

**ABB – GOLD**  
**Terms and Fee Schedule Applicable for Gold Secured Loans**

1.	Terms and Conditions					
	Option	Option 1	Option 2	Option 3	Option 4	Option 5
1.1	Annual nominal interest rate	14.5%	15%			
1.2	Annual effective interest rate	16.05% - 23.26%	16.87% - 23.10%			
1.3	Repayment of the principal	Monthly repayment or payment by annuity	At maturity	Monthly repayment in the amount of 1% of loan amount until the last but one repayment under repayment schedule, repayment of the rest of loan amount – at maturity	At maturity	
1.4	Repayment of interests	Monthly repayment			Upon loan provision	At maturity
1.5	Maturity	6-60 months	3-12 months	6-36 months	3-12 months	3-6 months
1.6	Loan/collateral value	Equal to 100% of the collateral value In case of pledging gold bullions - equal to 80% of the collateral value				Equal to 95% of the collateral value; In case of pledging gold bullions - equal to 75% of the collateral value
1.7	Currency	Armenian dram (AMD)				
1.8	Condition for obtaining a loan from other financial institutions	From other financial institutions				
1.9	Minimum loan amount	AMD 30 000				
1.10	Maximum loan amount	In case of Options 1 and 3 - AMD 20 000 000 In case of Options 2, 4 and 5 - AMD 10 000 000				
		Total amount of loans per 1 borrower under gold security (ABB–GOLD and ABB–AGRO GOLD) at ARMBUSINESSBANK is AMD 10 000 000				

1.11	Manner of lending	Noncash, on account
1.12	Manner of calculating interest amounts	The interest rate is applied to the reducing balance of loan
1.13	Early repayment of loan	Permissible, no fines or penalties are applied
<b>2.</b>	<b>Bank Fees</b>	
2.1	Fee for loan maintenance /chargeable upon loan provision/	1% of issued loan amount
2.2	Cashing out loan funds	0%
2.3	Fee for loan maintenance /chargeable one-time upon loan prolongation/	1% of prolonged loan amount
2.4	Bank account opening fee	Free of charge
<b>3.</b>	<b>Security</b>	
3.1	Collateral	Articles of gold jewelry and gold bullions are accepted as security for loan repayment. The art value of gold jewelry articles, precious and semiprecious stones is not considered or included in the price of the collateral.
3.2	Amount of loan disbursed per 1g of gold article, by purity of gold	In the amount specified by the Bank
<b>4.</b>	<b>Borrower Requirements</b>	
4.1	Borrower	An individual aged at least 18
4.2	Credit history requirements	<ul style="list-style-type: none"> <li>✓ Having a credit history is not mandatory</li> <li>✓ In case of having a credit history, current loan commitments should not be overdue and classified as controlled liabilities at the time of loan approval</li> </ul>
4.3	Borrower revenues	Not applicable
<b>5</b>	<b>T&amp;Cs of prolongation</b>	
5.1	Loan prolongation	<ol style="list-style-type: none"> <li>1. The loan may be prolonged until the expiration of the loan agreement (including) or after its expiry;</li> <li>2. The loan is prolonged in the amount of the loan balance available as of the date of such prolongation;</li> <li>3. The loan must be serviced: <ul style="list-style-type: none"> <li>• For at least half of the term in case of loans with a maturity of up to 12 months as per loan agreement</li> <li>• For at least 12 months in case of loans with a maturity of 13 months and over as per loan agreement</li> </ul> </li> </ol>

		<p>4. In case of loan prolongation, the terms and conditions of lending are established subject to the terms and conditions in force for this type of loan as of the date of prolongation;</p> <p>5. Prior to prolongation of loan agreement, the borrower shall have to repay:</p> <ul style="list-style-type: none"> <li>• Term and/or overdue interest amounts accrued on the loan up to that moment, and</li> <li>• Any and all fines and penalties.</li> </ul> <p>6. At the time of loan prolongation, the borrower should not have any current loan obligations classified as bad liabilities.</p>
<b>6</b>	<b>Additional T&amp;Cs</b>	
6.1	Basis for rejecting an application	<ul style="list-style-type: none"> <li>• Customer does not meet below listed criteria: <ul style="list-style-type: none"> <li>❖ Trustworthiness</li> <li>❖ Solvency</li> <li>❖ Creditworthiness</li> </ul> </li> <li>• The purity and value of gold articles offered by Customer as a collateral are insufficient for issuing the requested amount or do not meet the Bank's qualifying standards set for gold articles</li> </ul>
6.2	Failure by borrower to fulfill his/her liabilities	<ul style="list-style-type: none"> <li>• <i>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;</i></li> <li>• <i>In case of fulfilling overdue obligations, the repayments are made in the following order:</i> <ol style="list-style-type: none"> <li>1) <i>Fines/penalties</i></li> <li>2) <i>Interest amounts</i></li> <li>3) <i>Principal</i></li> </ol> </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> <p><b><i>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 CREDIT HISTORY IS FORMED. ONCE A YEAR THE BORROWER IS ENTITLED TO GET ITS CREDIT HISTORY FOR FREE FROM THE CREDIT BUREAU.</i></b></p> <p><b><i>NOTE: BAD CREDIT HISTORY MAY SERVE AS AN IMPEDIMENT TO THE BORROWER IN THE FUTURE FOR ACCESS TO OTHER CREDITS</i></b></p> <p>The Bank is entitled to impose a forfeiture on the security or sell it without going to court; moreover, such collateral shall be realized no later than the 90th day of the loan becoming overdue</p>
6.4	Other expenses of Customer	Non applicable
6.5	Term of loan application review	1 business day
6.6	Place of loan processing	All branches of the Bank (except for Araratyan, Teryan, Zvartnots and Kumayri branches)
6.7	Documents requested for loan processing	<ul style="list-style-type: none"> <li>• Passport or ID card</li> <li>• Social card or social service number; where such is missing, a statement from the relevant authority (is not required from customers registered in "AS Bank" system of the Bank)</li> <li>• In case of transferring the loan under gold security from another financial institution - proof of loan repayment</li> <li>• Other documents as requested</li> </ul>

**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.**

#### **Example of calculating interest amount**

- Initial loan amount – AMD 1,000,000
- Loan period - 36 months
- Annual interest rate - 14.5%
- Manner of repayment of loan and interest – by monthly payments

**The repayment for the 1<sup>st</sup> month shall make AMD 34,421.00**

**The effective annual interest rate measures the real cost of credit after the interests are paid and other payments are made in specified time and amounts.**

#### **Formula for Effective Annual Interest Rate Calculation**

(applies in case of loans up to AMD 2,000,000 or the equivalent in foreign currency)

The actual 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,

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 interest rate you can use Effective (Actual) Annual Interest Rate Calculator, with reference <http://www.armbusinessbank.am/am/page/Crediting>.

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

- Loan limit – AMD 1,000,000
- Period - 36 months
- Annual interest rate– 14.5%
- Fee for loan maintenance - AMD 10,000
- Repayment of loan amount and interests – monthly even repayment of loan and payment of interests

**The effective annual interest rate is 16,42%**

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 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.**

**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 "Rules of business ethics of financial organizations".**

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

You can get acquainted with "Your financial directory" system by the following link: [www.fininfo.am](http://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:**

"ARMBUSINESSBANK" Closed Joint Stock Company

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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".