

**Terms and fee schedule applicable to loans
 provided for the acquisition of residential and non-residential real estate
 owned by "ARMBUSINESSBANK" CJSC
 (on the account of Bank resources)**

1. Main terms & conditions of loan			
1.1	Purpose of loan	Acquisition of residential and nonresidential immovable property, which has been confiscated by "ARMBUSINESSBANK" CJSC and is the property of the Bank as of 01.10.2017	
1.2	Currency of loan	US dollar (USD)	Armenian dram (AMD)
1.3	Minimum loan amount	2,000	1.000.000
1.4	Maximum loan amount	200,000	95.000.000
1.5	Nominal annual interest rate	<ul style="list-style-type: none"> • 6.5%, if the prepayment for purchased property is at least 10%, • 6%, if the prepayment for purchased property is at least 20%, • 5.5%, if the prepayment for purchased property is at least 30%, • 5%, if the prepayment for purchased property is at least 40%, • 4.5%, if the prepayment for purchased property is at least 50%, 	<ul style="list-style-type: none"> • 10%, if the prepayment for purchased property is at least 10%, • 9%, if the prepayment for purchased property is at least 20%, • 8.0%, if the prepayment for purchased property is at least 30%, • 7.5%, if the prepayment for purchased property is at least 40%, • 7.0%, if the prepayment for purchased property is at least 50%.
1.6	Effective annual interest rate *	7,8-24%	
1.7	Minimum amount of prepayment	10%	
1.8	Maximum loan/collateral value (is calculated on assessed liquid value of the collateral)	90%	
1.9	Period	12 - 120 months	
1.10	Repayment of loan and interests	At customer's option: <ul style="list-style-type: none"> • Annuity payments, • Uniform monthly repayment of the principal and monthly repayment of accrued interest 	
1.11	Manner of lending	One-time, cashless provision of loan	
1.12	Early repayment of loan	Permissible, no fines or penalties are applied	
2. Requirements to Borrower / Co-borrower			
2.1	Borrower	Resident natural person aged at least 21, who is not the former owner of the property or is not affiliated with the former owner	
		A resident natural person aged at least 21, who has joint and several	

2.2	Co-borrower	liability with the Borrower, who is not the former owner of the property or is not affiliated with the former owner. Maximum 3 co-borrowers are acceptable
2.3	Revenues of the Borrower/ Co-borrower	<ul style="list-style-type: none"> • Primary income (mandatory) – 100% *, • Secondary income (not mandatory) - maximum 60%, and may not exceed the twofold amount of primary income **,
2.4	General principle of credit rating	Maximum ratio of total debt payments and net income (TLI ratio) should not exceed 50%
2.5	Credit history requirements for Borrower/Co-borrower	By the time of loan approval there should not be any overdue or classified current credit commitments
3.	Bank Fees	
3.1	Fee for application review	AMD 5,000
3.2	One-time fee for loan maintenance	AMD 0
4.	Collateral requirements	
4.1	Collateral	Purchased immovable property
4.2	Location of collateral	Armenia and Nagorno-Karabakh
4.3	Assessment of collateral	Assessment of immovable property should be carried out on the account of the borrower, by an independent appraisal company cooperating with the Bank
5.	Insurance requirements	
5.1	Insurance	Not required
6.	Additional terms	
6.1	Basis for rejecting an application	<ul style="list-style-type: none"> • Customer has failed to provide requested documents • The inquiry to "ACRA" credit bureau has reported on a negative credit history of Customer (also Co-borrower, if applicable) • According to credit rating, the customer is not creditworthy • Information, which came into possession in the course of lending, arouses prejudice with regard to the information provided by the Customer or the repayment of loan • Customer is not the former owner of the property or is not affiliated with the former owner. Maximum 3 co-borrowers are acceptable
6.2	Failure by Borrower to fulfill loan commitments	<ul style="list-style-type: none"> • <i>For failure to pay interests when due, the Bank shall charge a penalty for each day of default equal to 0,13% of past-due amount;</i> • <i>For failure to repay the loan when due as prescribed by contract terms, the calculation of interests under the contract shall be suspended and effective from that day until the actual repayment of the arrears interests shall be accrued on the overdue amount equal to the twofold of the settlement rate of the bank interest set by the Central Bank of RA</i> <p><i>In case of non-fulfillment or improper fulfillment of credit commitments, information on indebtedness shall be recorded at "ACRA" credit bureau</i></p> <p><i>The Bank may impose a forfeiture on the collateral or sell it out without applying to court</i></p> <p><i>In case of foreclosure of the mortgaged real property, where a secured claim is not satisfied in full on the account of the amount received from sale the difference should be charged from other assets of the borrower</i></p>
6.3	Other expenses of Customer	<ul style="list-style-type: none"> • <i>Costs associated with the assessment of collateral (AMD 15,000-25,000) as per tariffs of appraising companies, which cooperate with the Bank</i> • <i>Notary's costs (AMD 15,000-25,000)</i> • <i>Costs associated with cadastral registration - state registration of right (in case of a flat acquisition – AMD 72,000-73,000; in other cases - AMD 26,000-28,000)</i>
6.4	Term for application review	5 business days

6.5	Place of loan execution	Head Office and all branches of the Bank (except for Araratyan and Arshakuni branches)
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7.	Classification of primary and secondary income of the borrower/co-borrower
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- * As primary income is accepted:
- Income justified by a statement of employment; moreover, the Borrower should be an employee of the organization for at least 3 months,
 - Pensions confirmed by a statement of competent authority,
- ** As secondary income is accepted:
- Income from rent under lease agreement approved by public notary and registered by State Committee of Real Estate Cadastre, and in addition the lease agreement must be concluded no later than three months before the date loan application has been submitted (except in cases of the renewal of lease agreement) and must be concluded for at least 1 year;
 - Interests receivable under deposit agreement with the Bank, which must be concluded no later than three months before submission of loan application and must be concluded for at least 1 year;
 - Regular money transfers received over the last 12 months;
 - Income from paid services, dividends and other revenues, which can be justified by documents.

8.	Documents and information requested for mortgage lending
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<i>Documents</i>	Documents requested from customer	Documents requested from co-borrower(s)	Documents requested from "Armbusinessbank" CJSC
ID document (passport or identity card)	✓	✓	-
Social card or social service registration mark, if not any, a statement from the relevant authority (not required upon provision of an ID card)	✓	✓	-
Copies of passports and social cards or social service registration mark for husband/wife /if not any, a statement from the relevant authority/	✓	✓	-
Copy of marriage certificate /if any/	✓	✓	-
Statement of employment and revenues specifying the position, record of service in that organization, as well as earnings during the last 12 months /upon request/ The authenticity of primary income is verified by the Bank via "NORK" information system In case of agricultural activity - reference from competent authority	✓	✓	-
Proof of secondary income /upon request/	✓	✓	-
Copy of statement of ownership for purchased immovable property	-	-	✓
Assessment report for the property, carried out by Independent appraiser	✓	-	-
Documents requested following a favorable decision to issue a loan			
Statement from State Committee of Real Estate Cadastre of RA Government to confirm that the immovable property is not pledged or under another type of arrest	-	-	✓
Contract on immovable property purchase and sale and pledge /mortgage/	-	✓	-
Certificate of title of ownership registration	-	✓	-
Certificate of registration of the lien	-	✓	-
Other documents upon request	-	✓	-

Attention

In case of loans in foreign currency, changes in exchange rates of foreign currency may affect the repayment of the loan. The interest amounts on loans are calculated based on the nominal interest rate. The nominal interest rate shows the amount of annual interest on the loan, which is charged on the loan balance on an annual basis.

Example of calculating interest amounts

- Initial amount of loan – AMD 20,000,000
- Loan period - 120 months
- Annual interest rate - 8%
- Manner of repayment of loan and payment of interests – by annuity schedule

The amount of monthly repayments shall make AMD 242,751

* The interest amounts on loan are calculated based on the nominal interest rate. The effective annual interest rate on loans measures the real cost of credit after the interests are paid and other payments are made within the specified time and amounts.

Formula for Effective Annual Interest Rate Calculation

The effective annual interest rate is calculated based on the following formula:

$$A = \sum_{n=1}^N \frac{K_n}{(1+i)^{\frac{D_n}{365}}}$$

where:

i – effective annual percentage rate (APR),

A - initial amount of loan to be disbursed,

n - number of the regular repayment on loan,

N - number of the last repayment on loan,

K_n - amount of the n-th regular repayment on loan,

D_n - time from the date of loan disbursement to the date of the n-th regular repayment on loan measured in terms of days

i - effective annual interest rate can be calculated providing that the rest of equation data are known from loan agreement or otherwise.

To calculate the actual annual interest rate please use Effective Annual Interest Rate Calculator, with reference <http://www.ambusinessbank.am/am/page/Crediting>.

Example of calculating the effective annual interest rate

- Loan amount – AMD 10 000 000
- Loan period - 120 months
- Loan interest rate - 10,0%
- One-time fee for loan application review – AMD 5 000
- Costs associated with the assessment of collateral - AMD 25 000
- Notary's costs – AMD 25 000
- Costs associated with cadastral registration - AMD 72 000
- Repayment of loan amount and interests – by annuity schedule

The effective annual interest rate is 10,8%

Given the amount, term of the loan, frequency of repayments and changes in the prices of other miscellaneous services, the effective annual interest rate on loan may vary from the above example.

Bank details

"ARMBUSINESSBANK" Closed Joint Stock Company

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Certificate of registration N 0176, issued 10.12.1991, bank license N 40, issued 10.12.1991

List of services, which the Bank may render, is stipulated in accordance with Chapter 4 of RA Law "On Banks and Banking Activity".

"Financial Assistant System" of www.fininfo.am "Finance for All"