

General Terms and Conditions for Personal Loans

(These terms are not applicable to Personal Loans secured with hypothecs over an immovable property in Malta)

Personal Loan sanctioned by Bank of Valletta p.l.c. (the 'Bank')

1. Unless otherwise agreed, the **English language** will be used for the purpose of interpreting the facility letter and for all communications in connection with the facility letter.
2. Unless specified otherwise, the **validity date of the facility letter** is 180 days from the date of the facility letter. If no drawdown is effected within 180 days from the date of the facility letter, on your request, an extension for the validity and drawdown periods may be considered, at the Bank's sole discretion. Otherwise, the loan shall be withdrawn by the Bank, the facility letter will be cancelled and any processing fees already levied shall not be refundable.
3. A **commitment fee** per annum, (in line with the Bank's tariff of charges) on the undrawn balance of the Loan will be applicable as from the first (1st) day following the lapse of the grace period, which is two (2) months from facility letter date. This fee shall accrue and be due on daily unutilised balances, and will be debited on a monthly basis from a 'service account' as agreed between yourself and the Bank upon your application for the loan. In the event that the Bank is unable to collect the fee, or part thereof, from the service account for any reason whatsoever, the Bank may debit any other account held by you with the Bank. The Bank reserves the right to change the payment frequency or any other terms and conditions of this commitment fee, in line with the Bank's business processes, by giving you two (2) months' prior written notice.
4. The loan/s shall become immediately due and payable together with interest and charges upon the occurrence of any of the events of default listed in the below form **Events of Default** and on receipt of the Bank's first demand in writing.
5. In addition to the above, the Bank reserves the right, at its sole discretion, to terminate its business relationship with you for grounds, even if extraneous to the conduct of the loan account, which it considers of sufficient gravity to warrant such termination. In such cases, and depending on the severity of the circumstances, the Bank shall be entitled, at its option, to consider such grounds as an event of default entitling the Bank to give you reasonable notice to make alternative banking arrangements or claim full repayment of the outstanding loan balance within thirty (30) days. Circumstances for **termination** may include, but are not limited to, the following:
 - Conduct on your part which prejudices the Bank's interests, security, reputation or giving rise to a material risk to the Bank, or
 - If you or any third party whom the Bank would be paying from the loan account (such as a property vendor, supplier or service provider) become subject to any court order prohibiting us from making any payment to you or contract with you, or any court order attaching or freezing your assets, in which case, the Bank would have no obligation to disclose the reason for terminating the business relationship, or
 - If you or any third party whom the Bank would be paying from the loan account (such as a property vendor, supplier or service provider) become the subject of any sanction/s issued by any national government, such as the United States, or any international organisation, such as the United Nations Security Council and the European Union, or,
 - If it becomes apparent to us that you or any third party whom the Bank would be paying from the loan account (such as a property vendor, supplier or service provider) are involved in any fraud, money laundering or financing of terrorism whatsoever in which case, the Bank would have no obligation to disclose the reason for terminating the business relationship.

6. You acknowledge that the Bank has issued the facility letter in reliance on representations and/or information given to the Bank. Consequently, if any event occurs or circumstance arises which, may reasonably affect the performance of all or any of **your obligations** under the facility letter then, or at any time thereafter, prior to utilisation of the banking facilities as indicated, the Bank shall have the right to amend, withdraw or cancel the facility letter by giving you notice thereof by simple letter.
7. **Loan repayments** and/or **payments for insurance premia**, if any, are to be effected by standing instructions arrangements with the Bank. Furthermore, in the event of a change in the amount of the repayment resulting from a change in the Consumer Lending Bank Base Rate, or in the applicable insurance policy stamp duty, the Customer/s is/are hereby authorising the Bank to amend in accordance with the terms of the facility letter the loan repayment/insurance policy standing instructions amount, on the Customer/s' behalf and without further notice.

Moreover, if no funds are available in the account indicated by you in the standing instruction application for the payment of any insurance premia, the Bank may, by giving you notice in writing, debit any account held by you with the Bank, including the Loan account, with the relative premia.

Loan repayments should not in any way prejudice the performance and operations of any account in which the customer/s has/have any interest or control.

8. The facility is also subject to the **terms and conditions** set out hereunder:
 - a) Unless you are self-employed, you agree to channel your wage or salary direct to the Bank at all times during the duration of the loan;
 - b) No drawdown of the loan will take place until all the documents required are provided and found to be to the satisfaction of the Bank;
 - c) Unless otherwise agreed, the Bank should have the right to supply loan funds to you, whether in whole, or in part, by means of a direct payment to the supplier indicated on the invoice submitted by yourself;
 - d) Where there is more than one customer, any reference to the 'Customer' includes a reference to each of them and the agreements, obligations and liabilities of such persons herein contained are joint and several;
 - e) Unless otherwise agreed, withdrawals from the loan account are to be signed by all account holders;
 - f) Unless otherwise agreed, all payments and remittances received in the name/s or for the credit of either or any one or more of the account holders shall be placed to the credit of the loan account.
9. The **processing fees**(in line with the Bank's tariff of charges), where applicable, are due to the Bank upon issue of the facility letter and are payable whether loan funds are drawn down or otherwise.
10. In the event that you **do not effect repayment** as agreed or if you are in default, the Bank may, by giving you notice in writing, debit any account held by you with the Bank, with all or any repayment installments, interest calculated in accordance with the above, and charges as set herein.

In addition, the Bank reserves the right to increase the interest rate by a maximum of two per cent (2%) per annum over the interest rate applicable at the moment of default, and to charge a fee (EUR 10) in respect of every written reminder sent to you in respect of any unpaid repayment/s.

However if the facility was granted to you at a lower interest rate, than the applicable interest rate for similar facilities granted at the same time, in the event that you do not effect repayment as agreed or if you are in default, the Bank reserves the right to increase the interest rate to that applicable to such similar facilities (the 'Increased Interest Rate'), at the time of such default or failure to effect repayment, and, in addition to increase the Increased Interest Rate by a further maximum of two per cent (2%).

11. Financial statement of affairs of applicants in detail to show the repayments are **still feasible and sustainable**, as and when required by the Bank from time to time.

12. Loan repayments should not in any way prejudice **the performance and operations of any account** in which you have any interest or control.
13. The **terms and conditions** (including the interest rate, fees and charges) **may be amended from time to time by the Bank:**
- a) In the event of changes in market conditions or in banking practice;
 - b) In the event of changes in costs or reductions in return to the Bank, including costs or reductions in return which shall be consequent upon compliance by the Bank with any capital adequacy or minimum reserve requirements or any other request from or requirement of any central bank or other fiscal, monetary or other authority;
 - c) If you are in breach of your obligations under the facility letter or are otherwise in default;
 - d) In the event of changes in the law and/or a decision or recommendation of a court, regulator or similar body;
 - e) In the event of the introduction of new or improved products, systems methods of operation technology, alternative delivery channels, services of facilities;
 - f) In the case of a merger with or takeover of the business of another bank or organization offering similar services;
 - g) If any event occurs or circumstances arises which may reasonably affect the performance by you or all or any of the obligations under the facility letter.

The Bank will give you reasonable written notice of such changes. If a change in the interest rate is solely due to a change in the Consumer Lending Bank Base Rate, the Bank will inform you thereof by publication in the local press or on the Bank's website www.bov.com. Information concerning the new Consumer Lending Bank Base Rate will also be available at the Bank's branches.

14. In the case of non-Euro denominated personal loans, customer/s confirm that he/she/they is/are aware of the potential risks involved as a result of fluctuations in the interest rate and currency exchange risks.
15. You may at any time fully repay the loan and all interest accrued up to the date of repayment. Should you request to do so the Bank shall calculate the exact amount which is due from you at the time of your request. Depending on the time of the **early full repayment**, the exact amount which you will repay may be lower than the total amount repayable to the Bank had you not effected such early full repayment.
16. You are entitled to withdraw from the facility agreement without giving any reason, within fourteen (14) days from the date when you sign the facility letter, by notifying the Bank in writing thereof (the '**Withdrawal Notification**'). If you withdraw from the facility agreement, you shall repay any part of the facility which has been drawn down, together with the relative interest, from the date of drawdown of the facility until the date of repayment, by not later than thirty (30) days from the date of the Withdrawal Notification. Interest will continue to accrue on the balance outstanding until full repayment. In addition, you will not be entitled to a refund of any charges paid by the Bank to public administrative bodies, which the Bank is not entitled to recover.
17. You are entitled at any time throughout the duration of the loan to a **statement of account in the form of an amortization table**. However, you shall remain obliged to continue effecting monthly repayments as stipulated in the facility letter.
18. You hereby confirm that you have been provided by the Bank with a copy of the **Standard European Consumer Credit Information** according to the Consumer Credit Regulations, 2010 (Legal Notice 330 of 2010)
19. In line with Directive No. 14 issued by the Central Bank of Malta relating to the establishment of a new **Central Credit Register**, information related to all your credit facilities in excess of Eur5,000 (if any) will be made available to the Central Bank for inclusion in this Register. In terms of this Directive, all banks in Malta are legally obliged to provide to the Central Bank all the necessary information on a monthly basis.

The credit facilities reportable for the purposes of this Register include loans, overdrafts, commitments, credit cards and other credit lines which are deemed to represent a credit exposure.

Access to the Register, which will be operated through a fully auditable system on the CBM portal, will be strictly limited to banks in Malta, whilst customers themselves, or their lawful representatives, may also request to exercise the right to have an extract of the information held on them on the Register.

20. You are advised that the amendment/s is/are not to be interpreted to constitute a novation of your obligations towards the Bank. On default the terms and conditions of the quoted Sanction Letter shall apply and have effect immediately.
21. Where applicable, in accordance with law, the facility is being granted on a **joint and several** basis.
22. The facility letter shall be regulated by, and shall be construed in accordance with the laws of Malta and any dispute in relation thereto shall be subject to the **exclusive jurisdiction of the courts of Malta**.
23. If you are taking up an unsecured or partially secured Personal Loan, you are automatically included under a **Group Life insurance policy** underwritten by Mapfre Middlesea p.l.c. The insurance cover is valid until the loan is settled in full or you reach the age of 70 years, whichever occurs first. Mapfre Middlesea p.l.c., underwriting the aforementioned Group Life insurance policy, will settle directly an indemnification with the Bank equivalent to the outstanding liability on the loan account up to a maximum of 25,000. No medical underwriting is required and the sum assured is payable directly to the Bank in the case of death of the account holder (or death of any of the account holders, in case of joint applicants) during the term of the loan. Details of the 'Summary of Cover' may be obtained from the Bank's website (www.bov.com), from any BOV Branch or from our Customer Service Centre.
24. You and/or the Pledgor may be required to make up for the difference between the value of the securities pledged in favour of the Bank and the amount of the facility. This difference is called the '**Security Margin**'. If at any time, the value of the securities pledged in favour of the Bank taken at the lowest market price of the day or at the exchange rate of the day (if applicable) is less than the amount of the facility plus a margin as may be determined by the Bank from time to time, you and/or the Pledgor shall on demand, and at the sole discretion of the Bank, either pay to the Bank an amount which is required to make up the Security Margin or alternatively give further security to make up the required Security Margin.
25. Authority is hereby given to the Bank to **divulge any information** regarding your facility/ies to the **guarantor/s and/or pledgor/s** indicated in the Facility Letter.
26. **Complaints** regarding the facility are to be discussed with the Bank's Customer Services Officer or the Manager of the branch where the facility is domiciled. If this is not convenient to you or if you are still not satisfied, you may also call on 2131 2020 or may write to The Manager, Customer Resolutions Unit, Bank of Valletta p.l.c., BOV Centre, Triq il-Kanun, Zone 4, Central Business District, Santa Venera CBD 4060, Malta (email: customerresolutions@bov.com), or by completing a complaint form available in electronic format on our website - www.bov.com via '**Customer Support**'.
27. If you are still not satisfied with the Bank's reply or no agreement has been reached with the Bank, one may refer the matter to **The Office of the Arbiter for Financial Services**, by writing to: The Office of the Arbiter for Financial Services, N/S in Regional Road, Msida MSD1920, Malta. Further information may be obtained through the official website: www.financialarbiter.org.mt; Freephone (local calls): 8007 2366 and Telephone: (356) 2316 6221.
28. The **Bank's privacy notice**, which tells you what to expect us to do with the **personal information** you are providing by means of an application form, is available online at [Bank of Valletta Privacy Policy](#) or in hard copy by asking the Bank representative assisting you.

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; or
- b) 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, licence 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:
 - i. the Customer to be adjudicated or found bankrupt or insolvent; or
 - ii. the winding up or dissolution of the Customer; or
 - iii. 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; or

- 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;
- p) if the loan is utilized in any other way than for the purpose indicated in 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 upon giving your written notification thereof.

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

Issued by Bank of Valletta p.l.c., 58, Triq San Żakkarija, Il-Belt Valletta, VLT 1130 – Malta. Bank of Valletta p.l.c. is a public limited company regulated by the MFSA and is licensed to carry out the business of banking in terms of the Banking Act (Cap. 371 of the Laws of Malta

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