

ABB - AFFORDABLE +
INFORMATION BULLETIN

Terms and fee schedule for providing credit lines to individuals salary secured credit lines
(on the account of own resources)

1. Main Terms & Conditions of Credit Line		
1.1	Credit line currency	Armenian dram (AMD)
1.2	Nominal annual interest rate	20%
1.3	Annual effective percentage rate	22.9-24 %
1.4	Credit line term	36 months
1.5	Type of credit line	Revolving or partly revolving
1.6	Interest rate accrued on unused credit line amount	0 %
1.7	Manner of calculating interests	The interest rate is applied on the used amount of the credit line
1.8	Manner of repayment	<ul style="list-style-type: none"> • <u>For revolving line of credit</u> Mandatory monthly credit on a credit line account in the amount of at least 10% of the credit line amount used as of the last day of previous month and monthly repayment of accrued interests. • <u>For partly revolving line of credit</u> Monthly uniform decrease/repayment of credit line limit and monthly repayment of accrued interests.
1.9	Minimum amount of credit line	AMD 200,000 or equivalent in foreign currency
1.10	Maximum amount of credit line	AMD 2,000,000 or equivalent in foreign currency up to the threefold amount of average monthly net salary and equivalent payments received over the last 6 months, moreover, in case if the amount is over AMD 1,000,000 - a guarantor is required
1.11	Manner of provision	Non-cash, the credit line is provided on a card account
1.12	Early repayment	Permissible, no fines or penalties are applied
2. Bank fees		
2.1	Fee for credit line application review	AMD 0
2.2	One-time fee for credit line maintenance	1% of contract amount
2.3	Cashing out credit line funds and card tariffs	As per existing tariffs of the Bank applicable for the given type of credit card

3.	Security	
3.1	Security	Salary, in cases specified- also a guarantee
4.	Requirements for Borrower/Guarantor	
4.1	Borrower	<ul style="list-style-type: none"> • A natural person-cardholder aged at least 21, registered resident of the Republic of Armenia or Artsakh whose age should not exceed 63 years upon maturity of the loan, • Borrower should have worked for the organization for at least 3 months (the probation period is not considered either) • The credit line is designed for employees of organizations Unaccredited by the Bank, as well as employees of Accredited organizations, who receive their salary to other bank cards
4.2	Guarantor	<ul style="list-style-type: none"> • A resident natural person aged 21-63, • Residence registration in the Republic of Armenia or Artsakh, • A person, not a member of Borrower's family (father, mother, sister, brother, spouse, child) having joint and several liability with the Borrower, who undertakes to bear the responsibility for full or partial fulfillment of obligations by the Borrower, and the obligation of which arises when the Borrower fails to fulfill the liabilities in full or fulfills them partially. • By the time of loan approval, the Guarantor may have guarantees of up to tenfold amount of net salary issued for liabilities of other persons.
4.3	Revenues of a Borrower/Guarantor	Salary
4.4	Credit history requirements for Borrower /Guarantor	<ul style="list-style-type: none"> • By the time of taking a decision on credit line approval, the Client should have no current credit liabilities that are overdue or classified as non-performing. • Total number of days outstanding on all loans (repaid and current) during the past 12 months shall not exceed 30 calendar days.
4.5	Special provision	If during the term of ABB-AFFORDABLE+ credit line agreement, the Borrower transfers his/her salary to ARMBUSINESSBANK CJSC and for at least 3 months receives the salary by the plastic card of ARMBUSINESSBANK CJSC, then without concluding an agreement on cooperation with the Borrower's employer and accrediting the mentioned organization, the amount of the credit line may be increased to the maximum amount of loan/credit line, provided for the employees of Accredited organizations determined under loan products ABB-SALARY and ABB-SALARY+, provided that the Borrower and his credit history meet the requirements of ABB-SALARY and ABB-SALARY+ credit products.
5.	Additional terms	
5.1	Rejecting an application	<ul style="list-style-type: none"> • The Client has failed to submit the documents required for receiving a loan • The Client has current loan/credit line within the framework of "ABB-SALARY" or "ABB-SALARY+" loans, • The inquiry to "ACRA" credit bureau has reported on a negative credit history of Client, • As a result of creditworthiness assessment the Client was found to be not creditworthy, • In the course of lending information, which came into possession about the

		Client, put into question the data provided by the Client or the repayment of loan.
5.2	In case of failure by the borrower to fulfill his/her liabilities	<ul style="list-style-type: none"> For failure to repay interests when due, the Bank shall charge a penalty for each day of default equal to 0,13% of past-due amount, In case of fulfilling overdue obligations, the repayments are made in the following order: <ul style="list-style-type: none"> 1)Fines/penalties, 2)Interest amounts, 3)Principal. In case of 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. <p>IN CASE OF NON-FULFILLMENT OR IMPROPER FULFILLMENT OF OBLIGATIONS BY THE BORROWER, THE CREDITOR SHALL WITHIN 7 BUSINESS DAYS SEND THESE DATA TO THE CREDIT BUREAU WHERE THE CREDIT HISTORY IS FORMED. ONCE A YEAR THE BORROWER IS ENTITLED TO GET ITS CREDIT HISTORY FOR FREE FROM THE CREDIT BUREAU.</p> <p>NOTE: BAD CREDIT HISTORY MAY SERVE AS AN IMPEDIMENT FOR A BORROWER FOR ACCESS TO OTHER LOANS IN THE FUTURE.</p>
5.3	Other costs of Client	Annual fee for plastic card servicing as per existing tariffs of the Bank applicable for the given type of plastic card.
5.4	Term of application review	1 business day
5.5	Place of loan processing	Head Office and all Bank branches (except for Araratyan, Arabkir, Charbakh and Arshakuni branches)

List of Documents required for loan processing	Documents requested from the Client	Documents requested from the guarantor (in specified cases)
ID document (passport or identification card)	✓	✓
Social security card or social service number (not required upon providing an ID card)	✓	✓
Statement of employment and income, printed on employer's official letterhead specifying current position, main record of service in the same organization and information on the amount of net average monthly salary and equivalent payments received over the past 6 months.	✓	✓
Other documents (if requested)	✓	✓

INFORMATION FOR THE GUARANTORS:

Please be informed that:

- Should the borrower fail 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 IS ENTITLED TO:

- Request the lender to provide information on the amount of loan balance anytime.
- 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 provision of excerpts, their copies and other information - in accordance with the Bank tariffs for services.

WARNING

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

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 ARE CALCULATED BASED ON THE NOMINAL INTEREST RATE. AND 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,

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 – the effective annual interest rate can be calculated provided that the rest of equation data are known from Loan agreement or otherwise.

To calculate the actual annual interest rate, you can use Effective Annual Interest Rate Calculator, following this link: <http://www.armbusinessbank.am/am/page/Crediting>.

Example of calculating the effective annual interest rate

For credit lines issued under security of salary:

- Limit of credit line – AMD 1,000,000,
- Period - 36 months,
- Annual interest rate - 20%,
- Cashing out credit line funds - 0,15%,
- One-time fee for credit line maintenance – 1% of the amount of credit line maintenance contract.

The effective annual interest rate is 23 %

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.

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

UPON FAVORABLE DECISION REGARDING THE APPLICATION FOR A CONSUMER LOAN, "ARMBUSINESSBANK" CJSC PRIOR TO CREDIT ARRANGEMENT SHALL PROVIDE AN INDIVIDUAL SHEET SUBJECT TO THE CENTRAL BANK OF ARMENIA REGULATION 8/05 "ON THE RULES OF BUSINESS CONDUCT FOR FINANCIAL INSTITUTIONS".

WHEN APPLYING TO THE BANK FOR A LOAN, AN INDIVIDUAL SHEET ON SIGNIFICANT TERMS OF A CONSUMER LOAN CONTAINING THE INDIVIDUAL T&Cs OF THE LOAN WILL BE PROVIDED TO YOU, YOUR GUARANTOR (S) (IF ANY).

You can get acquainted with "Your financial directory" system through the following link: www.fininfo.am.

"YOUR FINANCIAL DIRECTORY" IS AN ELECTRONIC SYSTEM WHICH FACILITATES SEARCHING, COMPARING AND SELECTING THE MOST CONVENIENT OPTION OF SERVICES RENDERED TO INDIVIDUALS

Bank details:

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Certificate of registration N 0176, issued on 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 the RA Law "On Banks and Banking".