



Rules applicable to the time order of the settlement of receivables

Rules applicable to the time order of the settlement of receivables (hereinafter the „**Rules**“) set down the time order of fulfilment of the due debts towards Komerční banka, a.s., (hereinafter the „**Bank**“), in the event that the client has more due debts towards the Bank and the fulfilment provided by the client does not cover the full repayment thereof.

By the term „**Debt**“ it is deemed every single due monetary obligation of the client towards the Bank, for example a single principal instalment, single interest instalment, default interest, fees, charges, already determined expenses and contractual penalties.

By the term „**Legal Relationship**“ it is deemed a legal title to single Debts origination (most frequently a credit agreement).

The debts are being settled according to following rules unless agreed otherwise between the client and the Bank or unless there are other binding rules arising from the legal regulations, which may not be deviated from:

1. Single due Debts of mortgage loans which were concluded with consumers shall be settled in the sequence based on their due dates. If the single Debts of these loans have the same due date, they shall be settled in this sequence: principal, interest, default interest, fees, charges, already determined expenses and contractual penalties.
2. According to the following rules, the due [Debt] principal and due interests arising from any other Legal Relationships shall always be settled first pursuant to the ranking of their due dates (i.e. the performance provided shall always be set off against such principal or interests which are due at the earliest) as follows:
 - a) in the case of Debts arising from Legal Relationships which are consumer contracts and credit card contracts entered in the period:
 - (i) till 30 June 2021 (including) which are not yet due in accordance with the terms thereof (i.e. their final maturity date has not occurred), nor have they become due and payable as a result of acceleration; and
 - (ii) from 1 July 2021 (including) onwards,the due principal amount shall be settled first, and any due interest payments shall be settled afterwards.
 - b) in the case of Debts arising from other Legal Relationships, the due interest payments shall be settled first, and any due principal amounts shall be settled afterwards.
3. For all Legal Relationships not mentioned in point 1), default interest, fees, charges, already determined expenses and contractual penalties shall be always settled only at the very end (i.e. only after full payment of all due Debts according to points 1) and 2), in such a way that the default interests shall be settled first and after their full repayment are being settled the due fees, charges, already determined expenses and contractual penalties.
4. Provided that the fulfilment of the client to the Bank does not cover all the due Debts from all the Legal Relationships, the Debts are being settled in the sequence based on their due date, starting with the Legal Relationship, under which the Debt due at the earliest has arisen.

Unless otherwise agreed between the client and the Bank, any notes written on an individual sent payment (e. g. in the “Purpose of payment” filed) have no effect on the order of settlement of payments on individual Debts.

These Rules shall become valid and effective as of 1.5.2024 and shall replace the previous wording of the Rules.