



TERMS AND CONDITIONS FOR OPERATING A NEW GENERATIONS ACCOUNT

These Specific Terms and Conditions, in conjunction with the General Terms & Conditions for operating a Banif Deposit Account shall govern the use of the New Generations Account. If any of these Specific Terms and Conditions are in conflict with the General Terms and Conditions, then the former shall prevail.

1. DEFINITIONS

- 1.1 'Account' and 'Product' mean the Banif New Generation Account held by the Bank in the name of the parent(s), grandparent(s) or legal guardian.
- 1.2 'Account Holder' means the person/s in whose name the Account/s is/are held;
- 1.3 'Availability Date/s' means the date when the Account Holder can withdraw the funds standing to the credit of the Account and close the Account as provided herein.
- 1.4 'Bank' means Banif Bank (Malta) plc (Company Registration number C41030) with registered office at 203, Level 2, Rue D' Argens, Gzira GZR1368, Malta
- 1.5 'Bank Base Rate' means the basic rate of interest on which the Bank calculates the rates of interest paid on deposits and charged on loans. The Bank Base Rate fluctuates according to the market conditions. Such rate is indicated on the Bank's website, www.banif.com.mt
- 1.6 'Current/Savings Account' refers to the current account or savings account held with the Bank by the Account Holder and indicated on the application form for the Product.
- 1.7 'Child' means the child whose name is indicated by the Account Holder on the application form for the Product.
- 1.8 'Interest' means gross interest payable as provided herein.
- 1.9 'Loan' means the loan facility that the Bank shall make available to the Account Holder as provided in Clause 10 of these Terms and Conditions.
- 1.10 'Maturity date' means the end of the full term of the Product i.e when the Child attains the age of 16 years.
- 1.11 'Spread' means the number of basis points by which the Bank Base Rate will be incremented, in order to make up the Interest Rate. The Spread is determined and can be updated from time to time at the Bank's sole discretion. Such a Spread can be positive as well as negative depending on the market conditions.
- 1.12 'Start Date' means the first day when the Banif New Generations Account starts, i.e the day when the first deposit has been made in the Account.
- 1.13 'Tariff of charges' means the list of fees and charges which the Bank charges to its clients. Such list is available on the Bank's website, www.banif.com.mt

2. CONTRACT

- 2.1 The Account is denominated in euro and is not renewable after the Maturity Date. Full repayment of capital is guaranteed at maturity.
- 2.2 The Account can be opened by any one parent or both parents, grandparent/s or legal guardian of the Child, provided that the birth certificate/s and any other document/s indicating the relationship with the Child are submitted to the Bank together with the application form for the Product. The Account will be opened by and shall be in the name of the parent/s, grandparent/s, or legal guardian who will be responsible for the management and operation of the Account. The Account designation will also include the name of the Child for reference purpose only. For the avoidance of doubt, the Child shall not be entitled to operate the Account in any manner.
- 2.3 In respect of each child, each of such Child's parent may open one Account individually and another jointly with the other parent. In the case of the Child's grandparents, both maternal and paternal grandparents may open one Account individually and another jointly with the other respective grandparent. Should the Child have one or more legal guardians, each such legal guardian/s may open an Account individually and another one jointly with any other legal guardian of the Child.

3. DEPOSIT IN THE ACCOUNT

- 3.1 The opening of the Account with the Bank is subject to a minimum opening deposit of €25 and there is no maximum deposit amount.
- 3.2 The Product commences on the Start Date.
- 3.3 The Account holder shall deposit a minimum of €300 per calendar year into the Account. Provided that without prejudice to Clause 2.3, if an Account Holder already has an Account in respect of one Child and opens any further Accounts in respect of any other child or children, then the minimum annual deposit shall be reduced to €120 per calendar year.
- 3.4 Without prejudice to Clause 3.10, the minimum annual deposit as set out in Clause 3.3 shall be paid into the Account by means of a standing order from any other current or savings account held by the Account Holder with the Bank. Such amount may be paid in separate tranches on a monthly, bi-monthly, quarterly, half-yearly or yearly basis, as set out in the relative application form.
- 3.5 Subject to the payment of the minimum annual deposits in terms of Clause 3.3, the Account Holder shall be entitled to change the amount of these deposits as long as Clause 3.3 is observed.



- 3.6** If the Account Holder wished to update the amount, date or frequency of the standing order referred to in Clause 3.4 above, the Account Holder shall inform the Bank in writing, at least five (5) working days prior to the next due date for payment as set out in the applicable standing order.
- 3.7** All funds must be cleared and available in the Account Holder's current/Savings Account one business day before the standing order due date.
- 3.8** If the funds are not available in the Account Holder's Current/Savings Account in terms of the above, a fee (the amount of which shall be indicated in the Bank's Tariff of Charges as updated at the Bank's sole and absolute discretion from time to time) in relation to the unprocessed standing order shall be debited by the Bank from the Account Holder's Current/Savings Account. In the event that the Current/Savings Account does not have sufficient funds to cover the said fee, this will be debited from any other account held by the Account Holder with the Bank standing to the credit with an amount sufficient to cover the said fee.
- 3.9** If the Account Holder fails to fulfil the obligations set out in Clause 3.3 above the Bank may in its sole and absolute discretion close the Account and in such case, the provision of Clause 8.4 shall apply.
- 3.10** The Account Holder can also make additional deposits into the Account. There is no maximum amount or limit that can be deposited into the Account.

4. TERM

- 4.1** The term of the Product is from the Start Date till the Maturity Date.

5. INTEREST

- 5.1** The interest will be paid in the Account on an annual basis.
- 5.2** The interest rates are as follows:

- For amounts of up to €25,000, the interest rate will be 1.50% p.a.; made up of the Bank Base Rate (currently 2.50% p.a.) plus the Spread (currently -1.00% p.a.). The initial Spread shall be confirmed to the Account Holder once the Account has been opened and shall remain fixed until the first Availability Date. The Bank Base Rate will fluctuate according to the market conditions and shall be determined and amended by the Bank at its sole discretion from time to time. The Bank shall in its sole and absolute discretion determine the Spread applicable in respect of the period from one Availability Date to the other or to the Maturity Date (as the case may be) and such Spread shall remain fixed until the said Availability Date or Maturity Date.
- For amounts over €25,000, the Interest Rate will be 0.25% p.a.; made up of the Bank Base Rate (currently 2.50% p.a.) plus the Spread (currently -2.25% p.a.). The initial Spread shall be confirmed to the Account Holder once the Account has been opened and shall remain fixed until the first Availability Date. The Bank Base Rate will fluctuate according to the market conditions and shall be determined and amended by the Bank at its sole discretion from time to time. The Bank shall in its sole and absolute discretion determine the Spread applicable in respect of the period from one Availability Date to the other or to the Maturity Date (as the case may be) and such Spread shall remain fixed until the said Availability Date or Maturity Date.

6. OPERATION OF THE ACCOUNT

- 6.1** Subject to the provisions of Clause 8.5, the funds standing to the credit of the Account may be withdrawn on every Availability Date.
- 6.2** Each Account shall have 1 or 2 Availability Dates, depending on the age of the Child at the Start Date.
- 6.3** The Availability Dates shall fall on the Child's 6th and 11th birthdays or on the following Business Day.
- 6.4** The Account shall not be opened if the Child has already attained 15 years of age at the Start Date.
- 6.5** If the 6th birthday will occur in less than 12 months' time from the Start Date, the Availability Date will be the 11th birthday. If on the other hand, the 11th birthday will occur in less than 12 months' time from the Start Date, the Account will have no Availability Date but funds can be withdrawn at the Maturity Date.
- 6.6** If at the Start date, the age of the Child is 11 years or over, the funds standing to the credit of the Account can only be withdrawn at the Maturity Date.



- 6.7** The Account Holder may only close the Account and withdraw the funds standing to the credit of the Account on any of the Availability Dates, provided that the Account Holder informs the Bank in writing of such intention at least 15 working days prior to the Availability Date in question.
- 6.8** Should the Account Holder decide not to signify his intention to close the Account and withdraw the funds as provided in clause 6.7 above, then the funds cannot be withdrawn until the next Availability Date.

7. GIFT

- 7.1** Without prejudice to the right of the Account Holder to pay a lower minimum annual deposit in the cases set out in Clause 3.3, the Bank will award a gift (hereinafter referred to as "the Gift") to the Account Holder upon the opening of each Account that is subject to a minimum annual deposit of €300 per calendar year or more. The Gift shall consist of either a gift voucher from specific retailers or a cash amount that will be credited to the Account.
- 7.2** Provided that any Account Holder who is awarded a Gift as provided herein and subsequently reduces the applicable minimum annual deposit of the Account in question below €300 per calendar year pursuant to the proviso to Clause 3.3 within one year from the Start Date shall be liable to immediately pay an amount equivalent to the full value of the Gift to the Bank and the Bank shall have the right to debit such amount from any account held by the Account Holder with the Bank.
- 7.3** Provided further that the Account Holder shall not be liable to pay the amount equivalent to the Gift received if within one year from opening the Account which entitled him to receive the Gift, the same Account Holder/s of that Account shall have opened another Account that is subject to a minimum annual deposit below €300 per calendar year pursuant to the proviso to Clause 3.3.
- 7.4** The value of the Gift shall be determined by the Bank in its sole and absolute discretion. The current value of each Gift to be awarded by the Bank in terms of this Clause 7 is twenty euro (€20).

8. WITHDRAWAL OF FUNDS

- 8.1** Save as provided hereunder, funds can be withdrawn as provided in Clause 6 or at Maturity Date.
- 8.2** The Account Holder may not make any partial withdrawals from the Account at any time.
- 8.3** Any withdrawal at any times other than those indicated in Clause 6 hereof (i.e. on the Availability Dates) shall only be accepted if the Bank grants its consent, which consent may be retained by the Bank at its sole discretion. If the Bank consents to such withdrawal, the Account will be closed.
- 8.4** In the event of a withdrawal and closure of the Account as provided in Clause 8.3, the relative balance will be transferred to the Account Holder's Current/Savings Account and any accrued interest will be forfeited in favour of the Bank. In addition, in the case that the Account Holder was awarded a Gift upon the opening of the Account, the Account Holder shall be liable to immediately pay an amount equivalent to the full value of the Gift to the Bank and the Bank shall have the right to debit such amount from any account held by the Account Holder with the Bank.
- 8.5** Where an Account Holder has been granted a Loan, no funds standing to the credit of the Account may be withdrawn unless and until the Account Holder shall have repaid the Loan in full.

9. MATURITY OF THE ACCOUNT

- 9.1** Following the Maturity Date, funds standing to the credit of the Account will be transferred to a Current/Savings Account held by the Account Holder with the Bank.

10. LOAN FACILITY

- 10.1** At any time after the first 6 months from the Start Date, the Account Holder(s) may be eligible to a loan equivalent to double the balance held in the Account at the time of the credit application, subject to a minimum loan value of €1,000 and a maximum loan value of €5,000. The Loan may only be taken by the Account Holder for the sole purpose of payment for costs and expenses borne by the Account Holder in connection with the education and/or upbringing of the Child and shall be subject to presentation of all relative quotation(s) and invoice(s) to the Bank.
- 10.2** A processing fee, (the amount of which shall be indicated in the Bank's Tariff of Charges as updated at the Bank's sole and absolute discretion from time to time) shall be charged on the Loan and the Loan shall be subject to a per annum interest at a rate of 300 basis points above the Bank Base Rate.



- 10.3** The term of the Loan shall be 3 years from the date of the first draw down and shall be repaid in equal instalments on a monthly basis. Such monthly instalments shall not be lower than €30 per month.
- 10.4** Funds standing to the credit of the Account will be pledged as a security. In addition, the Loan has to be settled before the next Availability Date unless the Account Holder commits beforehand that the funds will not be withdrawn.
- 10.5** The Loan should be fully repaid by the Maturity Date.
- 10.6** The provision of the Loan by the Bank to the Account Holder shall be subject to all other applicable terms and conditions that may be amended by the Bank from time to time.

11. OTHER CONDITIONS

- 11.1** The Bank shall have the right to refuse any application for an Account or for a Loan, without giving any reason thereof.
- 11.2** The Bank reserves the right to close the Account at any time if there is a justifiable reason to do so. In addition to this, the Bank may refuse to carry out a transaction pursuant to the Terms and Conditions if the Bank reasonably believes that the transaction in question is invalid or illegal.
- 11.3** The Bank reserves the right to lay down further terms and conditions or to amend these Terms and Conditions (including any fees or charges).
- 11.4** The Bank reserves the right to withdraw the Product from the market at any time at its sole discretion.
- 11.5** These Terms and Conditions shall be governed by and construed in accordance with the Maltese law and subject to the non exclusive jurisdiction of the Maltese Court.