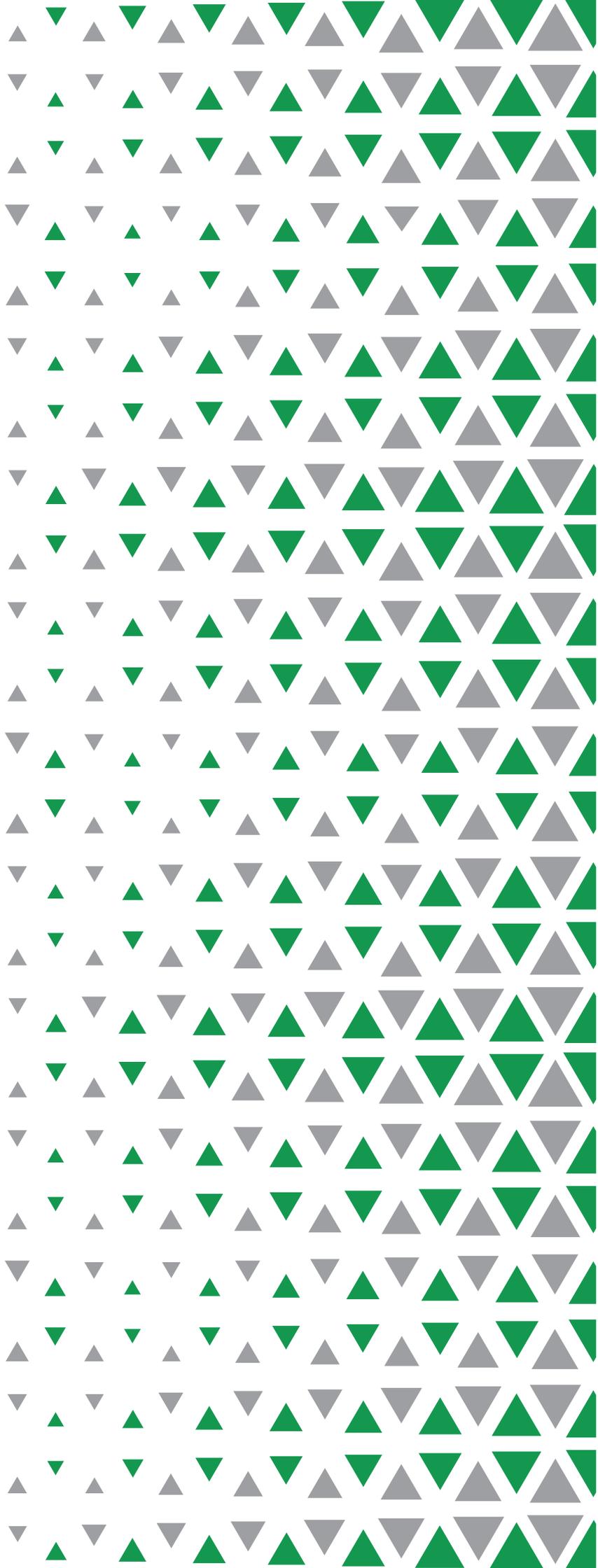




Al-Tijari

**Bank's
Loan
Contract**



Bank's Loan Contract



التجاري
Al-Tijari
1-888-225 cbk.com

This contract was concluded on / /

First: COMMERCIAL BANK OF KUWAIT (K.P.S.C)

Address: Mubarak Al Kabeer - P.O. BOX 2861 SAFAT, 13029 – KUWAIT (First Party -Lender) referred to hereinafter as the “**Bank**”

Second: Mr. (Second Party - Borrower) referred to hereinafter as the “**Customer**”

Address:

Occupation:

Place of Work:

Work Address:

Work Phone:

Email address: @

Both parties, being fully eligible to agree and enter into contract, agreed as follows:-

Item 1: Description, Definition and Limits of the Banking Loan

The Bank hereby offers the Customer a banking loan as marked by (*) opposite to the type of loan as follows:

() Medium - term consumer loan to be repaid on monthly installments over a period not exceeding 5 years.

() Long - term housing loan to be repaid on monthly installments over a period not exceeding 15 years.

() Tijari short - term loan: a one-year term loan offered against cash mortgage and to be repaid on one payment / monthly installments basis over a period not exceeding one year.

() Tijari long - term loan: a loan offered against cash mortgage and to be repaid on one payment / monthly installments basis over a period from one year to five years.

up to an amount of KD on his account No. (.....) with the Bank,
..... Branch.

Item 2: Purpose of Loan

The customer undertakes to use the loan, subject of this contract, for the purpose the loan was extended for i.e purchasing / financing
However, and in case of housing loan only, the Customer undertakes to submit the documents evidencing the utilization of the loan for the said purpose within a maximum period of as of the date of granting the loan to the customer.

Item 3: Interests & Commissions

- As for consumer loan, a fixed contractual interest rate of% (..... percent) per annum over the Central Bank of Kuwait's discount rate declared at the contract date shall be payable throughout its term and until full repayment. The interest rate shall be calculated on the daily balance of the debt arising from the use of the loan by the Customer and interest rates are estimated at an amount of KD
- As regarding the housing loan, a fixed contractual interest rate of% (..... per cent) per annum over the Central Bank of Kuwait's discount rate declared at the contract date shall be applied for a maximum period of 5 years. However, the Bank may, at the end of this period and commencing from installment No. (61) and (121), revise the interest rate as per the Central Bank of Kuwait's rates declared at that date provided that the revised interest rate shall not exceed 2% (two per cent) up or down from the contractual interest rate applicable pursuant to the loan contract prior to introducing any changes on the interest rate. This interest shall be calculated on the daily balance of the debt arising from the use by the Customer of the loan in the loan account stated in this contract until the full repayment of the loan and interests. However and in case the Bank has not exercised its authorities i.e. amending the contractual interest rate, as mentioned above, throughout the contract term as per the rates declared by the Central Bank of Kuwait, the interest rate calculated on the loan shall amount to KD In case of amending the interest rate, the debit advise of the new pricing to the Customer's account shall be binding on him and it will serve as an advice of this pricing.
- As for Tijari short term loan, a floating contractual interest of 2.5% (two & half percent) per annum over the Central Bank of Kuwait discount rate declared at the contract date shall be applied throughout its term and until full payment. The interest rate shall be calculated on the daily balance of the debt arising from the use by the Customer of the loan in the loan account as stated in this contract.
- As for Tijari long term loan, a floating contractual interest of 4% (four percent) per annum over the Central Bank of Kuwait discount rate declared at the contract date shall be applied throughout its term and until full payment. The interest rate shall be calculated on the daily balance of the debt arising from the use by the Customer of the loan in the loan account as stated in this contract.
- Interest shall be accrued on monthly/ quarterly/ semi-annual / annual basis or on the due date of installment / due date of entire debt as per the banking regulations applicable with the Bank and shall be repaid on the due date thereof. The Customer undertakes to maintain sufficient amounts in his account mentioned above for repaying the said interests.
- The Customer acknowledges that he has been advised, at the loan granting date, of the percentage and amount of the interest rate declared by the Central Bank of Kuwait and acknowledges his acceptance of the same.
- As for past due amounts, the Bank may calculate default interests based on the maximum contractual interest rate specified by the Central Bank of Kuwait at the default date or as per the maximum limit established throughout the term of this contract, whichever higher. Default

interests shall be calculated in the same method and duration as applicable to the contractual interest rate stipulated in this contract. The Bank will continue to calculate the interests on the debit balances, after closing the account, in the same pricing, method and the duration as agreed in this contract until full repayment.

- h. The Customer shall undertake to pay default fees for each installment which the customer defaults the timely payment thereof. The value of such fees shall be specified as per the Bank's list of fees and commissions at the end of the month during which this installment is payable.
- i. The Customer acknowledges that the Bank may increase the interest rate on Tijari loan effective from the date of signing this contract and throughout its term in case the Central Bank of Kuwait interest rates are changed by increase.

Item 4: Repayment

a. The Customer undertakes to repay the outstanding debt balance, interests, commissions and any other fees and expenses owing from him under this contract and based on the list of fees & commissions approved by the Central Bank of Kuwait when they fall due as per the provisions of this contract.

b. The Customer undertakes to repay the loan granted to him under this contract as stated hereunder by the mark (*):

(...) On one payment basis on / / plus interests, commissions and insurance premium, if any, and any expenses payable under the provisions of this contract.

(...) On equal and consecutive installments on installments for KD each (..... Kuwaiti Dinar) at % of the net monthly salary, and each installment shall include the interests, commissions and insurance premium, if any, and any expenses payable under the provisions of this contract. The first installment shall fall due on / / and subsequent installments shall become due respectively at the same day of each month until the full payment on / / without prejudice to the payment of interest and commission on the due date thereof as provided for in this contract.

- c. The Customer, hereby, authorizes the Bank to directly debit his account stated in this contract or any other credit balances existing in any other accounts he maintains with the Bank for the debt outstanding on the Customer until the full repayment of loan / debt.
- d. It is agreed between both parties that the installment amount specified for repaying the housing loan as outlined in Item 3 (paragraph b) of this contract was calculated based on the assumption that the discount rate will remain unchanged throughout the installment period of the said loan. It is further agreed that the installment amount may be revised by increase or decrease in light of the changes the Bank may introduce to the interest rate as mentioned in the same Item.

Item 5: Life Insurance

In case the Customer wishes, under the loan application form submitted to the Bank, to endorse a life insurance policy with one of the specialized companies in favor of the bank throughout the contract term, the Customer shall authorize the Bank to debit his account mentioned above with an amount of KD (..... Kuwaiti Dinar) on a monthly premium as outlined in paragraph (b) of Item 4 to cover the life insurance policy charges. Further, the Customer shall acknowledge that he is in a good health at the time of concluding this contract. In case of early payment of the entire loan before maturity date, the Customer may not recover any amount from the insurance value or the premium paid.

Item 6: Acknowledgments & Undertakings

- a. The Customer acknowledges that his account No. (.....) with the Bank as at / / shows a debit / credit balance for KD (..... Kuwaiti Dinar) other than the interests payable on the said debit balance effective / /
- b. The Customer acknowledges that in the event the Bank had not received the Customer's written objection to the correctness of the account statement within 15 days from the date of posting it on the Bank's website, this shall be deemed as acknowledgement on his part of the correctness of the details contained in the account statement, his review of all the entries and contents thereof and final agreement thereof unless the Customer proves matters contradicting the same.
- c. The Customer acknowledges that his total obligations towards all creditors including the Commercial Bank of Kuwait do not exceed the maximum limit specified by the Central Bank of Kuwait i.e. KD 70000/- (Seventy thousand Kuwaiti Dinar only) for housing loans and an amount of KD 25000 (Twenty-Five Thousand only) for consumer loans and that his total monthly obligations, including all his obligations to the Bank, do not exceed 40% (Forty per cent) of his net monthly salary & comprehensive income after excluding the deductions, and acknowledges that if he is a pensioner, his total monthly obligations including all his obligations to the Bank do not exceed 30% (Thirty per cent) of his net pension and comprehensive income after excluding the deductions. The Customer shall further authorize the Bank to inquire and investigate from all concerned entities about the validity and correctness of statements furnished by the Customer.
- d. The Customer undertakes to transfer its monthly salary mentioned in the loan application form to his account with the Bank as stated in this contract, and that he continues to transfer its monthly salary to this account until full payment of the entire loan amount, its interests and all its ancillary sums. The Customer undertakes also to transfer its end of service indemnity to his aforesaid account. Upon receipt of these amounts or entitlements, the Bank shall have the right to deduct them from the outstanding debit balance of the loan amount even where the installments have not fallen due for payment yet, without the need to send any notice or warning, along with observing the exception related to the retired customers as provided for in paragraph (c) of Item 8 of this contract.
- e. The Customer acknowledges that he is fully aware that the monthly salary / pension he receives at the date of signing this contract, and any pay rise he may occasionally receive, is the main source and the guarantee submitted by him to honor all his obligations arising from the loan granted to him under this contract. Therefore, it is explicitly agreed between both parties that any change adversely affects the continuity and completeness & integrity of this source shall be considered as a direct substantial breach by the customer and he will be

liable for all the implications that may arise from such breach.

- f. The Customer undertakes to sign and execute all the transfers, assignment deeds, letters of lien, proxies and any other documents required by the Bank in order for the Bank to guarantee the Bank's rights arising pursuant to this contract. The Customer, further, authorizes the Bank to sign on his behalf in relation to all the related issues.
- g. The Customer may not assign or waive his rights or obligations arising hereunder to others without obtaining the Bank's prior written approval. Further, The Customer acknowledges that the Bank may, at any time, assign its rights arising hereunder or a part thereof to others without the Customer's prior consent.
- h. The Customer acknowledges that the Bank may severally amend the due date of any installment whether by getting it payable at a later or earlier date provided that the revised due date would not fall after the calendar month during which this installment is payable, and the Customer undertakes to maintain sufficient credit balance in his account to pay the installment at its revised due date.
- i. The Customer agrees that the Bank would block/place hold on the amount of the installment in his account in case the salary is transferred to the account before the due date during the month in which the installment is payable where the Bank shall deduct this installment at the due date.
- j. The Customer undertakes to furnish the Bank with all information when any change is made to his statements mentioned in this contract or when requested by the Bank at any time.
- k. The Second Party, hereby, undertakes to submit all the documents, including invoices and/or contracts that evidence his use of the housing loan (only) in the purpose for which it is granted, within the specified period from the date of signing the final copy of the contract. The Second Party conclusively and irrevocably authorizes the First Party to verify the use by the Second Party of the loan in the purpose for which the loan is granted. To this end, the First Party may, without limitation, enquire with any entity about the validity and contents of the documents presented to it by the Second Party as referred to in the preceding paragraph and to make such enquires with those entities or others by such means that the First Party may deem appropriate. In case the Second Party violates this commitment, the First Party may take the necessary action without prejudice to the authorities established under the Law and this contract.

Item 7: Default

1. Cases of Default

The entire debit balance arising from the loan granted under this contract shall become due and payable forthwith without the need to give any notice or warning or to take any other legal action in any of the following cases:

- a. Default or abstention by the Customer to settle any of the loan installments, or a part thereof, as set forth in the contract on the due date thereof or fails to pay the interest on the due date, or where there is no sufficient credit balance in the Customer's account with the Bank to cover any amount due from him.
- b. The end of the service of the Customer with his employer stated in the contract for any reason whatsoever or the change of employer or discontinuation of the transfer of his salary / income to his account with the Bank for any reason whatsoever.
- c. Exchange by the Customer of part of his pension or his early retirement without having first obtained the Bank's prior written consent thereto.
- d. Issuance of a court judgment against the Customer or the provisional or executive attachment or the taking of judicial actions against him, or his permanent departure from the State of Kuwait, or where there is information that he intends to leave Kuwait or the occurrence of any other event that may affect the loan security.
- e. Where any information, data, declarations provided or made by the Customer for obtaining this loan or contained in the loan contract or the supplement thereto are found untrue or where he has used the loan amount for a purpose other than that for which it was granted.
- f. If the end of service indemnity was credited into the (Non-Kuwaiti) Customer's account with the Bank because it became payable with the employer or for any other reason.
- g. If the Bank deemed that there are reasons that may lead to failure by the Customer and / or any of his guarantors to honor his obligations towards the Bank.
- h. Any other reason provided for by the law that renders a deferred loan due and payable.

2. Default Penalty

If any of the preceding cases of default occurred, the following shall be applied:

- a. Default interest shall be applied on the entire debit balance of loan until full payment based on the Central Bank of Kuwait's maximum interest rate specified at ...% at that date or as per the maximum limit to be established by the Central Bank of Kuwait in the future whichever is higher and these interests shall be also applied in the same pricing after closing the account.
- b. This is also deemed as prejudice to the terms and conditions of all other contracts concluded between the Bank and Customer i.e. contracts forward and non-forward. As such, any cross default to the terms & conditions shall result in the expiry of all the Bank's loans outstanding on the customer and payable to the Bank under this contract and other contracts whether consumer, housing or subordinating loans with all loans falling due without notice, warning or any other procedure.

Item 8: Other Conditions & Provisions

- a. All accounts, whatsoever their type, whether opened and existing at present in the Customer's name or to be opened in his name in future with the Bank or any of its branches in Kuwait or abroad shall be deemed as securing each other, regardless of their names. The Bank may combine or consolidate all or some of these accounts and may apply the credit balance in any of them to set off a debit balance in another or freeze the credit balance in any of these accounts until the Customer has fulfilled all his obligations towards the Bank. The Customer shall authorize the Bank to effect any set-off, debit the credit balance and make any entries, settlements or transfers in any accounts existing at present or to be opened in the Customer's name with any of the Bank's branches in Kuwait or abroad.
- b. All monies, securities, commercial papers, precious metals, end of service indemnity and other rights, whatsoever, registered or deposited

at present or to be registered or deposited in future in the Customer's name with the Bank or any of its branches in Kuwait or abroad shall be deemed as a possessory mortgage in favor of the Bank to guarantee all his obligations towards the Bank without the need to acknowledge the same. The Bank may get its dues and recover its debt directly from the monies mentioned above by effecting priority set-off over any other creditor without notice, warning or legal proceedings.

- c. As an exception from the provisions of both paragraphs (a) & (b) of this Item, the Bank may not use or place hold on the end of service indemnity or any amount existing in the accounts of the retired Customer whose debt has not expired in favor of the Bank unless after obtaining a written consent from the Customer.
- d. The Second Party acknowledges that he conclusively & unconditionally approves to comply with the Central Bank of Kuwait's instructions related to closing all his checking accounts and including his name in the list of the customers whose accounts were closed due to returned cheques drawn by him or by his authorized agent due to insufficient balance in such accounts in the event three cheques as a maximum are returned in one year for this reason. Furthermore, he acknowledges his prior approval on any other action the First Party may take in this regard and that the First Party may, at its absolute discretion, open another non – checking account for the customer, who accept this condition, instead of the closed one and transfer to the new account the loan that was previously granted on the closed account.

Item 9: Indulgence

The Customer acknowledges that any indulgence on part of the Bank in respect of the repayment dates set out herein and any of its other rights shall not affect the enforceability of all the conditions & provisions of this contract against the Customer. Indulgence on part of the Bank shall not be deemed as a waiver of any of its rights nor shall it diminish such rights.

Item 10: Selected Domicile

The Customer acknowledges that all correspondence, account statements, legal and judicial notices forwarded to him by the Bank at his address herein mentioned or at the address last known to the Bank in a registered letter with acknowledgement of receipt or by e-mail are correct and binding upon him and producing all legal effects. Any change in the customer's address shall become effective only from the date of receiving the customer's advice on change of address.

Item 11: The Term of Contract

This contract and all provisions included therein shall be valid and enforceable from the date of signing this contract by both the Customer and the Bank and shall remain valid until Customer honors all his obligations arising under this contract.

Item 12: Law & Judicial Jurisdiction

In case parties dispute on construing or application or performance of this contract, this dispute shall be referred to judicial arbitration in Kuwait as this contract shall be subject to the provisions of the laws applicable in the State of Kuwait.

Item 13: The Related Parties

The Customer acknowledges the existence / non-existence of related parties form the Commercial Bank of Kuwait Board Members at the time of approving the loan application. Should the Customer have related parties, he shall write down their names (.....)

| | |
|--|-------------------------------|
| (First Party) For the Commercial Bank of Kuwait (KPSC) | (Second Party) - The Customer |
| Name: | Name: |
| Capacity: | Signature: |
| Signature: | Name: |
| | Signature: |

Acknowledgement of Irrevocable Joint Guarantee

We have reviewed the conditions and provisions of the Banking Loan Contact dated / / signed between the Commercial Bank of Kuwait (hereinafter referred to as the "Bank") and its Customer Mr./Messrs. (hereinafter referred to as the "Debtor").

We, hereby, acknowledge that we agree to be bound towards you jointly with the Debtor for all obligations and amounts, whatsoever, owing to the Bank under the above contract for any reason, whatsoever. This guarantee covers all amounts charged to the account(s) on which loans have been granted in any form and the debit balance existing in the account upon its closure or any other account on which this loan is being used.

This guarantee is continuous, unconditional and irrevocable. Under this guarantee, the Bank may claim us for the outstanding debt balance resulting from the above contract and all related interests, commissions and actual expenses as per the contract attached to this acknowledgement, however we may not oppose thereto.

Our guarantee shall remain valid, continuous and legally binding in the event of extension or amendment of the loan contract for any reason, whatsoever until the Bank recovers all its rights from the guaranteed debtor. Further, the debt shall fall due on our part in case the guaranteed debtor has deceased.

It is understood that all monies, securities, commercial papers, precious metals, goods and other rights, whatsoever, registered or deposited in our name at present or to be registered or deposited in our name in future with the Bank or any of its branches in Kuwait or abroad guarantee the fulfillment of our obligations hereunder without the need to acknowledge the same. The Bank may obtain its dues and recover its debt directly from the monies mentioned above by way of priority set-off and precedence over any other creditor without notice, warning or any other action, whatsoever, and without prejudice to the Bank's right to take the necessary actions to recover its rights in full. The Bank may deduct the debt guaranteed by us from any accounts open at present or to be opened in our name in future with any of its branches in Kuwait or abroad without the need to acknowledge the same.

We understand that we submit to all the provisions stipulated in the loan contract mentioned above. We also undertake to provide the Bank with any statements they may require at any time on our financial position or our annual balance sheet provided we substantiate our responses with evidencing documents.

In case the borrower is a minor, I - the undersigned - acknowledge that I have read all the terms & conditions included in this contract and I further undertake to jointly and personally guarantee the abovementioned borrower and I undertake to repay the full debt amount due from him under this contract along with all the related interests. I also understand that the borrower's age is below 21 years.

This guarantee shall be governed by the law applicable in Kuwait and shall submit to the sole jurisdiction of the Kuwaiti courts. We accept the local jurisdiction of the Kuwait City courts in respect of any dispute arising hereunder.

Joint Guarantor

| Name of Joint Guarantor(s) | Account No. | Signature |
|----------------------------|-------------|-----------|
| | | |
| | | |
| | | |
| Guarantor(s) Address | | |

Kuwait on:

Messrs. / Commercial Bank of Kuwait

Branch/

You are kindly required to approve repayment of the outstanding loan amount granted to me on my account no.

on date:

for an amount of:

under reference:

for a monthly installment of:

Pursuant to the Central Bank of Kuwait instructions, I acknowledge that I have been regular in repayment of the monthly installments and I repaid a minimum of 30% of the loan installments specified at their maturity dates under the concluded contract without a partial early repayment.

Name:

Account No.:

Signature:

Date: / /

Acknowledgment

I, of nationality and holder of Civil ID no.
..... acknowledge that a copy of the loan contract was handed to me prior to signing the same for the purpose of reflection and review of the terms & conditions and financial obligations as contained in the loan contract. I, further, acknowledge that I was given a statistical schedule outlining the following:

- The value and number of the loan installments.
- Components of each installment in terms of interest and the amount repaid from the principal on assumption of regularity in repayment.
- Total value of interest and the amounts that shall be repaid up to expiry of the maturity date of the loan.
- Statement outlining the potential changes in financing burdens for housing loans on assumption of increasing the interest rate at the maximum established limit (2%) every five years.

The above is an acknowledgment from my part.

(Submitted by)

Name:

Account No.:

Civil ID No.....

Signature:

Date:

Enclosures:

- Copy of the loan contract before being signed
- Copy of the statistical schedule.

The Required Documents (included in the file)

- Loan Application form
- Detailed salary certificate
- Salary continuation certificate
- Copy of Civil ID after reviewing the original copy
- Copy of passport (for non-Kuwaitis) after reviewing the original copy
- Copy of the employer ID (if any)
- Six-months account statement (for non-CBK customers)
- Eqradh certificate