

Client File Number at the Bank:

Approved:

This contract is made between:

First: Burgan Bank, P.O. Box 5389, Safat 12170, State of Kuwait (First Party – Lender), hereinafter referred to as “the Bank”

Second: (Second Party – Borrower), hereinafter referred to as “the Client”

Nationality:	Employer:
ID no.:	Occupation:
Date of Birth:	Work address:
Address:	Work telephone:
Marital status:	Date of appointment:
Telephone:	Educational qualification:
Email:	Type of residence:

After both parties acknowledged their legal capacity to enter into this agreement, they agreed as follows:

First: Statement of the bank loan, its definition, and its limits

- The bank provides the client – under this contract – with a bank loan, indicated by a (✓) next to its type, as follows:
 - Consumer loan, repayable in monthly installments for a period not exceeding five years.
 - Housing loan, repayable in monthly installments for a period not exceeding fifteen years.
- In the amount of KWD..... (Kuwaiti Dinars only) to his account with the bank, number (.....), both parties acknowledge that the validity of this contract with respect to the bank is contingent upon obtaining the approval of the relevant internal departments within the bank. Should these departments fail to approve the above-mentioned loan to the client, this contract shall be considered automatically terminated without any liability on the part of the bank. The relevant internal departments within the bank may also decide to approve the loan, but for an amount less than that stated above. In this case, the loan amount shall be the amount approved by the bank’s internal departments.
- The deposit of the loan amount into any account opened in the client’s name at the bank constitutes the sole and irrefutable proof of the bank’s internal approval of the loan to the client, as well as the sole proof of the final loan amount, which will be used as the basis for calculating loan installments and interest.
- The client acknowledges and agrees that the loan amount will be automatically reduced to the same amount deposited into their account as the final loan amount, and they may not demand termination of this agreement based on the reduction of the loan amount.

Second: Purpose of the Loan

1. The purpose of the loan is:
2. The client undertakes to use the loan exclusively for its designated purpose and acknowledges full responsibility for any misuse.
3. If it is proven that the loan amount was not used for its designated purpose for any reason, the bank may cancel the loan amount and require the client to repay any portion that may have been used. The bank may also reduce the loan amount to the extent that it was used. In the latter case, the client irrevocably authorizes the bank to redistribute the outstanding balance resulting from the use of part of the loan amount and its interest over the remaining monthly installments, according to the same formula used to distribute the original loan amount and its interest over the loan installments. The bank will notify the client of the revised installment plan, and the client is obligated to repay these installments on the due date specified in this contract.

Third: Interest and Fees

- A. A fixed annual interest rate applies to consumer loans. This rate is calculated as a percentage above the discount rate announced by CBK on the date of signing this contract and continues throughout its term until full repayment. This interest is calculated on the daily outstanding balance resulting from the client's use of the loan.
 - B. A fixed annual interest rate applies to the housing loan, calculated at a rate of % above the discount rate announced by CBK on the date of signing this contract, for a maximum period of five years. However, at the end of the loan term, starting with installments (61) and (121), the bank may adjust the interest rate in accordance with the rates announced by CBK on that date, provided that the change in the interest rate does not exceed 2% above or below the agreed interest rate applied under the loan contract before the change. This interest is calculated on the daily outstanding balance resulting from the client's use of the loan, as specified in this contract, until the loan principal and interest are fully repaid. The credit of the client's account with the new rate – in the event of an adjustment – is binding on the client and serves as notification of this rate.
1. The client acknowledges that, on the date of signing this contract, they are fully aware of the discount rate announced by CBK and the basis for calculating the interest rate applied to the loan.
 2. If, in accordance with CBK instructions, the interest rate is amended during the loan term, the client will be notified of the amendment and its effect on the installment amount before it takes effect. The bank's notification or the amended repayment schedule will be considered proof of this.
 3. The bank is entitled to collect fees and commissions related to the loan according to the approved and published fee schedule and in accordance with CBK instructions.
 4. It is agreed that the bank is entitled to charge interest and late payment fees, in accordance with its applicable rules and regulations, for each installment amount that the client fails to pay by its agreed due date. The client acknowledges and accepts these charges.

Fourth: Repayment

1. The client undertakes to repay the loan amount and its interest in equal and consecutive monthly installments of a certain number, at a rate of [amount in Kuwaiti Dinars] (KWD) per installment (as a percentage of the net monthly salary). The first installment is due on [.....], and the remaining installments are due on the same day of each subsequent month, with the final installment due on [.....]. This applies if the loan amount is deposited before the 15th of the month in which it was deposited. If the loan amount

is deposited after the 15th, the first installment is due in the month following the month in which the deposit was made, and the due date of the final installment is automatically adjusted accordingly. The value of the final installment will be adjusted according to the repayment schedule to represent the remaining loan amount plus interest, fees, and other charges.

2. It is agreed that the loan installments have been calculated based on the assumption that the relevant internal departments of the bank will approve the loan to the client for the full loan amount stated above. It is also agreed that if the loan is approved for an amount less than that stated in this contract, the loan installment amounts will be adjusted accordingly. The client is obligated to repay the loan and its interest in the same number of installments mentioned in the preceding paragraph and on the same dates mentioned therein.
3. The client is obligated to repay the loan principal, interest, commissions, and expenses due under this contract on their specified due dates.
4. The client is obligated to maintain sufficient funds in their account with the bank on the due dates to cover the installments due.
5. The client agrees that all accounts of any type, whether open or to be opened in their name in the future, with Burgan Bank or any of its branches, are mutually guaranteeing, regardless of their names. The bank has the right to debit any credit balance in the client's account. The bank may also debit any credit balance in any client account to settle any debit balance in other accounts. Furthermore, the bank has the right to merge or consolidate all or any of the client's open accounts, offset any outstanding obligations, or transfer any other amounts to settle any obligations owed by the client to the bank on any account, for any reason whatsoever, in full, including interest, fees, and court charges, if any. The bank is obligated to notify the client after the offsetting process is completed through its approved channels, including account statements, written or electronic notifications, phone calls, or SMS messages.
6. It is agreed between the parties that the installment amount was calculated assuming no change in the discount rate throughout the loan term, and that the loan installment percentage, compared to the client's monthly salary or ongoing monthly income after deductions as of the contract date, is: %
7. The bank has the right to expedite the repayment of certain installments by deducting any amounts received by the client's account from vacations, bonuses, grants, gifts, or other sources, whether from their employer or other entities.
8. The Second Party acknowledges that the First Party has granted them a two-day review period before approving and signing this contract. The Second Party also acknowledges that the First Party has informed them of all the financial implications of the loan to be provided, the contractual terms, and the obligations arising from this contract. In this context, at the beginning of the review period, the Second Party was provided with a clear and simplified statistical table showing the value and number of loan installments, the components of each installment (interest), the amount repaid of the principal assuming regular repayment, and the total amount of interest and payments due until the loan term expires.
9. Upon retirement, the client undertakes to pay a sum of money sufficient to reduce the outstanding debt, such that each remaining loan installment, plus the accrued monthly interest, is proportionate to the amount that may be deducted – according to the law and the instructions of the Central Bank of Kuwait – from the client's retirement pension. The client also undertakes to provide the bank with a financially capable guarantor who will be jointly liable for the remaining balance of the debt, its interest, and all related charges. Furthermore, the client undertakes not to transfer their retirement pension to any other bank until their debt to Burgan Bank is settled and they receive proof of clearance. If the client fails to fulfill the terms of this clause within one month of their retirement date, the entire outstanding

debt arising from this contract, along with its interest, will be considered due and payable immediately, without prior notice or warning, and without any need to resort to legal action.

10. In all cases where loan repayments are expedited, the expedited payment will be allocated to the last installment of the loan amount, followed by the next installment in descending order.
11. If the client fails to pay any installment, in whole or in part, on its due date, or any portion of the interest, all deferred installments will become immediately due and payable without the need for any notice, warning, or court order.
12. The client is obligated to pay the bank all expenses, costs, compensation, and other charges arising from the granting of the loan subject to this agreement.

Fifth: Life Insurance

If the client wishes to take out life insurance with a specialized insurance company on behalf of the bank, as per the loan application submitted by the bank, for the duration of this contract, the client authorizes the bank to deduct a total amount of KWD (Kuwaiti Dinar) from their account in monthly installments of KWD, as specified in paragraph (1) of Article Four, to cover the life insurance policy fees. The client acknowledges that they are currently in good health. In the event of early repayment of the full amount before the loan's maturity date, the client is not entitled to a refund of any amount of the insurance premium or the paid installments.

(I acknowledge that I have read, accepted, and received all the terms and conditions of the "Borrower's Insurance Certificate" issued by Gulf Insurance Company K.S.C., and consider it an integral part of the above-mentioned loan agreement.)

Sixth: Risks of Defaulting on Payment

1. If the client fails to pay any installment on its due date, financial and legal consequences will ensue, which may include – but are not limited to – the calculation of late payment interest according to the limits set by CBK.
2. The full loan balance, or any remaining balance, becomes immediately due without the need for any notice, warning, or legal action in any of the following cases:
 - A. Failure of the second party to pay any installment of the loan, as specified in the contract, in whole or in part, on its due date, or if there is insufficient credit in the second party's account to cover the outstanding amounts on their due date.
 - B. Termination of the second party's employment with the employer specified in the contract for any reason, or a change of employer, or the cessation of salary/income transfers to their account with the first party for any reason, even once.
 - C. A court judgment issued against the second party, or the imposition of a precautionary or enforcement attachment, or the initiation of other legal proceedings against them, or their permanent departure from the State of Kuwait, or the availability of information indicating their intention to leave, or any other event that affects the loan guarantees.
 - D. Loss of citizenship.
3. Irregular payments may negatively affect the client's credit history with the relevant authorities (CI-NET), which may limit their ability to obtain future credit facilities.
4. In the event of continued default, the bank has the right – after notifying the client and in accordance with the law – to take the necessary legal measures to collect the debt, including loan rescheduling or demanding immediate repayment in accordance with the terms of this contract.

5. If the client's salary is not transferred within a maximum period of three months from the date the loan is deposited into their account, all deferred installments become immediately due and payable without the need for any notice, warning, or court order.
6. The client acknowledges that the bank has the right to include him/her on the Credit Information Network (CI-NET) if the documents submitted by him/her are suspected of forgery. This inclusion will remain in effect until the competent authorities conclude their investigation. The bank has the right to report the suspected forgery to the competent investigative authorities and is exempt from any liability for any damages that may occur as a result of the procedures taken by the competent authorities when documents submitted to obtain financing are suspected of being forged. The bank has the right to retain the original submitted documents to mitigate any risks that the reporting party may face should the client/her be found innocent.
7. The client acknowledges and agrees that, in the event of being found guilty of forging the documents submitted to obtain the loan, he/she will be barred from obtaining any loan for a period of three years on the Credit Information Network (Ci-Net).

Seventh: Misc. Terms & Conditions

1. The client acknowledges that the information provided to the bank upon signing this contract is correct and undertakes to provide all original supporting documents. These documents must be valid and in good standing. If the client fails to provide such documentation, the bank has the right to revoke the loan.
2. The bank is committed to providing the client with all information related to the loan in a clear, accurate, and easily understandable manner. This includes a statement of the benefits, risks, fees, commissions, and related rights and obligations, enabling the client to make an informed decision.

The client also acknowledges that the product selection was based on the information provided regarding their financial situation, needs, and objectives, and is commensurate with their level of knowledge and experience with banking products. The client affirms their responsibility for the accuracy and updating of their personal information in the event of any material change.

3. The client agrees that all securities, commercial papers, precious metals, cash, goods, and other funds of any kind currently deposited or to be deposited in the future with the bank or any of its branches, as detailed in receipts, documents, account statements, deposit slips issued by the bank, or in its correspondence, are considered pledged as a possessory lien in favor of the bank to secure all of the client's obligations to it. The client undertakes to sign and execute all transfers, assignments of rights, pledges, powers of attorney, and all other documents that the bank requests him to issue to legally establish the bank's rights in these guarantees. In the event that the client receives additional income beyond that declared to the bank, the client hereby assigns all such income to the bank as additional collateral for loan repayment. The client also agrees to declare to the bank all current sources of income and undertakes to notify the bank of any changes in those sources.
4. 4- The client acknowledges that the bank's books and accounts constitute proof of the amounts due or payable under this agreement. The client also agrees that the periodic statements issued by the bank and other notices sent to them are sufficient to establish their debt and obligations to the bank, as detailed therein, unless the client objects to them in writing and by registered mail within fifteen days of receiving them. If the client does not receive the statement within fifteen days of the date specified for its dispatch and does not request it in writing from the bank within one week of that date, they have no right to claim non-receipt of the statement or to object to its entries in any way.

5. Any request, notification, or notice that the bank wishes to communicate to the client regarding any matter related to this contract shall be deemed to have been duly served if sent by registered mail, email, or SMS to the client's last known postal or email address or telephone number. The client is obligated to notify the bank of any change to the address or telephone number specified in the contract within ten days by registered mail with return receipt requested. Otherwise, the last known address of the bank or the address specified in the contract shall be considered the address to be used for notification, announcement, and all official communications.
6. The client acknowledges that all his monthly obligations towards his creditors (banks, investment companies or any other entities), including his obligations with Burgan Bank, do not exceed the amount that may be deducted from his salary to pay the installments due from him to all his creditors – in accordance with the law and the instructions of the Central Bank of Kuwait. He also acknowledges that all his obligations for consumer and installment loans do not exceed KD 95,000/- and the client undertakes not to exceed this amount. He also acknowledges and undertakes to transfer to Burgan Bank the amounts of the exchange or sale of the salary through the Public Institution for Social Security, and the bank has the right to deduct its dues in advance from it.
7. The client authorizes the bank, under this contract, to inquire about data related to him with banks, investment companies, or any other creditors. These entities are free to provide all data requested by the bank without any liability and without consulting the client. The client also authorizes the bank to exchange information about him, his relationship with the bank, and his accounts with it with all participants in the Centralized Risk Management System, in accordance with applicable banking laws, regulations, and practices. This exchange is entirely the client's responsibility, and the bank bears no liability whatsoever.
8. The client acknowledges that he is not subject to the provisions of Law No. (41) of the Year 1993 or a debtor under the Difficult Credit Facilities Settlement Program issued by CBK on 10/08/1986 and undertakes to notify the bank of any changes to this acknowledgment.
9. The client acknowledges that his end-of-service benefits from his employment up to this date serve as collateral for the loan granted to him by the bank. He also undertakes to instruct his employer to transfer all his entitlements to his account at Burgan Bank, and the client authorizes the bank to deduct these entitlements to settle the outstanding debt owed by him.
10. The client acknowledges their absolute and final agreement to comply with the instructions of CBK regarding the closure of all their checking accounts and the inclusion of their name on the list of clients whose accounts have been closed due to bounced cheques drawn by them or their authorized representative for insufficient funds. This applies if the client has received a maximum of three bounced cheques within one year. The client also acknowledges their prior agreement to any other procedures the bank may take in this regard. The bank may, at its sole discretion, open a new account for the client without cheques to replace the closed account and credit the new account with any previously granted banking facilities on the closed account. The client bears all legal responsibilities arising from the issuance of such cheques and has no right to recourse against the bank for the closure of their account, inclusion on the above-mentioned list, or any other procedures the bank may take in this regard.
11. The bank has the right, at its sole discretion, to amend the terms and conditions of the loan agreement, provided that the client is notified of any proposed amendment through approved channels such as email, WhatsApp, SMS, or other means, and given a reasonable notice period before the amendment takes effect. The client expressly agrees to this mechanism upon signing the agreement, and the client acknowledges that in the event of any legal proceedings against him, he will be notified through the above-mentioned means or via the My Identity (Hawiyati) application.

12. The client acknowledges and agrees to the bank obtaining the data recorded on his civil ID card and his work address – at any time – from the Public Authority for Civil Information, without any liability on the part of the bank or the authority. The client also acknowledges and agrees and permits both the bank and the Credit Information Network Company (K.S.C.C.) to exchange information about him regarding consumer and housing loans and credit facilities related to installment sales transactions, between/with banks and investment companies subject to the supervision of the Central Bank, and all companies and commercial establishments that grant credit facilities through the installment sale of goods and services and participate in the data and information collection system stipulated by Law No. 2 of the Year 2001, without any liability on the part of the bank or the Credit Information Network Company.

Eighth: Tolerance

The client acknowledges that any tolerance, extension, or renewal of the loan term granted by the bank does not affect the client's obligations under this contract and is not considered a reduction thereof in any way.

Ninth: Contract Term

This contract shall be effective and enforceable in its entirety from the date of its signing by both the client and the bank, until the client has fully fulfilled all of their obligations under this contract.

Tenth: Applicable Law

This contract was drawn up in the State of Kuwait and signed by both parties therein. It is subject to the laws of Kuwait, and the Kuwaiti courts – specifically the courts of the Capital Governorate – shall have jurisdiction to adjudicate any dispute arising between the parties concerning the execution of this contract or the interpretation of any of its clauses.

Acknowledgment of Review and Receipt

I, the undersigned, acknowledge that I have reviewed the loan agreement drawn up between myself and Burgan Bank, am aware of its contents, and agree to its terms and obligations. I also acknowledge that I have received a copy of this contract.

First Party on behalf of Burgan Bank	Second Party – Client
Name: _____	Name: _____
Title: _____	Signature: _____
Signature: _____	