

**ABB – EXTRA+
 INFORMATION BULLETIN**

**Terms and Fee Schedule Applicable for Provision of Credit Lines to Individuals under Security
 of Immovable and Movable Property (on the account of Bank resources)**

1 Terms Applicable for Loans		
1.1	Borrower's/Pledger's * status	Individual
1.2	Place of loan execution	Head Office and all branches of the Bank
1.3	Loan currency	Armenian Dram (AMD)
1.4	Type of loan	Credit line
1.5	Security	Immovable property/ of any designated purpose/, land parcel, vehicle
1.6	Nominal annual interest rate	With proof of income
		Without proof of income
		AMD 30-60 months - 16 % fixed 61 and over - 17 % fixed adjustable ¹
		AMD 30-60 months - 17.5% - fixed 61 and over - 18.5% - fixed adjustable
1.7	Effective annual interest rate	18.2%-23.7 %
1.8	Manner of calculating interest amounts	The interest rate is applied on the used amount of the credit line
1.9	Terms	40-120 months- upon under collateral of real estate 40-60 months- uner collateral of movable property
1.11	Manner of repayment	Monthly uniform repayment of the credit line (monthly uniform reduction of the limit regardless of the use of credit line) and monthly payment of accrued interests
1.12	Maximum loan/collateral value (is calculated on assessed liquid value of the collateral)*	In case of a real estate <ul style="list-style-type: none"> • Zone 1 – 70 % • Zone 2 – 60 % • Zone 3 – 50 %
		In case of a real estate <ul style="list-style-type: none"> • Zone 1 – 60 % • Zone 2 – 50 % • Zone 3 – 40 %
		For movable property (vehicles with the date of issue up to 8 years and eight passenger seats) Vehicles with 3-8 years of production - 50% Vehicles with up to 3 years of production - 60%
1.13	Minimum amount of loan	AMD 1,500,000
1.14	Maximum amount of loan	With proof of income
		Without proof of income
		AMD 50,000,000
		AMD 30,000,000
1.15	Type of credit line	Partially revolving credit line
1.16	Interest rate charged on unused amount of credit	0%
1.17	Manner of loan provision	To a card account via Extra local or ARCA Card

¹ Fixed (adjustable) interest rate can be reviewed starting from the 37th month. The procedure for establishing and changing ABB settlement rate shall serve as a basis for the calculation

1.18	Early repayment	For loans/credit lines up to AMD 15, 000,000 /equivalent foreign currency/ - AMD 0 In case of submitting an application to close credit lines of AMD 15,000,001 and over /equivalent in foreign currency/ - 3%
2	Bank Fees	
2.1	One-time fee for loan application review	Not defined
2.2	One-time fee for service /charged upon provision/	2% of loan amount
2.3	Cashing out loan funds	Cash withdrawal from ARMBUSINESSBANK ATMs - 0.3%, Other fees for cash out – as per Bank tariffs defined for the given type of credit card Cash withdrawal at POS terminals- 0.3 %
2.4	Bank account opening/closing fees	As per tariffs applicable in the Bank
3	Security	
3.1	Collateral	<ul style="list-style-type: none"> Real property, including separate land parcels, located in the territory of the Republic of Armenia Passenger vehicles with up to 8 seats
3.2	Requirements to the property	<p>Immovable property</p> <ul style="list-style-type: none"> Should have stone, panel or concrete design (except for dividing walls and floors (intermediate floor constructions), as well as premises for public use (shops, cafes/restaurants, hairdressing salons, offices) can serve as a collateral. Should have 80% and more completion degree, as well as should have all necessary communications. Real property must be located in the house with no higher than the 2nd degree of accident risk. Should not be located within the area of exclusive eminent domain. Apartment houses shall not have a shared yard space, 2 or more common walls, a joint or common ownership with other assets. The real property should be supplied with all necessary utilities (water, electricity, sewerage). The real property may not be accepted as a collateral if the evaluating company has released unfavorable appraisal relating to its general condition. Only land parcels for public and residential development that do not have any debts outstanding on cadastral value, Should not have access and construction restrictions, is burdened with servitude. Only the land parcels included in Zone 1 and Zone 2 may be accepted as a collateral. <p>Movable property</p> <ul style="list-style-type: none"> The collateral can be a passenger vehicle capable of seating up to eight passengers and with the date of production up to 8 years. Only cars manufactured in Europe, South Korea, USA and Japan can be used as a collateral (vehicles manufactured in other countries, including Russia, cannot be a collateral) Vehicles used as a taxi and a shuttle taxi, as well as rented out by the companies cannot be subject of a pledge.
		<ul style="list-style-type: none"> Zone 1 – Yerevan (except for Nubarashen, Vardashen, Sari Tagh, Kond, Nor Kharberd and Noragyugh districts, houses on Krivoy str., Frik str.), Abovyan, Artashat, Armavir, Ashtarak, Gyumri, Dilijan, Echmiadzin, Tsakhadzor, Masis,

3.3	Place of real property collateral	<p>Jermuk /right bank/, Stepanakert, Vanadzor towns;</p> <ul style="list-style-type: none"> Zone 2- Agarak, Ararat, Aparan, Artik, Goris, Gavar, Hrazdan, Martuni, Sevan, Yeghegnadzor, Talin, Ijevan, Kapan, Meghri, Maralik, Nor-Hachn, Noyemberyan, Sisian, Spitak, Vedi, Tashir, Kajaran towns and Arinj, Argavand, Arzni, Garni, Zovuni, Tairov, Mughni, Dzoraghbyur, Ptghni, Proshyan, Kasakh, Jrvezh, Parakar, Ohanavan, Parpi, Karpi, villages. Zone 3 - other towns and villages of Armenia – other property acceptable to the Bank 	
3.4	Security*	Immovable property in Armenia (except for Sari Tagh, Kond, Noragyugh districts, Krivoy str., Frik str.), commercial real estate, as well as vehicles that are acceptable for the Bank.	
* As an additional means of security, the Bank may request a guarantee from an individual or a legal entity. A guarantee may be required if the ownership has been transferred to the customer within the last 5 years based on a donation transaction.			
4	Assessment and insurance of the collateral		
4.1	Assessment of the collateral value	Assessment should be carried out by an independent evaluating company that cooperates with the Bank	
4.2	Insurance	<ul style="list-style-type: none"> Real estate collateral insurance – voluntary Accident insurance – voluntary <p><i>Insurance must be carried out on a yearly basis exclusively by companies, which cooperate with the Bank. The insurance amount of real estate collateral and the amount of accident insurance is calculated against the residual amount of the loan/credit line limit.</i></p> <p><u>In case of movable property collateral</u></p> <ul style="list-style-type: none"> CASCO motor vehicle insurance- mandatory <p><i>Insurance of a property to be pledged must be carried out on a yearly basis exclusively by companies that cooperate with the Bank. The insurance amount is calculated against the balance of the loan.</i></p>	
5	Requirements to Borrower/Mortgagor/Guarantor and Co-Borrower		
5.1	Borrower	Aged 18-70	
* In case if the client reaches the age of 70 during the period of loan servicing, provided that 70% of the loan is repaid, the application is not subject to rejection.			
5.2	Requirements to Borrower's credit history	<ul style="list-style-type: none"> Upon approval of a decision on provision of a loan there should not be any current overdue/classified credit commitments (loans, credit line, overdraft, provided guarantees) The total number of overdue days on all loans (repaid / 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 72 calendar days. <p>Moreover, only the maximum overdue days on all loans within a month are taken as a basis.</p> <p>When transferring from another financial institution, the mentioned loan/credit line must be served for at least 9 months.</p>	
5.2	Revenues of borrower	As per Annex 1	
5.3	Total debt/income value (total debt liabilities (monthly average) to net income)	With proof of income	Without proof of income
		70%	-

6. Additional Terms		
6.1	Master Loan Agreement	The Bank can conclude a Master Loan Agreement with the Client for a period of up to 240 months and in the amount up to 90% of the liquid value of the real property (to be signed only with real estate secured express loans).
6.2	Basis for issuing a loan	<ul style="list-style-type: none"> • Positive credit history • Stable cash flow, if any • Compliance of collateral with the Bank's requirements • Other factors
6.3	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
6.4	Maximum period for decision making	Within 7 working days after submission of all required documents to the Bank
6.5	Period for notifying on the decision	1 working day
6.6	Maximum period of decision validity	30 calendar days
6.7	List of documents to be submitted by the Client	As per Annex 2 /provide a link/
6.8	Review of loan terms	AMD 10 000
6.9	Provision of loan holiday (this paragraph applies only to loans secured by real estate)	<p>❖ Terms of Loan Holiday Provision 1-10 months (for the whole loan period)</p> <p>❖ Loan holiday provision frequency A loan holiday can be granted maximum twice a year, for a period of up to 2 months, not exceeding 10 months in total during the overall loan period (moreover, the holiday periods shall not follow each other).</p> <p>❖ Repayment during the loan holiday Loan holiday is provided only for the principal amount, during which only accrued interests are paid, and the repayments scheduled for the months concerned are distributed evenly over the remaining loan period.</p> <p>❖ One-time fee for granting credit holiday / based on the residual amount of the loan</p> <ul style="list-style-type: none"> • For an amount up to AMD 2.000.000 - AMD 10,000 • For an amount of AMD 2.000.001 – AMD 5.000.000 - AMD 20,000 • For an amount of AMD 5.000.001 – AMD 15.000.000 - AMD 35,000 • For an amount of AMD 15.000.001 – AMD 35.000.000 - AMD 50,000 • For an amount of AMD 35.000.000 and over - AMD 60,000 <p>❖ Loan holidays are available for the Borrowers with ABB-Extra loans, who</p> <ol style="list-style-type: none"> 1. should meet credit history requirements set forth in para. 5.2 at the time of making the decision on loan holiday, 2. The ABB-Extra loan should be serviced for at least one year, unless the Borrower had no other loan commitments in the Bank before. 3. The terms of para.2 are not applicable, if the Borrower has had loan commitments in the Bank during the last three years, and the number of overdue days has not exceeded the terms defined in para. 5.2 of this Bulletin.
6.10	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 from Borrower for each day of default equal to 0.13% of the amount past-due;

		<ul style="list-style-type: none"> In case of fulfilling overdue obligations, the repayments are made in the following order: <ol style="list-style-type: none"> Fines/penalties Interest amounts Principal amount For failure to repay the loan/credit line when due, as prescribed by the 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 3 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.</p> <p>Note: Bad credit history may serve as an impediment for you to get access to loans in the future.</p>
		The Bank is entitled to impose a forfeiture on the collateral or sell it out without applying to court.
		Where a claim to mortgaged immovable property is not satisfied in full on the account of the amount received from property sale the difference should be charged from Borrower's other assets.
6.11	Other expenses of Customer	<ul style="list-style-type: none"> ✓ Costs associated with the evaluation of collateral according to the tariffs of evaluating companies, cooperating with the Bank (AMD 12.000-35.000) ✓ Single certificate –AMD-10.500 ✓ Notary costs (AMD 13.000-20.000) ✓ Cadastral charges (AMD 26.000)
		<p>Annual service and maintenance fee for plastic card (AMD 3,000-30,000)</p> <p>The presence of a plastic card is mandatory throughout the entire period of credit line agreement (the card is reissued in case of its loss or expiration of its validity).</p>
7	Refinancing terms	
7.1	T&Cs of refinancing	The interest rate specified in para. 1.6 reduced by 1 percentage point
7.2	Loan amount	Minimum and maximum amounts as per para.1.14 and 1.15 of these clauses
7.3	One-time fee for loan provision	Not defined
7.4	Expenses associated with mortgaging *	<p>Expenses incurred by the Bank:</p> <ul style="list-style-type: none"> Costs associated with the evaluation of collateral Fee set for a uniform statement issued by the RA Cadaster Committee Fee for notary certification of the real property collateral Fee for registration of the Bank's right arising from the pledge agreement with the authorized state body
7.5	Other requirements	<ul style="list-style-type: none"> Transfer of liabilities in other banks/credit organizations with real or immovable property collateral, maintained for at least 9 months, with the possibility of the amount increase. Refinancing can be made in the name of persons affiliated with the Borrower. As per these terms, as affiliated persons are regarded the father, the mother, the child, the spouse, the sister and the brother. Moreover, the Bank (marriage certificate, birth certificate etc.) may request a document confirming the family relationship. Other terms of refinancing - as per the provisions of EXTRA loan product.

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 a manner 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. While 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 - loan amount (initial amount of loan disbursed by the creditor to the consumer),

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 provided that the rest of equation data are known from loan agreement or otherwise.

Example of calculating the effective annual interest rate

- Loan amount – AMD 10,000,000

- Loan period - 120 months
- Interest rate - 16%
- One-time fee for loan maintenance – 2 % of loan amount
- Cashing out loan funds-0.3%
- Evaluation of collateral - AMD 20,000
- Uniform statement – AMD 10,500
- Notary's costs – AMD 15,000
- Cadastral charges - AMD 26,000
- Manner of repayment of loan and interests – annuity payments

The effective annual interest rate is 18,4 %.

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 Bank may unilaterally change the interest rate specified in the agreement upon 7 calendar days' prior notice to the Borrower for misuse of loans, as well as for failure to fulfill the obligations specified in the loan agreement

Important note

For non-fulfillment or improper fulfillment of obligations by the Borrower, the creditor shall after 3 business days send these data to the credit bureau where the credit history is formed. Once a year you are entitled to get your credit history for free from the credit bureau.

Important note

Bad credit history may serve as an impediment for you in getting loans in the future.

Important note

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 paper documents and ensures confidentiality

FINANCIAL DIRECTORY www.fininfo.am

Important note “Your financial directory” is an electronic system, which facilitates searching, comparing and selecting the most convenient option of services rendered to individuals.

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”.

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".