV Studies Plus+ Student Loan, as part of the StudentAssist Scheme Financial Instrument. If you fail to submit this evidence within this reasonable timeframe, the loan may be reclassified as a Non-Eligible Student Transaction, subject to the applicable terms and conditions.

STANDARD EVENTS OF DEFAULT

There shall be an event of default if:

a) the Customer* fails to pay any sum whether of principal, interest, fees or charges, due from it at the time and in the manner stipulated in the document/s regulating the Loan;
b) or the Customer commits any breach of or omits to observe any obligations and undertakings expressed to be assumed by it in the document/s regulating the Loan; or
c) any representation or warranty made or deemed to be made, or repeated by or in respect of the Customer, is or proves to have been, incorrect in any material respect; or
d) any indebtedness of the Customer is not paid when due or becomes due and payable, or any creditor of the Customer becomes entitled to declare any such indebtedness due and payable prior to the date when it would otherwise have become due or any guarantee or indemnity of the Customer in respect of indebtedness is not honoured when due and called upon; or
e) any consent, authorisation, license or approval of, or registration with, or declaration to, governmental or public bodies or authorities, or courts, required by the Customer in connection with, or pursuant to, the execution, delivery, validity, enforceability or admissibility in evidence of the document/s regulating the Loan or the performance by the Customer of its obligations in the document/s regulating the Loan, is modified, or is not granted, or is revoked or terminated or expires and is not renewed or otherwise ceases to be in full force and effect; or
f) a creditor attaches or takes possession of, by way of execution, sequestration or other process is levied or enforced upon or sued out against, any of the undertakings, assets, rights or revenues of the Customer; and is not discharged within seven (7) days; or
g) the Customer suspends payment of its debts, or is unable, or admits inability to pay its debts as they fall due, or commences negotiations with one or more of its creditors with a view to the general readjustment or rescheduling of all or part of its indebtedness, or proposes, or enters into any composition or other arrangement for the benefit of its creditors generally or as a class of creditors, or proceedings are commenced in relation to the Customer under any law, regulation or procedure relating to the reconstruction of debts; or
h) the Customer takes any action, or any legal proceedings are started or other steps taken for:
    a) the Customer to be adjudicated or found bankrupt or insolvent; or
    b) the winding up or dissolution of the Customer; or
    c) the appointment of a liquidator, curator, administrator or similar officer of the Customer; or
i) the Customer suspends or ceases or threatens to suspend or cease to carry on its business; or
j) all or a material part of the undertakings, assets, rights, or revenues of, or shares, or other ownership interests in, the Customer are seized, nationalised, expropriated or compulsorily acquired by, or under the authority of any government; or
k) unless previously approved in writing by the Bank, the Customer allows and/or recognises any transfer of its shares or any change of its ownership and/or in any other manner whatsoever allows the control of the Customer to be acquired or exercised by any person or entity not having control as at the date of the document/s

regulating the Loan. For the purposes of this clause, "control" means the power to direct the management and/or policies of the Customer whether through the ownership of capital, by contract or otherwise.

l) it becomes unlawful at any time for the Customer to perform all or any of its obligations in the document/s regulating the Loan; or

m) the Customer repudiates, or does, or causes, or permits to be done, any act or thing evidencing an intention to repudiate the document/s regulating the Loan or

n) there occurs in the opinion of the Bank, a material adverse change in the financial condition of the Customer; or

o) any other event occurs, or circumstance arises which, in the opinion of the Bank, is likely, materially and adversely to effect the ability of the Customer to perform all or any of its obligations under or otherwise comply with the terms of the documents/s regulating the Loan; or

p) if the loan is utilised in any other manner than for the purpose indicated for the facility letter, in which case without prejudice to any of the Bank's rights on the occurrence of an event of default, the Bank shall be entitled to increase the interest rate to four point two five per cent (4.25%) over the Consumer Lending Bank Base Rate immediately giving your written notification thereof.

* Wherever the word "Customer" appears herein, this shall include the surety, if applicable.