

ABB – AUTO

Terms and fee schedule for loans provided to individuals for acquisition of a vehicle (on the account of Bank resources)

		Loans for acquisition of USED and NEW transport facility (TF) at car showrooms	
		Group 1	Group 2
		European, American, Japanese and South Korean TF	Russian-made TF TF manufactured in other countries
1.	T&Cs		
1.1	Borrower's/Pledger's* status	An Individual	
	Place of loan execution	Head Office and all branches of the Bank	
	Currency	Armenian dram (AMD)	
1.2	Nominal annual interest rate *	18 %	
		If the borrower is a cardholder of ARMBUSINESSBANK CJSC and at the same time receives salary with ARMBUSINESSBANK payment card for at least 3 months, the interest rate is reduced by 1 percentage point	
1.3	Effective annual interest rate	22.5-23.8 %	
1.4	Prepayment for the acquisition of TF	<ul style="list-style-type: none"> • For TF purchased from motor showrooms – min. 20% of the vehicle price • For TF up to 7 years of production - min. 30% of the vehicle price 	<ul style="list-style-type: none"> • For TF purchased from motor showrooms – min. 30% of the vehicle price • For TF up to 5 years of production - min. 50% of the vehicle price
1.5	Maximum loan/collateral value based on the market value, and in case of vehicles purchased from a car showroom, the price indicated in the invoice	<ul style="list-style-type: none"> • For TF purchased at motor showrooms – 80% • For TF up to 7 years of production - 70% 	<ul style="list-style-type: none"> • For TF purchased at motor showrooms – 70% • For TF up to 5 years of production - min. 50% of the vehicle price
1.6	Term	60 months	
1.7	Manner of repayment	At customer's option: <ul style="list-style-type: none"> • Annuity payments, • Uniform monthly repayment of the principal and monthly payment of accrued interests 	
1.8	Minimum amount of loan	AMD 500,000	
1.9	Maximum amount of loan	AMD 50,000,000	
1.10	Manner of loan provision	One-time, cashless provision of loan	
1.11	Early repayment of loan	In case of loans not exceeding AMD 15,000,000 (inclusive) or foreign currency equivalent – N/A In case of loans exceeding AMD 15,000,000 or foreign currency equivalent - 1%, if the amount payable ahead of schedule exceeds the total amount of the principal set out in the repayment schedule for the next 3 months upon early repayment	
2.	Bank Fees		
2.1	One-time fee for the application review	N/A	

2.2	One-time fee for loan maintenance (chargeable upon provision)	2% of loan amount
2.3	Monthly fee for loan maintenance	0% of loan contract amount
2.4	Opening/maintenance of bank accounts (one-time)	As per Bank tariffs
3.	Security	
3.1	Means of security *	Acquired vehicle
	* as an additional means of security, the Bank may also request a guarantee of an individual or legal entity	
3.2	TF production date	7 years
3.3	Requirements to collateral	<ul style="list-style-type: none"> • Passenger vehicles with up to 8 passenger seats shall be accepted as a collateral • Vehicles used as taxis, shuttle taxis and provided for rent by companies are not accepted • A TF purchased in the local market shall not be accepted as a collateral if the ownership of such car arose within 3 months prior to the submission of loan application
4.	Assessment and insurance of the collateral	
4.1	Assessment of collateral value	<ul style="list-style-type: none"> • Assessment should be carried out by an independent appraiser cooperating with the Bank • Assessment of collateral is not required in case of purchasing a new vehicle within the framework of a cooperation agreement
4.2	Insurance	<p>Casco insurance of a vehicle is mandatory</p> <p><i>Only companies cooperating with the Bank must carry out Casco insurance of pledged property on a yearly basis. The insurance amount is calculated on the balance of the Loan amount</i></p> <p>The Borrower must ensure the continuity of insurance for the duration of loan agreement. In case of default by the Borrower of this requirement, the annual nominal interest rate of the loan shall increase by 2%</p>
5.	Requirements to Borrower / Pledger/ Co-borrower and Guarantor	
5.1	Age limitation	Must not be less than 18 years old as of the date of accepting the loan application and must not be over 70 years of age until the loan repayment due date (age limitation does not apply to the co-borrower)
	* In case the client reaches 70 years of age during the service of the loan and 70% of the principal amount of the loan is repaid, the application is not subject to rejection.	
5.2	Revenues of the Borrower/Pledger/Co-borrower and Guarantor	As per Annex 1 /provide a link/
5.3	Credit history requirements for Borrower/Co-borrower and Guarantor	<ul style="list-style-type: none"> • Upon approval of the decision on provision of a loan/credit line, the then current credit commitments including repaid ones (loans, guarantees) should be classified in the risk class not higher than the controlled one • Upon approval of a decision on provision of a loan/credit line, there should not be the then overdue/classified credit commitments (loans, credit line, overdraft, provided guarantees) • Non-availability of credit history is acceptable • The total number of overdue days for all loans /credit lines (repaid and current) during the past 12 months must not exceed 36 calendar days. However, when the consecutive overdue days do not exceed 6 calendar days, the total number of overdue days during a year should not exceed 60 calendar days. Moreover, as a basis are taken only the maximum overdue days on all loans within a month
6.	Additional terms	
6.1	Basis for loan provision	<ul style="list-style-type: none"> • Positive credit history • Stable cash flow, if any • Compliance of collateral with the Bank's requirements

		<ul style="list-style-type: none"> • Other factors
6.2	Basis for loan rejection	<ul style="list-style-type: none"> • Negative credit history • Non-compliance of collateral with the Bank's requirements • Provision of false or misleading information • Provision of information that puts in question repayability of the loan • Other factors
	Maximum term for decision-making	Maximum within 7 working days after submission of all required documents to the Bank
	Period for notifying on the decision	1 working day
	Maximum period of decision validity	30 calendar days
	List of documents to be submitted by the Client	As per Annex 2
	Review of loan terms	In case of changing the loan payment day - AMD 10 000
6.2	For failure by the Borrower to fulfill his/her liabilities	<ul style="list-style-type: none"> • <i>For failure to repay interests when due, the Bank shall charge a penalty from Borrower for each day of default equal to 0.13% of the amount past-due,</i> • <i>In case of fulfilling overdue obligations, the repayments are made in the following order:</i> <ol style="list-style-type: none"> 1) <i>Fines/penalties</i> 2) <i>Interest amounts</i> 3) <i>Principal</i> 4) <i>For failure to repay the credit/credit line 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> <p>IN CASE OF NON-FULFILLMENT OR IMPROPER FULFILLMENT OF OBLIGATIONS BY THE BORROWER, THE CREDITOR SHALL AFTER 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 FROM THE CREDIT BUREAU FOR FREE.</p> <p>NOTE: BAD CREDIT HISTORY MAY SERVE AS AN IMPEDIMENT TO THE BORROWER IN THE FUTURE FOR ACCESS TO OTHER CREDITS</p> <p>The Bank may impose a forfeiture on the collateral or sell it out without applying to court</p> <p>Where a claim to pledged vehicle is not satisfied in full on the account of the amount received from vehicle sale the difference should be charged from Borrower's other assets.</p>
6.3	Manner of calculating interest amounts	The interest rate is charged on the reducing balance of loan
6.4	<i>Other expenses of Customer</i>	<ul style="list-style-type: none"> ✓ <i>Costs associated with the assessment of the collateral (as per the tariffs of appraisal companies cooperating with the Bank, not required in case of financing to purchase new vehicles under Cooperation Agreement</i> ✓ <i>Costs associated with car registration and execution</i> ✓ <i>Costs associated with the lien registration</i> ✓ <i>Annual insurance premium (as per the tariffs of insurance companies cooperating with the Bank)</i>

INFORMATION FOR GUARANTORS:

- 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 copies of loan, guarantee contracts and repayment schedule.
- Communication will be maintained in the mode you have selected.
- You will be notified on 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 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 THE MANNER PRESCRIBED BY LAW FOR FAILURE TO FULFILL OR FOR 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 AND OTHER MANDATORY PAYMENTS ASSOCIATED WITH THE PROVISION AND SERVICING OF LOANS 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 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 disbursed loan,

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.

To calculate the actual annual interest rate, please use Effective Annual Interest Rate Calculator, by this link: <http://www.ambusinessbank.am/am/page/Crediting>.

Example for calculating the effective annual interest rate

In case of loans issued for acquisition of a new vehicle from car showrooms within and beyond the framework of cooperation agreements:

1. In case of loans issued for purchase of a New Japanese-made vehicle from car showrooms within the framework of cooperation agreements:
 - Loan amount – AMD 10,000,000
 - Loan period - 60 months
 - Loan interest rate - 18%

- One-time fee for loan maintenance – 2% of loan contract amount
- Vehicle insurance – 2,5%
- Fee for lien registration - AMD 8,000
- Fee for opening a bank account – AMD 1,500
- Manner of repayment of loan and interests – uniform monthly repayment of loan and monthly payment of accrued interest

The effective annual interest rate is 22,5 %

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 SHALL PROVIDE PRIOR TO CREDIT ARRANGEMENT 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 WARRANTORS (IF ANY).

"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

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; E-mail: 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".

"Financial Assistant System" of www.fininfo.am "Finance for All"