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Terms and Conditions for the Permitted Overdraft

N26 Bank GmbH Terms and Conditions for the Permitted Overdraft

(Version 1.2., Date 28.09.17)

1. Scope, Formation of Agreement

1.1

The following terms and conditions apply for the Overdraft Credit Agreement between the lender N26 Bank GmbH, legally represented by Markus Gunter and Matthias Oetken, Klosterstrasse 62, 10179 Berlin, („Bank“), and the borrower designated in the offer by the bank ("Customer"). The Overdraft Credit Agreement authorises the customer to overdraw from his current account at the Bank by means of payment orders (in particular, cash payments at cashpoints, bank transfers, debit notes) within the permitted overdraft limit.

1.2

The Bank may offer the Customer the opportunity to enter into an Overdraft Credit Agreement by means of the app or the online interface, depending upon the Customer's credit rating. The Bank's offer will contain the exact estimated amount of the offered overdraft conditions. The offer shall take place via a corresponding email with the attached conditions as well as the European Consumer Credit Information for Overdraft Credits. The service shall become directly available no later than 24 hours upon activation by the Customer. Upon approval by means of the app, the Customer accepts the offering in the amount of the overdraft facility offered by the bank.

1.3

The Customer accepts the permitted overdraft conditions if payment orders exceed the balance of the account. In claiming the permitted overdraft facility, the permitted overdraft amount is reduced by the amount in which the Customer overdraws the account. When the Customer has brought his account back to a zero balance, the permitted overdraft amount will be available to him again.

2. Debit interest Rate, Interest Payment Date, Costs

2.1

The Customer must pay interest for the amount utilised upon overdrawing his account ("Overdraft Interest"), but only for the length and the amount of the actual usage of the overdraft facility. The debit interest rate for Overdraft Interest ("Overdraft Debit Interest Rate") is variable and amounts to 8.9 percentage points above the

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applicable interest rate for each instance of main refinancing operations of the European Central Bank (hereinafter referred to as "Reference Interest Rate"). An additional processing fee is not incurred..

2.2

The adjustments in the Overdraft Debit Interest Rate conform to the trends of the Reference Interest Rate. This Reference Interest Rate is determined by the Governing Council of the European Central Bank and is published in its official interest statistics. Every six weeks, as scheduled, the Governing Council of the European Central Bank discusses whether the current Reference Interest Rate must be adjusted. The initial Reference Interest Rate for the first adjustment of the Overdraft Debit Interest Rate is the Reference Interest Rate that was effective on 1 November 2015 (12:00 am). This is compared with the last published Reference Interest Rate.

2.3

If the last published Reference Interest Rate increases by more than 0.25 percentage points in relation to the initial Reference Interest Rate, the adjustment of the Overdraft Debit Interest Rate is triggered and the Overdraft Debit Interest Rate increases by the difference. If the last published Reference Interest Rate decreases by more than 0.25 percentage points in relation to the initial Reference Interest Rate, the Overdraft Debit Interest Rate decreases by the difference accordingly. The adjustment of the Overdraft Debit Interest Rate becomes effective on the first calendar day of the month after the month following publication of the Reference Interest Rate that triggered the adjustment of the Overdraft Debit Interest Rate.

The equivalent applies for further adjustments of the Overdraft Debit Interest Rate on the condition that the Reference Interest Rate that underlies the last adjustment of Overdraft Debit Interest Rate is used as the initial Reference Interest Rate in each case.

2.4

The Bank shall inform the Customer in regular intervals concerning the adjusted Overdraft Debit Interest Rate and, if applicable, with regard to the adjusted amount and due date for interest payments, if these items change. You will be informed of adjustments of the Overdraft Debit Interest Rates in the account statement.

2.5

Factors such as the changes in the Customer's default risk, the Bank's rating or the internal cost calculation are not taken into consideration in the adjustment of the Overdraft Debit Interest Rate.

With the increase of the Overdraft Debit Interest Rate, the Customer may cancel this Overdraft Credit Agreement with the Bank within six weeks after the announcement of the adjustment with immediate effect as long no other conditions are agreed upon to the contrary. If the Customer cancels, the increased Overdraft Debit Interest Rate shall not be used as the basis for the cancelled Overdraft Credit Agreement. A cancellation by the Customer is not considered effective if the Customer does not repay the overdrawn amount within two weeks after the effective date of the cancellation.

2.6

Interest becomes subsequently payable at the end of a calendar quarter and is charged to the account.

2.7

No costs in addition to the Overdraft Debit Interest Rate will be incurred by the Customer. The total costs will be communicated to you in the offering by the Bank upon entering into an Overdraft Credit Agreement and will be specifically calculated for your overdraft facility.

2.8

Debit Interest Rates in the event of exceeding the overdraft amount

If the Customer exceeds the permitted overdraft amount, the Bank shall charge interest for the amount used as a result of exceeding the permitted overdraft amount ("Interest for Excess Overdraft"). A variable Debit Interest Rate for Interest for Excess Overdraft shall be agreed upon between the Customer and the Bank that corresponds to the stipulated Overdraft Debit Interest Rate (Clause 2.2).

3. Granting of an Overdraft Facility; Pay out Conditions

3.1

The Bank shall fulfil its obligations established by the Overdraft Credit Agreement when the Bank grants the overdraft credit to the Customer in the stipulated amount on the Customer's Account and allows an overdraft within the framework of the permitted overdraft facility.

3.2

The overdraft credit may be used as needed either completely or in part, on a one-time basis or repeatedly, without repeated consultation with the Bank. In order to control costs, the Customer may set his own limit by means of the app or the online interface. The amount of the permitted overdraft credit remains unaffected by a limit established by the Customer for the purpose of controlling costs.

A prerequisite for the granting of the overdraft facility is a positive credit assessment.

4. Repayment, Communications

4.1

The granting of overdraft credit shall occur without agreement upon a scheduled repayment. Incoming payments on the account will be offset against the account balance within the framework of the current account agreement.

4.2

The Bank shall inform the Customer in at least quarterly intervals with regard to the permitted overdraft facilities. These communications shall contain: (a) the exact time period to which the permitted overdrafts correspond, (b) the date and amount of the amounts that were paid out, (c) the balance and date of the preceding communication, (d) the new balance, (e) the date and amount of repayments, (f) the applied Debit

Interest Rate. This information can be provided on the account statement or the quarterly closing statement for the account for which the permitted overdraft is used.

5. Term, Cancellation

5.1

The term of the overdraft credit is not limited and is granted until further notice. With the termination of the current account agreement (Giro-Agreement), the overdraft credit shall also end accordingly.

5.2

The overdraft credit can be cancelled either by the bank or by the Customer without observance of a cancellation period. The Customer may cancel via N26, particularly via the app or the online interface by selecting "Dispo auflösen" in the German version or "Cancel Plan" in the English version. In the instance of cancellation by the Bank, the Bank shall appropriately observe the entitlements of the Customer. NOTE: Please note that you may be summoned at any time for the repayment of the utilised overdraft amounts if the Bank makes use of its cancellation right.

5.3

The right to cancellation with cause according to Clause 18 (2) and Clause 19 (3) of the Bank's General Terms and Conditions remains intact.

The Bank is authorised to cancel the permitted overdraft facility entirely or in part if the Bank is made aware of facts that require the modification of the Customer's credit rating. The Bank shall immediately inform the Customer of such modifications.

6. Possibility of Filing Complaints

The Customer may write to or contact the (German) Bundesanstalt für Finanzdienstleistungsaufsicht, i.e. Federal Financial Supervisory Authority (Graurheindorfer Strasse 108, 53117 Bonn and Marie-Curie-Strasse 24-28, 60439 Frankfurt am Main) or the European Central Bank (Sonnemannstrasse 20, 60314 Frankfurt am Main), at any time to have complaints recorded in writing.

7. Transmission of Personal Data to SCHUFA (applicable for customer with address in Germany)

7.1

The Bank transfers personal data of the Customer regarding the establishment, proper execution and termination of the Overdraft Credit Contract to SCHUFA (Schutzgemeinschaft für allgemeine Kreditversicherung e.V. [General Credit Protection Agency]) Holding AG, Kormoranweg 5, 65201 Wiesbaden, for the purposes of

credit assessment, unless the Customer's legitimate interest in the exclusion of the transfer clearly outweighs SCHUFA's interest in receiving the data. The Customer hereby releases the Bank from bank secrecy.

7.2

The Customer may obtain information from SCHUFA regarding stored data that pertains to the Customer. Additional information regarding SCHUFA disclosure and score procedures may be obtained at www.meineschufa.de. The postal address for SCHUFA is: SCHUFA Holding AG, Privatkunden Service Center [Private Customers Service Centre], post office box 103441, 50474 Cologne.

The Customer hereby consents that data relevant to the credit with regard to the application, the receipt (in each case, borrower, loan amount, credit amounts, limits, as well as the additional term and start of the payment period in the case of instalment credit) and settlement (e. g., early payback, term extension) may be transferred to SCHUFA Holding AG, Kormoranweg 5, 65201 Wiesbaden.

Notwithstanding the above, the SCHUFA financial institution will also transfer data regarding its existing receivables due by the Customers. According to the BDSG (Bundesdatenschutzgesetz [Federal Data Protection Act]) (§ 28a (1) (1), this is permissible if they did not produce the payment owing despite being in arrears, and if the transfer of data is required for the observance of legitimate interests of the credit institute or of third parties, and

- the demand is enforceable or the Customer expressly recognised the demand, or
- the Customer, upon arrival of the due date, was dunned at least twice in writing, the financial institution informed the Customer in a timely manner but no earlier than the first dunning letter with regard to the aforementioned transfer after at least four weeks and the Customer did not dispute the claim, or
- the contractual relationship underlying the claim can be cancelled without a notice period due to payment arrears of the financial institution, and the financial institution informed the Customer regarding the aforementioned transfer.

In addition, the financial institution shall also transfer data regarding miscellaneous non-contractual behaviour (e. g., fraudulent behaviour) to SCHUFA. These reports may only be provided in accordance with the BDSG § 28 (2) as long as these are required for the observance of legitimate interests of the financial institution or third parties and no grounds exist for the assumption that the protection-worthy interests of the concerned party outweigh the exclusion of the transfer.

In this respect, the Customer simultaneously releases the financial institution from bank secrecy.

SCHUFA shall store and use the obtained data. Use by SCHUFA also includes the calculation of a probability value on the basis of SCHUFA's stored data for the assessment of credit risk (score). SCHUFA may transfer the acquired data to its contracting partners in the European economic region and Switzerland in order to provide this information for the creditworthiness of natural persons. Contracting partners of SCHUFA are companies that bear default risks due to payments or delivery (in particular, financial institutions such as credit card and leasing companies, or leasing, commercial, telecommunication, energy supply, insurance and collection

companies). SCHUFA divulges personal data if a legitimate interest to this end was credibly presented in an individual case and the transfer after consideration of all interests is permissible. For this reason, the scope of the data provided may vary by type in each case. Moreover, SCHUFA uses the data for the verification of identity and the age of individuals upon request from their contracting partners, for instance, who offer services via the internet.

The Customer may obtain information from SCHUFA regarding the stored data in question. Additional information concerning SCHUFA disclosure and score procedures may be obtained at www.meineschufa.de. The postal address for SCHUFA is: SCHUFA Holding AG, Privatkunden Servicecenter [Private Customer Service Centre], post office box 103441, 50474 Cologne.

Consent for Clause 7 is intended solely for end Customers with an address in Germany.

8. Transmission of Personal Data to CRIF GmbH (applicable for customers in Austria)

8.1

The Customer consents that N26 Bank GmbH requests information on the Customer's payment history, company and address data from CRIF GmbH, Diefenbachgasse 35, A-1150 Vienna, for the purpose of identity, solvency and credit checks as part of the application for an overdraft. For this purpose, the Customer's first and last name, date of birth and address are transmitted. In addition, any negative payment incidents are reported to CRIF in the course of the Customer's contractual relationship with the Bank. This consent can be revoked at any time via e-mail to terms@n26.com.

8.2

For the purpose of requesting the Customer's data from CRIF as well as reporting any negative notifications, the Customer releases N26 Bank GmbH from the banking secrecy. This consent can be revoked at any time via e-mail to terms@N26.com.

Consent for Clause 8 is intended solely for end Customers with an address in Austria.