

**Terms and fee schedule applicable to loans for the acquisition of 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 immovable property confiscated and owned by “ARMBUSINESSBANK” CJSC
1.2	Currency of loan	Armenian dram (AMD)
1.3	Minimum loan amount	AMD 1 000 000
1.4	Maximum loan amount	AMD 950 000 000
1.5	Nominal annual interest rate (fixed (adjustable)) ¹	<ul style="list-style-type: none"> • 12.9%, if the prepayment for purchased property is at least 20%, • 12.5%, if the prepayment for purchased property is at least 30%,
1.6	Type of loan interest rate	Fixed adjustable interest rate
1.7	Effective annual interest rate *	13.3-24%
1.8	Minimum prepayment amount	20% - if real estate is purchased by its former owner 30% - if real estate is purchased by a third person 30% - 50% if property is purchased by a legal entity
1.9	Maximum loan/collateral value (is calculated on assessed liquid value of the collateral)	80%
1.10	Period	12 - 120 months
1.11	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
1.12	Manner of lending	One-time, cashless provision of loan
1.12	Early repayment of loan	Permissible, no fines or penalties are applied
2. Requirements and T&Cs for a Borrower / Co-borrower		
2.1	Borrower	Resident legal entity or natural person aged at least 21
2.2	Co-borrower	A legal entity or a resident natural person aged at least 21, who has joint and several liability with the Borrower. Maximum 3 co-borrowers are acceptable
2.3	Credit history requirements for a Borrower/Co-borrower	By the time of loan approval there should not be any overdue current credit commitments and accepted liabilities, except when the property is purchased by the former owner (mortgagor)
3. Bank Fees		
3.1	Fee for application review	AMD 5,000

¹ The fixed (adjustable) interest rate can be revised starting from the 37th month. As a basis for calculation serves the procedure for setting and changing the settlement rate of the Bank.

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 Artsakh
5.	Additional terms	
5.1	Rejecting an application	<ul style="list-style-type: none"> • Customer has failed to provide requested documents • The inquiry to “ACRA” credit bureau has reported that the Customer (as well as the Co-borrower, if any) has current overdue loan commitments or suretyship, except when the property is purchased by the former owner (mortgagor)
5.2	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>
		<i>In case of non-fulfillment or improper fulfillment of credit commitments, information on indebtedness shall be recorded at "ACRA" credit bureau</i>
		<i>The Bank may impose a forfeiture on the collateral or sell it out without applying to court</i>
		<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>
5.3	Other expenses of Customer	<ul style="list-style-type: none"> • Notary’s costs (AMD 15,000-25,000) • 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)
5.4	Term for application review	5 business days
5.5	Place of loan execution	Head Office and all branches of the Bank (except for “Araratyan” and “Kumayri” branches)

7.	Documents and information requested for mortgage lending			
	<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 services number, if not any, a statement from the relevant authority (not required upon submission 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 available/; if not married - a written statement	✓	✓	-

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	✓	

Important Note

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 annual basis.

Example of calculating interest amounts

- Initial amount of loan – AMD 20,000,000
- Loan period - 120 months
- Annual interest rate - 12.5%
- Manner of repayment of loan and payment of interests – by annuity schedule

The amount of repayments for the first month shall make up AMD 292,752

* 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.

Example of calculating the effective annual interest rate

- Loan amount – AMD 10, 000,000
- Loan period - 120 months
- Loan interest rate - 12.9%
- Fee for loan application review – AMD 5 000

- Notary's costs – AMD 25 000
- Costs associated with cadastral registration - AMD 72 000
- Repayment of loan amount and interests –annuity payments.

The effective annual interest rate is 13.69 %

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".