

Important notice

You need to read this document.

It sets out specific terms and conditions on which we agree to provide you with term *loans*. **You must read it in conjunction with our Client Terms, the *product brochure* and any other documents forming our banking agreement.** To the extent of any inconsistency between these terms and our Client Terms, these terms prevail and if there is any inconsistency between the *approval* and any other part of our banking agreement, then the terms in the *approval* prevail. These terms do not apply to any existing personal instalment loan, you have with us to the extent that they are subject to separate terms and conditions.

Key words

The meaning of key words printed *like this* and other words used in our banking agreement is explained in our Client Terms. Some additional key words which apply to the *products* referred to in these terms are explained at the end of these terms.

How to contact us

To find out information (such as current fees and interest rates or if you need us to explain features or terms) in connection with our *products*, you should contact us at one of our branches, by using the following numbers or by visiting our website www.sc.com/lk

24-hour hotline - 2480480

Priority Banking - 4525252

E-mail : Feedback.RC@sc.com

Address : Manager, Client Experience, No 37, York Street, Colombo 01.

Translations

If you require any of our terms and conditions in Sinhala or Tamil, you can refer our website or call our 24-hour customer service hotline.

Part A - Term loans

1. Choosing the product that is right for you

You should contact us (see contact details under “How to contact us” at the front of these terms) to discuss how we may be able to structure your *loan* to suit your personal banking needs. We can also explain any of the features of, or the terms applying to, any loan product.

2. The loan

We must provide the loan

- 2.1 If we issue an *approval*, we agree to provide a loan up to the *limit* and for the term specified in the *approval*. The *limit* or term may be different to the *limit* or term you asked for in your *application*.
- 2.2 The grant of a *loan* is conditional upon you providing us with the documents which we may request from you to our satisfaction.

Purpose

- 2.3 You must use the *loan* only for the purpose set out in the *application* or as otherwise approved by us.

Top up loan

- 2.4 If you ask, we may agree to provide a top up loan by way of single drawdown on terms we notify.

How we provide the loan

- 2.5 Usually we provide the *loan* by depositing it into the *nominated account*. However, if you ask and we agree, we may give you a cheque for the *loan*.

If we provide the *loan* by cheque, the cheque is only valid for the period we specify and instalments are payable even if the cheque is not cashed.

- 2.6 Fees and charges that apply to the *loan* may be deducted from the *loan* before depositing it into the *nominated account*.

3. Interest, fees and charges

Interest

- 3.1 You must pay interest on the *loan* monthly in arrears at the rate set out in the *approval* or otherwise in our banking agreement or any other rate we determine.

- 3.2 Unless otherwise specified in our banking agreement, interest accrues on a daily basis and is calculated on the basis a 365 day year (a 366 day year in the case of a leap year) or such other method as we may notify you

- 3.3 Interest is charged to your *account* on the loan instalment due date.

- 3.4 Interest is payable on the dates set out in the *approval* or elsewhere in our banking agreement.

- 3.5 Any overdue payment may incur interest at the same interest rate for the *loan rate*. A *default rate* (which is higher than the usual interest rate) may be applicable if set out in the *tariff booklet* or elsewhere in our banking agreement (see “Interest, fees and charges” in the Client Terms).

- 3.6 If we vary the interest rate we give you notice of the revised interest rate.

Fees and charges

- 3.7 The fees and charges for the *loan* are set out in the *tariff booklet* or such other document as we may notify you.

- 3.8 In addition to charging interest at the *default rate*, (if applicable), we may charge a late payment fee for any overdue payment as set out in the *tariff booklet* or elsewhere in our banking agreement. Please contact us for further details

4. Repayment

Repayment by instalments

- 4.1 You must repay the *loan* in instalments. We notify you the amount of the instalment and each instalment payment date.

- 4.2 Any *balance owing* for the *loan* (after payment of all instalments) must be repaid on the final payment date we notify you.

- 4.3 The instalments are payable even if you do not withdraw any of the *loan* funds we deposit in the *nominated account*.

- 4.4 If we vary the interest rate on the *loan*, we may vary the instalment amount and the number of instalments.

Methods of repayment

- 4.5 We advise you of the manner in which you must repay the instalments. For example, we may ask you to nominate an account for repayment by direct debit and give us documents to facilitate direct debit from the *nominated account*.

- 4.6 You must comply with our usual requirements for the relevant payment method, including any set out in this clause.

- 4.7 You must open a *current* or *savings account* with us which must be maintained by you until the *loan* and interest and other monies payable thereon are paid and settled in full. We are entitled to debit any of these accounts with all amounts payable under the *loan* including interest, costs, charges and other expenses.

- 4.8 On the loan instalment due date, if funds are available in your *current* or *savings account*, the relevant account will be debited with such agreed instalment and credited to the *nominated account* (i.e. *loan repayment account*).

Payment in full if we ask

- 4.9 Despite any other term of our banking agreement, at any time we may demand payment of the *loan* in full, together with all accrued but unpaid interest, fees and *costs* in connection with the *loan*.

4.10 What happens if you do not pay

If you do not make an instalment on or before the relevant due date:

- the *loan* plus all accrued but unpaid interest plus any other sum due to us is immediately due and payable; and
- we charge you a late payment fee as set out in the *tariff booklet* or elsewhere in our banking agreement.

We will recover any available funds which are available from the *nominated account* as settlement of any dues to us. The unpaid portion of the loan instalment will be shown as arrears in the *loan account*. We will charge interest on this overdue amount.

How we apply payments

- 4.11 Subject to law, we may use amounts we receive from any of your instalments to pay interest rather than to reduce the principal amount you owe us or to pay amounts you owe us in any order we choose. For example, we may allocate a higher proportion of any one or more of your instalments to interest rather than to the principal amount you owe us.

5. Prepayment

5.1 You may prepay all or part of the *loan* subject to the terms set out in our *tariff booklet* and if:

- you give us reasonable notice in writing; and
- when you prepay, you also pay all accrued but unpaid interest, fees and costs in connection with the *loan* (including any early settlement fees as set out in the *tariff booklet*. Details of these fees and costs are available by contacting us.

If you are unable to give us reasonable notice of prepayment, we may require you to pay us an amount equal to one month's interest (or any other amount we specify) on the *loan*.

5.2 If you prepay only part of the *loan*, early settlement fee is payable. The amount of each instalment will be adjusted.

Early settlement fee

5.3 Even if you prepay in full an early settlement fee is payable.

Right to re-borrow

5.4 You may only re-borrow an amount prepaid if our *approval* indicates that the *loan* permits redrawals (known as a revolving *loan*) and if you satisfy our usual conditions for permitting re-borrowing. Any amount you re-borrow forms part of the *loan*.

Additional services for your account

5.5 We may offer additional services for your account. These may include balance transfer programmes, funds transfer programmes and any other services we advise you or which are otherwise available from time to time. You can find out more about available services by contacting us.

5.6 If you sign up for additional services, you are bound by the terms of the additional services. To the extent of any inconsistency between the terms of the additional services and our banking agreement, our banking agreement prevails unless the terms of the additional services specify otherwise.

6. Cancellation

Our Client Terms set out when you and we may end your use of any *product* and what you need to do if that happens. This includes immediate payment of the *balance owing* for the *loan*. This clause sets out additional circumstances in which you or we may cancel the *loan*.

You may cancel the *loan* by giving us reasonable notice in writing. However, we may charge you a cancellation or early settlement fee (see the *tariff booklet* or contact us at one of our branches or by using phone banking).

7. Reporting to the Credit Information Bureau

7.1 We will report your name and other details to the Credit Information Bureau or any other authority established for this purpose which will be available to all member banks and financial institutions. This may affect your current and future banking agreements with other banks and financial institutions.

7.2 We have the right to request for client data from the Credit Information Bureau at any time.

Part B - Meaning of words

8. Meaning of words

You also need to refer to our Client Terms which also define key words used in these terms. If a word defined in these terms is also defined in our Client Terms, the definition in these terms applies for the purposes of *loans*.

default rate means the rate of interest per annum which applies to overdue payments or amounts owing in excess of a *limit* as set out in our banking agreement.

limit means, for a personal *loan*, the limit set out in the *approval* for the *product* (as we may vary at any time).

loan means the outstanding principal amount of each drawdown of a loan made under Part A of these terms. It includes a top up loan.

loan account means the transaction processing account, statements of which are made available to you.

our banking agreement means the agreement between you and us formed when we accept an *application* from you, the terms of which include our Client Terms and these terms.