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**CIB Vario Overdraft Facility
CUSTOMER INFORMATION NOTICE**

Below we draw your attention to the **CIB Vario Overdraft Facility**, which is available for small enterprises with net sales revenue below HUF 300 million, **with tangible collateral and/or without tangible collateral**. The facility is available for resident companies (Nyrt, Zrt, Kft, Bt, Kkt), sole traders, single-person companies, smallholders. The credit line can be used for paying the daily expenses of business, financing a temporary need for cash, liquidity deficits, to utilise favourable business opportunities, and to refinance credit line-type facilities.

Main characteristics of the CIB Vario Overdraft Facility:

- Loan type:** Current account overdraft facility
- Credit line currency:** forint, euro
- Amount of the credit line:** **HUF 500,000 – 50,000,000** or its equivalent in EUR
The amount of the credit line that may be granted depends on the debtor rating, sales revenue, indebtedness of the borrowing company and its credit history with CIB Bank.
- Credit line term:** Maximum 12 months (may be renewed annually)
- Credit line collateral:** **The loan** may be applied for with tangible collateral and/or without tangible collateral. The tangible collateral may be: property, cash, or security. In the case of a **security collateral**, only government securities maturing within 3 years, bonds issued by CIB HUF Money Market Funds, CIB Yield Protected Deposit Fund or CIB-issued bonds are acceptable.
In each case the following is required: absolute suretyship of natural persons who own directly or indirectly at least 50% of the votes in the company in the case of **companies**, at least 10% in the case of **cooperatives**; of the borrower in the case of **sole traders** and **smallholders**; of a natural person other than the company owner in the case of **single-person companies**; of the limited partner in the case of **limited partnerships**.
- Other credit line securities:** - A collection order based on a letter of authorisation is required in respect of any accounts kept by the borrowing company and sureties at other banks; in the case of sole traders and smallholders, also in respect of their private accounts, with the account holding bank's statement of acceptance.
In the case of HG-COSME portfolio guarantee, the extent of suretyship is contained in the table for non-startup debtors in Annex 3 to Garantiqa Hitelgarancia Zrt.'s Business regulations on absolute suretyship for loans, guarantees, and financial leasing provided on the basis of cooperation agreements.
- Required account turnover:** Annually, completion of credit transactions turnover corresponding to three/five times the credit line, according to the loan collateral

The valid terms for the products are contained in the effective **List of Conditions for the CIB Overdraft Facility for small enterprises.**

Main conditions applicable to the borrower:

- Not subject to bankruptcy, liquidation or final settlement proceedings, and no foreclosure proceeding has been launched against it, either in the past 3 years or at present; tax number is not suspended or cancelled;
- Has no overdue public debt;
- No ongoing lawsuit filing is indicated in the company registration certificate of the applicant;
- There must be no transfer orders of authorities enforced against the company's bank account held at CIB Bank;
- At least one full closed year of business operation;
- The company's equity must not be negative and must be at least equal to subscribed capital;
- Not listed in the CCIS with a disqualifying entry;
- The customer's loans at CIB Bank have not been restructured in the past 12 months;
- In the past 12 months, there have been no official transfer orders against the customer's account kept at CIB that were not fulfilled or were only partially fulfilled for more than 35 days, and no such orders are currently outstanding;
- Has no other overdraft facility at CIB Bank in the same currency (except where it repays or refinances it until disbursement).
- The full list of grounds for exclusion from the absolute suretyship of Garantiqa Hitelgarancia Zrt. is contained in Section 4 of the Business regulations on absolute suretyship for loans, guarantees, and financial leasing provided on the basis of cooperation agreements is available here: <https://garantiqa.hu/penzugyi-intezmenyeknek/uzletszabalyzat/>

Main conditions applicable to the absolute surety:

- An adult Hungarian citizen or adult citizen of an EU member state, or a private individual with dual or multiple citizenship including citizenship of an EU member state, who has had a registered (permanent) address in Hungary for at least 3 years;
- In all cases the absolute suretyship of the two largest owners is required, but one surety is also acceptable if that person's ownership ratio in the enterprise is at least 50%. If the owners of the enterprise include another enterprise, then the absolute suretyship must in all cases be provided by the private individuals who are – either directly or indirectly – the largest owners. In the case of a single-owner limited liability company (Kft) one surety is required. In the case of sole traders or single-person companies and smallholders, the absolute suretyship of another natural person/in the case of single-person companies, of a natural person other than the owner, is required.
- The full list of grounds for exclusion from the absolute suretyship of Garantiqa Hitelgarancia Zrt. is contained in Section 4 of the Business regulations on absolute suretyship for loans, guarantees, and financial leasing provided on the basis of cooperation agreements is available here: <https://garantiqa.hu/penzugyi-intezmenyeknek/uzletszabalyzat/>

To apply, you need to submit the following documents to the bank branch that manages the account:

- Fully completed **Application Form** appropriate for the requested type of credit facility, signed by the company and the sureties;

- Annual **financial statements** for 1 full closed year (uploaded), or duly signed returns for personal income tax (SZJA)/simplified business tax (EVA)/itemised small-taxpayer tax (KATA) for 2 years (in the case of 1 year closed, for 1 year);
- The **latest memorandum of association**, deed of establishment consolidated with amendments (and any amendments thereto, unless consolidated with the base contract, and members' resolution, if these documents require this for any borrowing).
If the private individual surety is one of the owners of the related company, it must be submitted also in the case of the related company;
- In the case of loan refinancing, the contract that underlies the liability to be refinanced.

To apply, you need to submit the following documents, depending on collateral, to the bank branch that manages the account:

- Authenticated copies of the **title deeds** for all the affected properties, issued no earlier than 30 days before (full deed and informative copy are acceptable); or the non-authenticated title deed queried by the Bank;
- Where the property offered as collateral is a land with a building on it, a layout plan or **map copy** not older than 30 days;
- Property **valuation** (commissioned by the Bank);
- In the case of undivided shared ownership, the agreement on the division of usage rights, and statement on waiver of pre-emptive rights; in the case of companies and public institutions, it is only acceptable with the counter-signature of a legal representative.
- In the case of a let property the rental agreement (presentation of the original in the branch)
- Documentation related to the surety acceptance of Garantiqa Hitelgarancia Zrt.: <https://garantiqa.hu/penzugyi-intezmenyeknek/kerelmi-nyomtatvanyok/cosme/>

You can download the application form from our website (www.cib.hu) or you can receive a physical copy in any of our branches.

Our bank makes a decision on the credit application submitted with no deficiencies, and the contract may be signed in the case of a positive decision.

Documents to be submitted for signing the contract:

- **NAV tax clearance certificate** issued within the past 30 days, **OR**
- The customer is listed on the **NAV website** among taxpayers with **no unpaid public dues** or among qualified **taxpayers**;

Documents required for disbursement:

- A validly executed (signed) **loan and mortgage contract** (in case required by the Bank, executed as a unilateral debt acknowledgement statement or bilateral public deed);
- **Absolute suretyship contract** (in case required by the Bank, executed as a unilateral debt acknowledgement statement or bilateral public deed);
- **Mortgage registration application registered** by the Land Office or a **title deed** issued within the past 30 days and containing the registration request at least in the form of a margin note, or the non-authentic title deed requested by the Bank;
- Valid portfolio guarantee suretyship by Garantiqa Hitelgarancia Zrt.
- Collection order based on a **letter of authorisation**;

- **Property insurance documentation** (policy or offer, proof of payment of premium, notification of the Bank as beneficiary of the lien to the insurance company; proof that the insurance company has been relieved from its obligation to keep the insurance secret from the Bank; the insurance company's statement to the effect that in the case of the insurance company's payout, the amounts from the property insurance shall be paid to the Bank);
- In the case of loan refinancing:
 - **Certificate on outstanding debt** not older than 30 days before the day of acceptance, which includes:
 - the Client's debts itemised and totalised on a given day (which is the disbursement date), indicating the number and type of the loan to be refinanced;
 - account number for the repayment and the transfer order details as required by the previous creditor for the transfer;
 - a commitment, for the case of repayment, on terminating the securities, liens, rights pledged as collateral for the loan(s) to be refinanced; Transfer order to the previous creditor, for the amount of the Client's debt outstanding to the previous creditor;
 - Notification of the Bank as beneficiary of the lien to the insurance company, and deletion of the earlier beneficiary must be certified within 1 month following the disbursement.
- Discretionary documentation request
 - In the case of an unacceptable third-party encumbrance the copy of the relevant deletion request bearing the received stamp of the land registry office, or the title deed indicating this in a margin note (an exception to this is loan refinancing, where the request must be presented retrospectively);
 - In the case of a remaining third-party encumbrance, the copy of the agreement on the change of ranking bearing the received stamp of the land registry office;
 - In the case of a prohibition on alienation and encumbrance, beneficiary's statement of consent to the registration of the CIB mortgage, with the 'received' stamp of the land office;
 - In the case of usufruct, widow(er)'s rights, the waiver of the usufruct or widow(er)'s rights executed as a notarial deed (part of the contract).

If you have any other questions, please call our CIB24 non-stop phone helpdesk at **(+36 1) 4 242 242**, or contact the experts in our branch network, who will gladly help you.

Please be advised that the information is not comprehensive. The detailed terms of the product are contained in the CIB List of Conditions for Overdraft Facilities for Small Enterprises; General Terms and Conditions of Credit Facility Agreements and Bank Guarantee and Letter of Credit Commission Agreements for the small-enterprise business line; Specific Business Regulations for Credit and Loan Contracts, and the General Corporate Banking Business Regulations supplementing them; and in respect of sole traders, the General Terms and Conditions of Credit Facility Agreements and Bank Guarantee and Letter of Credit Commission Agreements for the small-enterprise business line for sole traders; the Specific Business Regulations for Credit and Loan Contracts for sole traders; Specific Business Regulations pertaining to Collaterals for consumers and sole traders; and the General Retail Banking Business Regulations for consumers and sole traders, supplementing them. The Bank reserves the right to change the terms of credit appraisal and the conditions. The product can be applied for if your business meets the Bank's credit appraisal requirements.