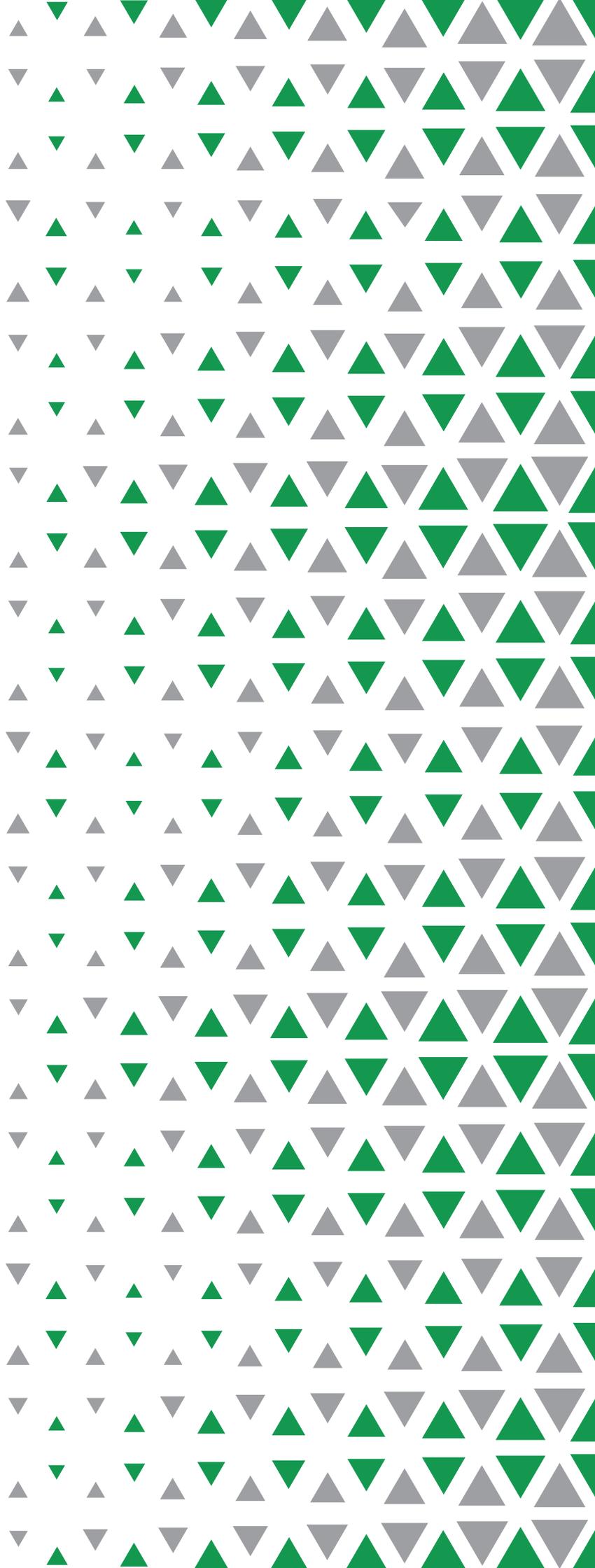




التجاري
Al-Tijari

Bank's
Loan
Contract



Bank's Loan Contract



This contract was concluded on /.....

Between:

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

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

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

Address: Phone:

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 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 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 for which 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

- a. 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 Customer's use of the loan and interest rates shall be estimated at an amount of KD
- b. As for 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 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 Customer's use of the loan in the account stated in this contract until the full repayment of the loan and interests. However, and in case the Bank has not exercised its rights 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 note of the new pricing to the Customer's account shall be binding on him and it will serve as an advice of this pricing.
- c. 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 Customer's use of the loan in the account stated in this contract.
- d. 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 Customer's use of the loan in the account as stated in this contract.
- e. Interest shall be accrued on monthly/ quarterly/ semi-annual / annual basis or on the due date of installment / due date of the entire debt as per the banking regulations applicable at 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.
- f. 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 thereof.
- g. As for past due amounts, the Bank may calculate default interests based on the maximum contractual interest rate declared by the Central Bank of Kuwait at the default date or as per the maximum limit established throughout the term of this contract, whichever is 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 continues to calculate the interests on the debit balances, after closing the account, at the same pricing, method and the duration as agreed in this contract until full repayment.

- h. The Customer undertakes to pay default fees for each past due installment the customer defaults in the timely payment thereof. The value of such fees shall be specified as per the Bank's approved list of fees and commissions at the end of the month of such installment maturity.
- 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 raises the interest rates.

Item 4: Repayment

- a. The Customer undertakes to repay the outstanding debit 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 a Number of 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 under this contract.
- c. The Customer, hereby, authorizes the Bank to directly debit his account stated in this contract or any other credit balances available 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 has been 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 acknowledges 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 of KD (..... Kuwaiti Dinar) other than the interests payable on the said debit balance effective from / /
- b. The Customer acknowledges that in the event that the Bank has not received the Customer's written objection against the account statement within 15 days from the date of posting the statement on the Bank's website, this shall be deemed as acknowledgement from the customer's part of the correctness of the details contained in the account statement and that he has reviewed all the entries and contents thereof and decisively given his final agreement thereon unless the Customer proves otherwise.
- c. The Customer acknowledges that his total obligations towards all creditors including the Commercial Bank of Kuwait do not exceed the maximum limit set 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. The customer also acknowledges 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. Further, if he customer is a pensioner, he acknowledges that 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 the 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 his end of service indemnity to his aforesaid account. Upon receipt of these amounts or entitlements, the Bank shall have the right to deduct them against the outstanding debit balance of the loan amount even if the installments have not fallen due for repayment yet, without need to send any notice or warning. However, the Bank shall observe the exception for the retired customers as provided for in paragraph (c) 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 integrity of this source shall be considered as a direct substantial breach by the customer and he will be liable for all consequences that may arise as a result.
- 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 does not fall after the calendar month during which this installment is payable. 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 may block/place hold on the amount of any monthly installment in his account in case the salary is transferred to the account before the due date, then the Bank shall deduct each installment at the due date from the blocked amounts.
- j. The Customer undertakes to furnish the Bank with all information when any change is made to his information 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) for the purpose for which it has been 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 check Second Party use of the loan in the purpose for which the loan has been granted. To this end, the First Party may, without limitation, enquire at any entity about the authenticity 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 rights established under Law and this contract.
- l. The customer acknowledges that if any of the documents submitted for obtaining the financing subject of this contract is proven to be forged and the customer is found to be guilty of forgery, the customer shall be banned from obtaining any loan or financing from the first party for at least three years. In addition, all balances of loans previously granted to the customer, if any, shall become immediately due and payable.

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 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. Release by the Customer of a 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 taking judicial actions against him, or his permanent departure from the State of Kuwait, or where there is available 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 the Customer and / or any of his guarantors may not be able to honor his obligations towards the Bank.
- h. Any other reason provided for under law that renders a deferred loan due and payable.

2. Default Penalty

If any of the preceding default cases 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 set at % at that date or as per the maximum limit to be set by the Central Bank of Kuwait in the future whichever is higher. Such interests shall also be applied at the same pricing after closing the account.
- b. This shall also be deemed as breach of the terms and conditions of all other contracts concluded between the Bank and Customer whether mature or immature. As such, any mutual default of any terms & conditions of the contracts shall result in all the Bank's loans outstanding on the customer become 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 or to be opened in the customer's 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 debit the credit balance in any of them to set off a debt 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 authorizes 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 at 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 need to acknowl-

edge the same. The Bank may get its dues and recover its debt directly from the monies stated 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 amounts in the accounts of the retired Customer whose debt has not been matured in favor of the Bank unless after obtaining the Customer's written consent.
- d. The Second Party acknowledges that he conclusively & unconditionally agrees to comply with the Central Bank of Kuwait's instructions concerning the closures of all his cheque accounts and addition of his name in the list of the customers whose accounts have been closed due to returned cheques drawn by him or by his authorized agent because of inadequate balance in such accounts to meet those cheques in the event that maximum three cheques are returned in one year for this reason. The Second Party further declares that he agrees in advance to any actions that the First Party may take in this regard, and that the First Party may, at its absolute discretion, open another account, without cheques, for the Second Party, who accepts such action, as a substitute for the account that has been so closed and to transfer to the new account the amount of the loan that was previously granted on the account so closed.

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. The Bank indulgence shall not be deemed as a waiver of any of its rights nor shall it impair any such rights.

Item 10: Selected Domicile

The customer acknowledges that all correspondences and legal & judicial announcements dispatched by the Bank to the customer on his/her addresses set out in this contract or to the latest address provided to the Bank by the customer via a registered letter with acknowledgement of receipt, SMS, e-mail or by any other modern means of communication that can be saved and retrieved shall be valid, enforceable and legally binding, from all aspects, towards the customer. However, any change of the customer's address shall only be effective or valid from that date on which the Bank receives a written notification of the change of the address.

Item 11: The Term of Contract

This contract and all provisions included herein 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 hereunder.

Item 12: Arbitration

In case any dispute arises between the parties on the interpretation, application, or performance of this contract, such dispute shall be referred to the judicial arbitration, subject to the provisions of Kuwait laws applicable in the State of Kuwait.

Item 13: The Related Parties

The Customer acknowledges that he has/ has not related parties with the Commercial Bank of Kuwait's Board Mebers at the time of approving the loan application. Should the Customer have related parties, he shall write down their names (.....)

Acknowledgement of Review and Receipt

I, the undersigned below, hereby acknowledge that I have reviewed the loan agreement executed between myself and the Commercial Bank of Kuwait, and I have understood its contents and agreed to the terms and obligations stated therein. I also acknowledge that I have received a copy of this contract.

(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 terms and conditions 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, of whatever type, owing to the Bank under the above contract for any reason whatsoever. This guarantee covers all amounts charged to the account(s) on which the loan has been granted in any form and the debit balance existing in the account upon its closure or in 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 expenses as per the contract attached to this acknowledgement, however we may not oppose thereto. I also undertake that I have known all the obligations and risks that will arise against me in case the debtor is in default to pay the installments and I accept the legal actions that may be taken against me. I shall bear the impact of the installments that will become due on my part arising from such default as well as the possible consequences of exceeding the maximum designated limit of the monthly installment to my net salary being a guarantor.

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 them. 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 opened at present or to be opened in our name in future with any of its branches in Kuwait or abroad without need to give notice, warning or take any other actions.

We understand that we are subject to all the provisions stipulated in the loan contract mentioned above. We also undertake to provide the Bank with any statements it 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 of this contract and I further undertake to jointly and personally guarantee the abovementioned borrower and repay the full debt amount due from him under this contract along with all accrued interests. I also understand that the borrower's age should be 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		

Date: / /

Date:	
Account No.	

Insurance Application and Authorization

M/s. Commercial Bank of Kuwait
Dear Sirs,

With reference to the housing / consumer loan granted to me by the Bank in accordance with the terms and conditions of the loan contract concluded with you as shown above, please note that I would like to have provisional comprehensive life insurance in favor of the Bank being the only beneficiary of that insurance at the same stipulated loan amount. This life insurance shall continue valid and effective throughout the aforementioned loan contract tenure and until all your dues for that loan have been fully repaid, whether this repayment is made on the maturity dates agreed upon with you or earlier. I hereby authorize you to agree on my behalf with the insurance company that you have chosen to provide this Insurance. You may also contract with any other insurance company that you may elect from time to time. For the purpose of arranging this insurance, I hereby acknowledge that:

1. The arrangement of this insurance in favor of the Bank is at my own discretion, and that it is limited to life insurance in accordance with the terms and conditions agreed upon. It also does not cover insurance against any other risks such as all types of disability.
2. I authorize the Bank to debit my aforementioned account or any other account, opened in my name with the Bank as the Bank may decide, against the amounts of insurance premiums on the due dates of the monthly loan installment repayments. However, the total amount of the insurance premiums I will incur throughout loan term shall not exceed 2% of the said loan amount.
3. I maintain sufficient amounts in my aforementioned account to cover the monthly insurance premiums that I owe, and you shall have the right to perform all banking procedures and accounting entries necessary to enforce debit of the amounts necessary to pay these premiums.
4. I am aware that the Bank incurs charges for meeting its financial obligations to arrange this insurance which shall not be less than the premiums I incur for arranging this insurance.
5. I completely discharge you against any liability for: choosing or changing the insurance company from time to time, delay in concluding the insurance contract, changing the scope of insurance coverage or for not concluding this insurance contract altogether.
6. I am committed to complete all procedures and meet all the necessary requirements for this insurance. I also acknowledge my understanding and acceptance that the term of the insurance validity is conditional that the age of the insured customer shall not be less than 18 years and not over 70 years. Further, I acknowledge that the insurance coverage will automatically expire when the insured customer reaches 70 years. I also acknowledge that I am in good health and do not suffer from any previous diseases or health problems. In case of death - because of any previous diseases - during the first three months from the date on which the insurance period comes into effect, then all obligations for this Insurance on part of the insurance company shall be forfeited.
7. I am informed of all the insurance terms and conditions set by the insurance company. I also acknowledge that the said terms and conditions along with this application constitute an integral and inseparable contractual agreement, and that I have received a full set of these terms and conditions at the time of submitting this application.
8. I have taken my address mentioned in the loan contract as a chosen domicile for all matters related to this insurance and for all disputes or lawsuits that may arise therefrom before all levels of litigation. All correspondences and legal & judicial announcements dispatched by the Bank or by the insurance company to my said address or via a registered mail or express mail shall be valid, enforceable and legally binding. This address shall be considered the chosen domicile legally designated by me to be officially notified and to receive all correspondences related to the insurance matters unless I send the Bank a prior written notification of my new address.
9. This application and authorization shall be deemed irrecoverable and unamendable since the Bank's rights are attached thereto.

Best regards,

Name Signature

Customer's Acknowledgement of Declining Insurance

M/s. Commercial Bank of Kuwait

With reference to the housing / consumer loan granted to me by the Bank in accordance with the terms and conditions of the loan contract concluded with you as shown above, please note that I do not wish to insure my life in favor of your bank despite my understanding of the benefits provided by that insurance.

Best Regards,

Name Signature