

ABB-EXPRESS

Terms and tariffs applicable for loans and credit lines issued to legal entities and sole entrepreneurs

1	T&Cs	Bank resources		German-Armenian Fund "Access to Financial Resources for SMEs" Loan Program (World Bank)	SME Loans under German-Armenian Fund "Economy Stabilization Lending" Program (non-agricultural)	German-Armenian Fund "Renewable Energy Development" Program	Support ***	
		Loan	Credit line	Loan			Loan	
1.1	Currency	AMD, USD, EUR		AMD			AMD, USD	
1.2	Annual nominal interest rate	AMD	17-19%	18-19%	11.94%	15.00%	9%	11.4% (with subsidization of 4-11,4 %)
		USD	15-17%	19%				
		EUR	15-17%	19%				
1.3	Interest rate charged on unused amount of credit line (annual)	-		-			-	
1.4	Period (months)	18-60		18-24	6-60	36-60	24	
1.5	Grace period	2-4* months (for seasonal business) only with the option of interest payment		-	2-4* months (for seasonal business) only with the option of interest payment		-	
1.6	Manner of repayment	Monthly payment of interests, 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	Monthly payment of interests, the principal; repayment of the principal - subject to the traits of business			
1.7	Manner of calculating the interest rate	Annuity (flexible schedule)		On the reducing balance	Annuity (flexible schedule)			
1.8	Minimum amount (including the group of affiliated companies and persons)	AMD	300,000		AMD	300,000		
		USD	600					
		EUR	600					
1.9	Maximum amount (including the group of affiliated companies and persons)	AMD	5,000,000		AMD	5,000,000		
		USD	10,000					
		EUR	10,000					

1.10	Purpose of loan/credit line	Costs and investments related to business development, repayment of other obligations	Replenishment of PPE, in case of investments – 20% of loan amount shall be used to replenish the working capital	Financing of modern energy-efficient equipment and machinery, construction of infrastructure and other projects using renewable energy sources **	1. Salary or equivalent payments 2. Taxes, duties to the state or municipal budget and mandatory payments 3. Purchase and import of raw materials 4. Purchase or import of new equipment 5. Payment for utilities 6. Import of food and medicine by commercial companies
1.1	Manner of lending	Cashless provision through the account opened with the Bank			
1.1	Fee for early repayment	Equal to 1% off 30% and more percent of early repaid amount if the contract amount totals to AMD 5,000,000 or the loan commitment is repaid on the account of ARMBUSINESSBANK CJSC funds, 0% fine shall apply for early repayment		Non applicable	Non applicable
2	Bank Fees				
2.1	Fee for application review	Non applicable			
2.2	One-time service fee	2% of contract amount (if the purpose of the loan includes repayment of current loan/credit line, the Bank may not charge service fee of 2% of the repayment amount)		2% of contract amount	Non applicable
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 (the financial agent may not be family member or employee of the same business), as well as real beneficiary of business (where available) • In case of a legal entity – director, owner (participants holding 20% and more shares, real beneficiary of business, as well as family member of the owner or director of business (in the absence thereof – a person with other family relationship) and a third person-financial guarantor, who may not be a member of the family and employee of the same business 			
4	Requirements to Borrower				
4.1	Borrower	Sole entrepreneur or legal entity registered in Armenia and Artsakh		Sole entrepreneur and legal entity registered in Armenia	Sole entrepreneur or legal entity registered in Armenia and Artsakh
4.2	Requirements to borrower	<ul style="list-style-type: none"> • Aged 21-67 (in case of a legal entity customer – persons holding 50% and over shares, director, real beneficiary) • At least 3 months' actual and registered activity • Good credit history – as per the bank requirements • Credit check – as per the bank requirements 		<ul style="list-style-type: none"> • Aged 23-65 (in case of a legal entity customer – persons holding 50% and over shares, director, real beneficiary) <ul style="list-style-type: none"> • At least 12 months' actual and registered activity • Good credit history – as per bank and government requirements • Credit check – as per the bank requirements 	
5	Requirements to guarantor				
5.1	Guarantor	An individual, sole entrepreneur or 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 3 months' actual and registered activity (in case of a guarantor who conducts business activity) <ul style="list-style-type: none"> • Good credit history - according to the bank requirements • Recorded income or own real property (for an individual) 			
6	Additional terms				
6.1	Term of application review	7 business hours after presentation of full credit package - 2 business days			
6.2	Interest rate on overdue amount	Twofold amount of the settlement rate of the bank interest set by the Central Bank of RA			
6.3	Penalty on overdue interest	0,13%			
6.5	Site of loan processing	All branches of the Bank (except for Araratyan and Kumayri)			

* For using the grace period for 2-4 months - 0.5% extra one-time fee shall be charged

- **
1. Replacement of heat supply systems
 2. Replacement of incandescent light lamps with new fluorescent lamps
 3. Replacement of old neon lamps with modern T5 lamps
 4. Using thermal solar systems for sanitary hot water
 5. Replacement of conventional heating systems with heat pumps
 6. Installation of solar photovoltaic systems (up to 30kw)
 7. Insulation of external walls and roofs
 8. Replacement of external windows and doors
 9. Installation of thermostatic valves on radiators
 10. Supply of energy saving equipment and parts
 11. Replacement of old heat supply systems with new modern boiler for centralized heating system
 12. Replacement of pumps, coolers or other motors
 13. For other purposes

*** All the terms of this loan product are regulated by relevant decisions of the government

Documents required for loan processing

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. In case of legal entities - decision of the general meeting,
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 available),
8. Lease agreement for the place of business or certificate of ownership (if any),
9. Cash receipt or invoice (with validity period of maximum 15 days, unless otherwise specified by law of the Republic of Armenia),
10. Photos related to the business,
11. In case of a proxy - passport and power of attorney with the mark of consent for a request to ACRA,
12. Other documents upon request

Documents requested from the guarantor

13. Application
14. ID documents for the guarantor
15. ID documents for legal entities - copies of passport, social. cards, ID-cards for S/E, directors, incorporators, affiliated parties
16. In case of legal entities - decision of the general meeting
17. Excerpt from the state registry on amendments to the Charter
18. In case of legal entities - tax reporting for the last 6 months
19. Where necessary, a request for proof of income of the guarantor can be made
20. Certificate of ownership of property owned by the guarantor

List of additional documents required

1. In case of legal entities - decision of the general meeting
2. In case of mortgaging real estate - a uniform statement

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. 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,

Dn- 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.