QUANTUM DIGITAL BANK

Registered Financial Institution | Supervised by the Bulgarian National Bank

CAR LOAN — TERMS AND CONDITIONS

Document QDB-TC-CL-2024 | Revision 1 | Effective 2024

These Terms and Conditions ('Terms') govern all car loan products issued by Quantum Digital Bank ('QDB', 'the Bank', 'we', 'us') to eligible applicants ('the Borrower', 'you'). By signing the Loan Agreement (Form QDB-LA-001), the Borrower confirms having read, understood, and accepted these Terms in full. These Terms should be read together with the individual Loan Offer Letter and Loan Agreement issued to the Borrower, which set out the specific amount, rate, and schedule applicable to that loan.

1. Eligibility Criteria

To qualify for a QDB Car Loan, an applicant must satisfy all of the following minimum conditions at the time of application:

- Be at least 21 years of age and no older than 70 years at the scheduled date of final repayment.
- Be a Bulgarian citizen or hold a valid long-term residence permit for the Republic of Bulgaria.
- Hold an active QDB personal current account, or open one prior to loan disbursement.
- Demonstrate a minimum of 6 consecutive months of verifiable income from employment, self-employment, or a documented pension.
- Have a debt-to-income (DTI) ratio, inclusive of the proposed instalment, not exceeding 45%.
- Have no unresolved default listed with the Central Credit Register within the preceding 24 months, unless otherwise approved at the Bank's discretion.

2. Loan Purpose and Eligible Vehicles

The Car Loan may only be used to finance the purchase of a passenger vehicle, light commercial vehicle, or motorcycle for personal or business use, subject to the following restrictions:

- New vehicles: financed up to 90% of the invoice price, including VAT.
- Used vehicles: financed up to 80% of the assessed market value, and the vehicle must not be more than 8 years old at the time of application, nor more than 15 years old at the end of the loan term.
- The vehicle must be intended for road use and registered in Bulgaria; vehicles acquired for resale, racing, or commercial ride-hailing fleets exceeding 5 vehicles require separate business lending approval.
- QDB reserves the right to commission an independent valuation of any used vehicle at the Borrower's expense where the declared value appears inconsistent with market data.

3. Loan Amount, Term and Down Payment

- Minimum loan amount: BGN 3,000. Maximum loan amount: BGN 120,000, subject to affordability assessment.
- Repayment terms range from 12 to 84 months, selected by the applicant at the time of application.
- A minimum down payment of 10% of the vehicle purchase price is required for new vehicles, and 20% for used vehicles, payable directly to the seller or dealership prior to disbursement.
- The Bank may, at its discretion, offer a balloon payment structure of up to 30% of the principal, payable as a final lump sum at the end of the term; this option is disclosed separately in the Loan Offer Letter where applicable.

4. Interest Rate and Annual Percentage Rate (APR)

Interest is calculated on a fixed-rate, reducing-balance basis unless the Loan Offer Letter states otherwise. Indicative rates are as follows and are confirmed individually based on the applicant's credit profile, loan-to-value ratio, and selected term:

Term	Indicative Interest Rate (fixed)	Indicative APR*
12–36 months	6.9% – 8.4% p.a.	7.6% – 9.3%
37–60 months	7.4% – 8.9% p.a.	8.1% – 9.8%
61–84 months	7.9% – 9.4% p.a.	8.6% – 10.3%

*APR figures include the standard arrangement fee and reflect the total cost of credit expressed as an annual rate, in accordance with applicable consumer credit disclosure requirements. The APR shown in the individual Loan Offer Letter is the figure that governs the specific loan and takes precedence over the indicative ranges above.

5. Fees and Charges

• Arrangement fee: 1.0% of the approved loan amount (minimum BGN 50), deducted from the disbursed amount or added to the principal, at the Borrower's election.

• Vehicle valuation fee (used vehicles only, where an independent valuation is required): BGN 60–120, payable in advance.

• Late payment fee: BGN 15 or 3% of the overdue instalment, whichever is greater, applied per missed payment date.

• Early repayment (partial or full): no penalty is charged for loans below BGN 25,000 or where the remaining term is under 12 months; for larger balances repaid early with more than 12 months remaining, a compensation fee of up to 1% of the amount repaid early may apply, in line with statutory limits.

• Certificate of loan settlement / statement of account: first copy free of charge; subsequent copies BGN 10 each.

• Direct debit rejection or returned payment fee: BGN 8 per occurrence.

6. Collateral and Insurance Requirements

- The financed vehicle serves as collateral for the duration of the loan and is registered with a first-ranking pledge in favour of QDB in the relevant public pledge register.
- The Borrower must maintain comprehensive ('Casco') insurance on the vehicle for the full term of the loan, with QDB named as first loss payee, and must provide proof of renewal annually.
- Compulsory third-party liability insurance ('Grazhdanska otgovornost') must also be maintained continuously and evidence provided on request.
- Failure to maintain the required insurance coverage constitutes a breach of the Loan Agreement and may result in QDB arranging replacement cover at the Borrower's expense, added to the outstanding balance.
- The Borrower may not sell, re-pledge, permanently export, or materially alter the vehicle without QDB's prior written consent for as long as the pledge remains registered.

7. Repayment Obligations

- Instalments are collected by direct debit from the Borrower's designated QDB account on the date specified in the Loan Agreement, via the QDB Direct Debit Mandate (Form QDB-DD-003).
- The Borrower is responsible for ensuring sufficient funds are available in the designated account no later than the business day before each due date.
- Early partial or full repayment is permitted at any time on written request, subject to the fee terms set out in Section 5.
- Two or more consecutive missed payments may be reported to the Central Credit Register and may trigger acceleration procedures under Section 9.
- Borrowers experiencing temporary financial difficulty are strongly encouraged to contact QDB proactively; restructuring options such as a payment holiday or term extension may be available on a case-by-case basis.

8. Default, Acceleration and Repossession

The following circumstances constitute an event of default under the Loan Agreement:

- Non-payment of two or more consecutive instalments, or three instalments within any rolling 12-month period.
- Material misrepresentation in the application or supporting documentation.
- Failure to maintain required insurance coverage as described in Section 6.
- Sale, re-pledge, or unauthorised export of the collateral vehicle without QDB's consent.
- Insolvency, bankruptcy proceedings, or death of the Borrower without a suitable co-obligor or estate arrangement.

Upon an event of default, QDB may issue a formal notice requiring remedy within 14 calendar days. If the default is not remedied, QDB may declare the entire outstanding balance immediately due and payable and may enforce its pledge over the vehicle, including repossession and sale, with any surplus proceeds after settlement of the debt and enforcement costs returned to the Borrower in accordance with applicable law.

9. Right of Withdrawal

In accordance with applicable consumer credit legislation, the Borrower has the right to withdraw from the Loan Agreement without giving any reason within 14 calendar days of signing. To exercise this right, the Borrower must notify QDB in writing and repay any principal already disbursed together with accrued interest for the period the funds were held, within 30 calendar days of sending the withdrawal notice. No other fee or compensation is payable by the Borrower for a withdrawal exercised in accordance with this Section.

10. Variation of Terms

QDB may amend these Terms from time to time to reflect changes in law, regulation, or the Bank's cost of funding. Material changes affecting an existing Borrower's interest rate, fees, or repayment obligations will be communicated in writing at least 30 calendar days before taking effect, and the Borrower will be given the option to repay the outstanding balance without penalty if the change is not accepted. Non-material or administrative changes, such as updates to contact details or branch information, take effect immediately upon publication.

11. Data Protection and Credit Reporting

By entering into a Loan Agreement, the Borrower consents to QDB processing personal and financial data for the purposes of assessing, administering, and recovering the loan, including sharing relevant data with the Bulgarian National Bank's Central Credit Register and licensed private credit bureaus. Full details of how personal data is collected, used, and retained are set out in the QDB Privacy Policy, available at any branch or at www.quantumdigitalbank.bg/privacy.

12. Co-Applicants and Guarantors

Where a loan is approved with a co-applicant or guarantor, that individual is jointly and severally liable for the full outstanding balance in the event the primary Borrower fails to meet their obligations. Co-applicants and guarantors are subject to the same eligibility and credit assessment criteria as the primary applicant and must independently sign the Loan Agreement.

13. Complaints and Dispute Resolution

Any complaint relating to a QDB Car Loan should first be raised with QDB Lending Support via the contact channels in Section 15. QDB will acknowledge complaints within 2 business days and aim to provide a full response within 14 calendar days. If the Borrower remains unsatisfied with the outcome, the matter may be referred to the Bulgarian National Bank or to the Sectoral Conciliation Commission for Payment Disputes, without prejudice to the Borrower's right to pursue the matter through the competent courts.

14. Governing Law

These Terms and the resulting Loan Agreement are governed by the laws of the Republic of Bulgaria, including the Consumer Credit Act and applicable regulations issued by the Bulgarian National Bank. Any dispute not resolved through the complaints procedure in Section 13 falls under the jurisdiction of the competent Bulgarian courts.

15. Contact and Support

- Phone: +359 2 900 1234, Monday to Friday, 08:30 to 17:30
- Email: loans@qdb.bg (responses within 1 business day)
- In person: any QDB branch — locations and hours at www.quantumdigitalbank.bg/branches
- Online chat: available through the QDB Customer Portal
