

BUSINESS AUTO				
Terms and fee schedule applicable for loans and credit lines provided to legal entities and sole entrepreneurs for the acquisition of transport facilities				
1	T&Cs of the loan	Loan		Credit line
1.1	Currency	AMD, USD, EUR		
1.2	Annual nominal interest rate	AMD	16%	16%
		USD	13%	13%
		EUR	12%	12%
1.3	Annual effective interest rate	17.95%-21.99%		
1.4	Interest rate charged on unused amount of credit line (annual)	-		1.0%
1.5	Period (months)	2-60		2-24
1.6	Grace period	2-4 months (for seasonal business) only with the option of interest payment		-
1.7	Manner of repayment	Monthly payment of interests, and the principal; repayment of the principal - subject to the traits of business		Monthly payment of interests; to set uniform repayments of the principal from half term
1.8	Manner of calculating the interest rate	Annuity (flexible schedule)		On the reducing balance
1.9	Minimum amount (including the group of affiliated companies and persons, as well as the total amount of unsecured loans of the borrower and affiliated persons at ARMBUSINESSBANK must not exceed AMD 11 mln, while for loan products to small businesses – AMD 7 mln)	AMD	200,000	
		USD	400	
		EUR	400	
1.10	Maximum amount (including the group of affiliated companies and persons, as well as the total amount of unsecured loans of the borrower and affiliated persons at ARMBUSINESSBANK must not exceed AMD 11 mln, while for loan products to small businesses – AMD 7 mln)	AMD	7,000,000	
		USD	15,000	
		EUR	13,000	
1.11	Purpose of loan	Car acquisition		
1.12	Manner of lending	Cashless provision through the account opened with the Bank		
1.13	Fee for early repayment	In case of full repayment of the loan before 1/2 of the loan service term, 2% shall apply		
1.14	Deferment of repayment schedule	Once a year, the customer has the opportunity to defer monthly payment by paying extra 10% of the repayment amount provided for the deferral for the month for the deferred month (including the principal and interests)		
2	Bank Fees			
2.1	Fee for application review	Non applicable		

2.2	One-time service fee	2% of contract amount
2.3	Fee for cashing out loan funds	Subject to the Bank tariffs applicable for cash withdrawals from the account
2.4	Account opening	Subject to the Bank tariffs
3	Security	
3.1	Security	<p>The surety of at least 2 people, moreover:</p> <ul style="list-style-type: none"> • In case of a sole entrepreneur one of the guarantors should be a member of his/her family (in the absence thereof – a person with other family relationship) and the other - a third person (financial agent) as well as real beneficiary of business (if any); • In case of a legal entity – director and persons holding 50% and more shares, member of real beneficiary of business (in the absence thereof – a person with other family relationship), and a third person-financial guarantor (as well as real beneficiary of business, if any) • Within four months after receiving the loan, the client undertakes to register the purchased car as a means of collateral, and after the transaction is completed within 12 months from the date of servicing the loan, the financial guarantor will no longer be the guarantor (except if the loan / collateral ratio exceeds the estimated liquidation value of the car by more than 100% interest), then the financial guarantee shall be suspended when the ratio of the credit balance / collateral, calculated from the liquidation value, is 100%
3.2	Description of the mortgaged property	The subject of the collateral is a vehicle the release date of which is not more than 10 years (in case of purchasing construction equipment up to 15 years is possible)
3.3	Loan-to-Collateral value	100% of the liquidation value of the pledged vehicle
3.4	Assessment of the value of pledged vehicle	<p>1. No evaluation of a vehicle purchased from a car showroom is carried out. Basis for pledging is the value indicated in the certificate / agreement issued to the client by car dealerships.</p> <p>2. In case of purchasing from secondary market, the appraisal is carried out by the relevant appraisal company cooperating with the Bank.</p>
3.5	Insurance of pledged vehicle	The pledged vehicle is insured by the Bank for the entire loan period in the amount of the loan balance
4	Requirements to Borrower	
4.1	Borrower	Sole entrepreneur or Legal entity registered in Armenia and Artsakh
4.2	Requirements to borrower	<ul style="list-style-type: none"> • Aged 23-65, including loan period (in case of a legal entity customer – for the director and incorporators holding 50% and more shares) • At least 6 months' actual and registered activity • Good credit history – as per Bank requirements • Creditworthiness check – as per the Bank requirements
5	Requirements to guarantor	
5.1	Guarantor	An individual, sole entrepreneur and legal entity registered in Armenia and Artsakh

5.2	Requirements to financial guarantor	<ul style="list-style-type: none"> • Aged 21-65 (an individual) • At least 6 months' actual and registered activity (in case of a guarantor who conducts business activity) • Good credit history - according to the bank requirements • Recorded income or own real property
6	Additional terms	
6.1	Term of application review	7 working hours – 2 working days after presentation of full credit package
6.2	Financial analysis	Without financial analysis
6.3	Inappropriate use of loan	Current interest rate + 4%
6.4	Interest rate on overdue amount	Twofold amount of the settlement rate of the bank interest set by the Central Bank of RA
6.5	Preliminary approval of credit limit (one month period)	AMD 10,000
6.6	Penalty on overdue interest	0,13%
6.7	Site of loan processing	All branches of the Bank (except for Araratyan, Arshakuni, Charbakh and Arabkir branches)

List of documents

Documents required for loan approval

1. Loan application,
2. ID documents – copies of passport, social. cards, ID-cards for S/E, directors, incorporators, affiliated parties,
3. Copies of state registration certificate, charter (of legal entity), TIN (if any),
4. ID documents of the spouse (if any) for S/E, owners/shareholders of affiliated persons, in case of death of the borrower's spouse - marriage and death certificates, in case of divorce - divorce certificate (if necessary),
5. The decision of the general meeting in case of legal entities,
6. Tax reporting (income tax, VAT, sales tax, licensed, certified, etc. over the last year; in addition, if the period of activity is less than 1 year, then information for the current period is required,
7. License (if a license is provided for the activity),
8. Lease agreement for the place of business or certificate of ownership (lease agreement if any),
9. Cashier's check or invoice (maximum 15 days old, unless another document is stipulated by RA law),
10. Photos related to the business,
11. Passport and power of attorney for proxy with the mark of consent for a request to ACRA,
12. Other documents as requested.

Documents required for financial guarantor

- Application,
- ID documents for the guarantor
- In case of legal entities – copies of passport, social card, ID-card of S/E, founders, affiliated parties
- In case of legal entities – the decision of the general meeting
- Excerpt from the state registry on amendments to the Charter
- In case of legal entities – tax reporting for the last 6 months
- If necessary, a request can be made for a document to confirm guarantor's income
- Certificate of ownership of the property that is the property of the guarantor

IN CASE OF NON-FULFILLMENT OR IMPROPER FULFILLMENT OF OBLIGATIONS BY THE BORROWER, THE CREDITOR SHALL WITHIN UP TO 7 BUSINESS DAYS SEND THESE DATA TO THE CREDIT BUREAU WHERE CREDIT HISTORY IS FORMED. THE BORROWER IS ENTITLED TO GET ITS CREDIT HISTORY FOR FREE FROM THE CREDIT BUREAU ONCE A YEAR.

IMPORTANT NOTE: BAD CREDIT HISTORY MAY SERVE AS AN IMPEDIMENT TO THE BORROWER IN THE FUTURE FOR ACCESS TO OTHER LOANS

INFORMATION FOR THE GUARANTORS

Please be informed that:

- If the borrower fails to fulfill his/her obligations, you will have to pay instead of the borrower, your credit history will be impaired and you will lose your property;
- You will be provided with the copies of loan, guarantee contracts and repayment schedule,
- Communication will be maintained in the mode you have selected,
- You will be notified of a change in the terms of the contract 7 days prior to such changes;
- You will receive a reminder on current obligation 1 day prior to due date,
- In case of loan delinquency, you will be notified about it no later than on the next day.

THE GUARANTOR MAY:

- Any time request the lender to provide information on the amount of loan balance,
- Receive from the Borrower the amount paid by you for the loan, as well as other losses incurred in lieu of the Borrower.

Conditions, terms and tariffs for the provision of excerpts, their copies and other information - in accordance with the Bank's tariffs for services.

WARNING

YOUR PROPERTY MAY BE CONFISCATED IN THE ORDER PRESCRIBED BY LAW FOR FAILURE TO FULFILL OR IMPROPER FULFILLMENT OF OBLIGATIONS UNDER LOAN AGREEMENT.

ATTENTION

THE INTEREST AMOUNTS 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. THE PROCEDURE FOR CALCULATING THE ANNUAL EFFECTIVE PERCENTAGE RATE CAN BE FOUND [HERE](#).

• 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,

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,

Effective annual interest rate may change depending on the changes in the exchange rates published on the official website of the CB of Armenia.

THE BORROWER HAS THE RIGHT TO COMMUNICATE WITH THE FINANCIAL ORGANIZATION IN A FORM HE/SHE PREFERS MORE (BY POST OR ELECTRONIC COMMUNICATION). OBTAINING INFORMATION THROUGH ELECTRONIC COMMUNICATION IS MOST COMFORTABLE. IT IS AVAILABLE IN 24/7 MODE, IS FREE OF THE RISK OF LOSS OF PAPER DOCUMENTS AND ENSURES CONFIDENTIALITY.

You can get acquainted with “Your financial directory” system by the following link: www.fininfo.am.