

**Terms and fee schedule applicable to loans  
 provided to individuals for the acquisition of transport facilities owned by "ARMBUSINESSBANK" CJSC  
 (on the account of Bank resources)**

<b>1. Main Terms &amp; Conditions</b>		
1.1	Purpose of loan	Acquisition of transport facilities
1.2	Currency	Armenian dram (AMD)
1.3	Minimum loan amount	1,000,000
1.4	Maximum loan amount	10,000,000
1.5	Annual percentage rate	<ul style="list-style-type: none"> <li>• 15%, if the amount of prepayment for the purchased property is at least 20%,</li> <li>• 14%, if the amount of prepayment for the purchased property is at least 30%,</li> <li>• 12%, if the amount of prepayment for the purchased property is at least 40%</li> </ul>
1.6	Minimum prepayment amount	20%
1.7	Maximum loan/collateral value (is calculated on assessed liquid value of the collateral)	80%
1.8	Period	12-60 months
1.9	Repayment of loan and interests	Uniform monthly repayment of loan and interests (annuity)
1.10	Manner of lending	One-time cashless provision of loan
<b>2. Requirements to Borrower / Co-borrower</b>		
2.1	Borrower	Resident natural person aged at least 21
2.2	Co-borrower or warrantor	<ul style="list-style-type: none"> <li>• A resident natural person aged at least 21, who has joint and several liability with the Borrower</li> <li>• A resident natural person aged at least 21, who meets Bank criteria and is ready to provide personal warranty for Borrower's obligations</li> </ul>
2.3	Revenues of the Borrower/ Co-borrower	<ul style="list-style-type: none"> <li>• Primary income (mandatory) – 100% * ,</li> <li>• Secondary income (not mandatory) - maximum 60%, and may not exceed the twofold amount of primary income ** ,</li> </ul>
2.4	Credit history requirements for Borrower/Co-borrower	By the time of loan approval there should not be any overdue or non-working loan commitments
<b>3. Bank Fees</b>		
3.1	Fee for application review	AMD 5,000
3.2	One-time fee for loan maintenance	1,0% of loan amount
<b>4. Collateral requirements</b>		
4.1	Collateral	Purchased transport facility
4.2	Assessment of collateral	Assessment of the collateral should be carried out by an independent evaluating company cooperating with the Bank, and the payment related to the assessment is made by the Bank
<b>5. Insurance requirements</b>		
5.1	Insurance	<ul style="list-style-type: none"> <li>• Insurance of transport facility – mandatory</li> <li>• Accident insurance - mandatory</li> </ul> Insurance must be carried out on a yearly basis only by companies, which cooperate with the Bank. The insurance amount is applicable

		to the residual amount of loan; in addition, the insurance is carried out by Bank at own cost		
<b>6.</b>	<b>Additional terms</b>			
6.1	Basis for rejecting an application	<ul style="list-style-type: none"> <li>• Customer has failed to provide requested documents</li> <li>• The inquiry to the Credit Register of the CBA and /or "ACRA" credit bureau has reported on a negative credit history of Customer (Co-borrower or warrantor, if applicable)</li> <li>• According to credit rating, the customer is not creditworthy</li> <li>• 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</li> </ul>		
6.2	Failure by Borrower to fulfill loan commitments	<ul style="list-style-type: none"> <li>• <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></li> <li>• <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></li> </ul>		
		<i>In case of non-fulfillment or improper fulfillment of credit commitments, information on indebtedness shall be filed to credit register and "ACRA" credit bureau</i>		
		<i>The Bank may impose a forfeiture on the collateral or sell it out without applying to court</i>		
		<i>Where a claim for pledged transport facility is not satisfied in full on the account of amount received from the sale - the difference should be charged from other assets of the borrower</i>		
<b>6.3</b>	<b>Other expenses of Customer</b>	<i>Costs associated with RED of RA police</i>		
6.4	Term of application review	<i>7 business days</i>		
6.5	Place of loan execution	<i>Head Office and all branches of the Bank</i>		
<b>7.</b>	<b>Classification of primary and secondary income of the borrower/co-borrower</b>			
<p>* As primary income is accepted:</p> <ul style="list-style-type: none"> <li>- Income justified by a statement of employment; moreover, the Borrower should be an employee of the organization for at least 3 months,</li> <li>- Pensions confirmed by a statement of competent authority,</li> </ul> <p>** As secondary income is accepted:</p> <ul style="list-style-type: none"> <li>- 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;</li> <li>- 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;</li> <li>- Regular money transfers received over the last 12 months;</li> <li>- Income from paid services, dividends and other revenues, which can be justified by documents.</li> </ul>				
<b>8.</b>	<b>Documents and information requested for the acquisition of transport facility</b>			
	<i>Documents</i>	<b>Documents requested from customer</b>	<b>Documents requested from co-borrower(s) or warrantor</b>	<b>Documents requested from Armbusinessbank CJSC</b>
	Identity document /passport or identity card/	✓	✓	-
	Social card or social service registration mark, if not any, a statement from the relevant authority (not required upon providing 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	✓	✓	-
Proof of secondary income /upon request/	✓	✓	-
Statement of ownership for purchased transport facility	-	-	✓
Certificate of registration of transport facility	-	-	✓
Assessment report for the property, carried out by Independent appraiser	-	-	✓
<b>Documents requested following a favorable decision to issue a loan</b>			
Statement from RED of RA police to confirm that the transport facility is not pledged or under another type of arrest	-	-	✓
Contract on transport facility purchase-sale and firm pledge	-	✓	-
Certificate of registration of property rights	-	✓	-
Certificate of registration of the lien	-	✓	-
Insurance certificate	-	✓	-
Other documents upon request	-	✓	-

### Attention

**The interest amounts on loan are calculated based on the nominal interest rate. The effective annual percentage 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 Percentage Rate Calculation

The effective annual percentage 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,

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

Dn- 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 percentage rate you can use Effective Annual Interest Rate Calculator, with reference <http://www.armbusinessbank.am/am/page/Crediting>.

#### Example of calculating the effective annual interest rate

- Loan amount – AMD 10 000 000
- Loan period - 60 months
- Interest rate - 15%
- One-time fee for loan maintenance – 1% of loan amount
- One-time fee for application review – AMD 5,000

- Fee for lien registration - AMD 8,000
- Notary's costs – AMD 20,000
- Fee for opening of a bank account – AMD 1,500
- Manner of repayment of loan and interests – uniform monthly repayment of the principal and and interests

**The effective annual interest rate is 16,72%.**

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

**Upon favorable decision regarding the application for a consumer loan, "ARMBUSINESSBANK" CJSC shall provide prior to credit arrangement an INDIVIDUAL SHEET subject to the Central Bank of Armenia Regulation 8/05 "On the Procedure, Terms, Forms and Minimum Requirements for Communication Between Bank and Depositors, Creditor and Consumer".**

**"Financial Assistant" system at [www.fininfo.am](http://www.fininfo.am) website offering "Finance for Everyone"**

**Other information, Bank details**

"ARMBUSINESSBANK" Closed Joint Stock Company

Address: 48 Nalbandyan street, 0010, Yerevan, Armenia, tel: (+37410) 59-20-20, (+37460) 37-25-00, fax: +37410 59 20 64

Website: [www.armbusinessbank.am](http://www.armbusinessbank.am);; E-mail: [info@armbusinessbank.am](mailto:info@armbusinessbank.am)

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".