

ABB-MORTGAGE “ACQUISITION FROM CONSTRUCTOR” INFORMATION NEWSLETTER

Mortgage loans for the acquisition of apartments in buildings constructed by a developer cooperating with the Bank (on the account of Bank resources)

1. Main terms & conditions		
1.1	Loan purpose	Acquisition of apartments in buildings developed by constructors specified in para. 4.2 (on the account of bank resources)
1.2	Currency	AMD
1.3	Minimum loan amount	5,000,000
1.4	Maximum loan amount (per borrower)	50,000,000
1.5	Nominal annual interest rate	12.75%
1.6	Annual effective interest rate	14.38-20.63%
1.7	Type of interest rate	Fixed interest rate which is not subject to changes during the entire period of loan contract
1.8	Minimum prepayment	<ul style="list-style-type: none"> • 10%* of purchased immovable property • No prepayment is required in case of pledging additional immovable property (in case of pledging additional property the market value of two properties must be at least 150% of loan amount) <p>* For the employees of the National Cancer Center after Fanarjyan a 0% prepayment is applied for the building constructed by ML Mining LLC at 2/1 M. Melikyan street</p>
1.9	Maximum loan/collateral value (based on the market value of the collateral)	<ul style="list-style-type: none"> • In case of pledging purchased immovable property (title) - 90% • In case of pledging purchased and additional immovable property an amount equal to 100% shall be provided for the acquisition of immovable property providing that loan amount does not exceed 85% of the total amount of market value of purchased and additional immovable property • For the employees of the National Cancer Center after Fanarjyan the LTV ratio is set at 100% for the building constructed by ML Mining LLC at 2/1 M. Melikyan street
1.10	Period	18 to 240 months
1.11	Repayment of loan and interests	At customer's option: <ul style="list-style-type: none"> • Annuity payments • Monthly uniform repayment of principal and monthly payment of accrued interests
1.12	Manner of lending	<ul style="list-style-type: none"> • One-time • Cashless
1.13	Early repayment of loan	Permissible, no fines or penalties are applicable
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)	0.5 %, but not to exceed AMD 100.000
2.3	Monthly fee for loan maintenance	0 %
2.4	Opening/maintenance of bank accounts, provision of statements, their copies, references and other data	As per the Bank tariffs
3.	Requirements to Borrower / Co-borrower	
3.1	Borrower	<ul style="list-style-type: none"> Resident natural person, citizen of Armenia and Artsakh aged at least 21 years, whose age must not exceed 65 years upon loan maturity
3.2	Co-borrower	<ul style="list-style-type: none"> Resident natural person, citizen of Armenia and Artsakh aged at least 21 years, who has joint liability with the borrower and whose age does not exceed 65 years upon loan maturity The number of co-borrowers may not exceed 3 persons
3.3	Revenues of the Borrower/ Co-borrower	<ul style="list-style-type: none"> Primary income (mandatory/documented) – equal to 100% *; Secondary income (not mandatory/documented) – income justified by documents, equal to maximum 60% **; Declared income (not mandatory/documented) - equal to maximum 60%, which may not exceed the twofold** amount of initial income (such income must be realistic for the bank, otherwise the bank has the right not to consider them)
3.4	General principle of trustworthiness	Maximum value of total debt payments and net income (OTI ratio) should not exceed 55%
3.5	Credit history requirements for Borrower/Co-borrower	<ul style="list-style-type: none"> At the time of loan approval there should not be any overdue or current credit commitments classified as bad Total number of days outstanding on all loans (repaid and current) during the past 12 months must not exceed 30 calendar days
4.	Terms and requirements to the collateral	
4.1	Collateral	<ul style="list-style-type: none"> Purchased real property (right to purchase real property) In case of loans without prepayment, also the collateral of additional real property
4.2	Location of the collateral	<ul style="list-style-type: none"> “N&S Construction” LLC – 64 Anastas Mikoyan, Yerevan, RA “ML-Mining” LLC - 19/8 Adontsi str., Yerevan, RA “Ord Development” LLC - 48 Griboyedov, Yerevan, RA “Mets Syunik” CJSC - Nor Nork, 27 Gyurjyan str., Yerevan, RA “Octagon” C/C - 5/9, Tumanyan 2nd passage, Yerevan, RA “Aygedzor” LLC -11/12, D. Anhaghti str., Kanaker-Zeytun, Yerevan, RA “Sahakyanshin” CJSC - Shengavit, 31 H. Hovsepyan str., Yerevan, RA “M.S. GROUP” LLC –P. Sevak district, 17th street, lot 17, Arinj village, Kotayk, RA “ML-Mining” LLC - 2/1, M. Melikyan str., Yerevan, RA “Sahakyanshin” CJSC-13, Tsitsernakaberd highway, Yerevan, RA “ML-Mining” LLC - 19/19 Adontsi str., Yerevan, RA “AKVA-LEN SHIN” LLC – 76/5, Charents str., Yerevan, RA “MV ELITE” – 3/1 Berekamutyan Square, Kotayk marz, Abovyan, RA “BAYAZET CONSTRUCTION” LLC - Khanjyan Street 9/3, Yerevan, RA “ML-Mining” LLC - Monte Melkonyan 16, Yerevan, RA “Mamik 41/1” - 42/1, Mamikonyants, Yerevan, RA “ML-Mining” LLC - 19/9 Adontsi str., Yerevan, RA “ML-Mining” LLC - 42/5 Babajanyan str., Malatia-Sebastia, Yerevan, RA “D & ED INVEST GROUP” LLC - 9/10 G. Nzhdeh str., Gyumri, RA “DEFANS HOUSING INVEST” CJSC – P. Tichina str. buildings 320/23, 320/24,

		320/25, 320/26, 320/27, 320/28, 320/29, 320/30, 320/31, 320/32, Ajapnyak, Yerevan <ul style="list-style-type: none"> “Elison” LLC – 6 G. Magistros str., Tsakhkadzor, Kotayk, RA
4.3	Assessment of collateral	In case of purchasing real property (title to real estate) the appraisal of real estate is not required, the statement of the selling price provided by the constructor shall be taken as a basis (within fifteen calendar days after receiving the certificate of ownership of pledged property, the client must submit a report on the appraisal of pledged property provided by the company that cooperates with the Bank) This paragraph also applies to applications received after 01.05.2022
5.	Insurance requirements	
5.1	Insurance	<ul style="list-style-type: none"> Accident insurance - mandatory Insurance of real estate collateral must be made within one month after receipt of a certificate of ownership for pledged property, and of the assessment report Payment of insurance premiums for real estate collateral and accidents must be carried out on a yearly basis exclusively by companies, which cooperate with the Bank. Insurance amounts are calculated on the balance of loan amount
6.	Additional terms	
6.1	Basis for rejecting an application	<ul style="list-style-type: none"> Customer does not meet below listed criteria of the Bank: <ul style="list-style-type: none"> Trustworthiness Solvency Creditworthiness
6.2	Failure to fulfill liabilities by the Borrower	<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, 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 For failure to repay the credit 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 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. NOTE: BAD CREDIT HISTORY MAY SERVE AS AN IMPEDIMENT TO THE BORROWER IN THE FUTURE FOR ACCESS TO OTHER CREDITS The Bank is entitled to impose a forfeiture on the collateral without applying to court Where a claim to mortgaged immovable property is not satisfied in full on the account of amount received from property sale - the difference should be charged from borrower's other assets
6.3	Other expenses of Customer	<ul style="list-style-type: none"> ✓ Costs associated with the assessment of collateral (AMD 15,000-25,000) as per tariffs of appraising companies, which cooperate with the Bank ✓ Notary's costs (AMD 15,000-25,000) ✓ Costs associated with cadastral registration - state registration of right (in case of a flat acquisition – AMD 72,000-73,000; in other cases - AMD 27,000-28,000) ✓ Uniform statement - AMD 10, 000

		<ul style="list-style-type: none"> ✓ Costs associated with property insurance against fire and other hazards - 0,15% of the balance of loan amount (as per tariffs of insurance companies, which cooperate with the Bank) ✓ Costs associated with accident insurance - 0,15 % of the balance of loan amount (as per tariffs of insurance companies, which cooperate with the Bank)
6.4	Term of loan application review	<i>Up to 7 business days</i>
6.5	Place of loan execution	<i>All branches of the Bank (except for Araratyan and Arshakuni branches)</i>

7.	Classification of primary and secondary income of the borrower/co-borrower
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- * As primary income is accepted:
- Income justified by a statement of employment - salary and equivalent payments (based on the joint decree of the Minister of Finance, the Minister of Labor and Social Affairs and the Chairman of the State Revenue Committee of Armenia on determining the list of salary and other equivalent payments),
 - documented dividends,
 - business income justified by tax reporting,
 - Income justified by documents - income from rent under lease agreement approved by public notary and registered by State Committee of Real Estate Cadastre; in addition the lease agreement must be concluded no later than three months before the date the loan application has been submitted (except in cases of the renewal of lease agreement) and must be concluded for at least 1 year;
 - Pensions and regular state benefits, confirmed by a certificate from the authorized body.
- ** As secondary income is accepted:
- Interests receivable under deposit agreement with the Bank, which must be concluded no later than three months before submission of loan application and must be concluded for at least 1 year; other similar revenues, which are included in the calculation of solvency in the amount of 60%.
 - Declared income - Other income declared by customer (for example, money transfers received regularly over the past 12 months, premiums for extra work, income from paid services, dividends and other similar income) which are included in the calculation of solvency in the amount of 60% maximum and should not exceed the fourfold amount of primary income.

8.	Documents required for mortgage lending
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<i>Documents</i>	Documents requested from Customer	Documents requested from Co-borrower(s)
Identity document /passport or ID card/	✓	✓
Social card or social service registration mark, if not any, a statement from the relevant authority (is not required in case an ID card is presented)	✓	✓
Copies of passports and social cards or social service registration mark for husband/wife /if not any, a statement from the relevant authority/	✓	✓
Copy of marriage certificate /if any/	✓	✓
Statement of employment and revenues specifying current position, record of service in that organization, as well as earnings during the last 12 months	✓	✓
Proof of secondary income /if any/	✓	✓
Proof of declared income /if any/	✓	✓
Copy of the certificate of title for mortgaged real property	✓	-
Certificate and other documents confirming the origin of mortgaged real estate and property rights, and other rights to it	✓	
Copies of passport, social card and marriage certificate of the seller of real estate	✓	
Appraisal report for underlying property carried out by an independent appraiser	✓	-
Documents requested following the favorable decision to issue a loan		
Statement from the State Cadastre Committee of RA Government that real estate is not pledged or is not under any other kind of arrest (Uniform reference)		✓

Agreement on real estate purchase and mortgage	✓
Certificate of lien registration	✓
Certificate of property title registration	✓
Other documents as may be requested	✓

Important note

In case of loans in foreign currency, changes in exchange rates of foreign currency may affect the repayment of the loan. The interest amounts on loans are calculated based on the nominal interest rate. The nominal interest rate shows the amount of annual interest on the loan, which is charged on the loan balance on annual basis.

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".

Effective of 24.06.2022
by "ARMBUSINESSBANK" CJSC Executive Board
decision dated 20.06.2022

Mortgage Loans under Regulation on "Refinancing of Mortgage Loans" by RCO CJSC "National Mortgage Company" to purchase apartments in the buildings constructed by the Developer cooperating with the Bank

1.	Terms & Conditions	
1.1	Revenues of the borrower	Primary income (mandatory) – 100% Secondary income (not mandatory) - maximum 60%
1.2	Currency	Armenian dram (AMD)
1.3	Nominal annual interest rate	<ul style="list-style-type: none"> • 120-180 months - Acquisition of real estate 10.4% • 181- 240 months - Acquisition of real estate 11%
1.4	Annual effective interest rate *	11.1%-15.9%
1.5	Prepayment	When pledging a target real estate - minimum 30% of the value of purchased property, In case of target and additional real estate pledge, as well as outstanding advance payment insurance* - minimum 10% of the value of target property
1.6	Maximum loan/collateral value	<ul style="list-style-type: none"> • When pledging a target real estate – 70% • When pledging a target and additional real estate – maximum 70% of total amount of appraised value of target and additional real estate, but not to exceed 90% of the value of target property
1.7	Period	Acquisition of real estate – 120 - 240 months

* Advance payment insurance is provided if the loan to collateral ratio (LTV) exceeds 70%. In this case, the advance payment insurance is carried out in the amount of the excess amount variance

1.8	Manner of repayment of loan and interests	Uniform monthly repayments or annuity repayments
1.9	Minimum loan amount	AMD 1 000 000
1.10	Maximum loan amount	<p>Acquisition of existing real estate: in case of residential real estate acquisition - 70% of the total amount of the appraised market value of purchased real estate, but not to exceed AMD 35 000 000:</p> <p>- in case of pledging the acquired and additional real property – maximum 70% of the total amount of appraised market value of acquired and additional real property. Loan amount may not exceed 90% of the minimum of appraised market value and the acquisition value of residential real estate.</p> <p>Acquisition of real estate under construction /unaccomplished/ - maximum AMD 35 000 000, but not to exceed:</p> <p>- in case of pledging real estate under construction (unaccomplished) and additional real estate - maximum 70% of the total appraised market appraised market value of real estate under construction (unaccomplished) and additional real estate. Loan amount may not exceed 90% of the minimum of appraised market value and the acquisition value of the real estate under construction (unaccomplished real estate), as well as the difference between the price specified under purchase contract signed with the developer and the advance payment made to the developer;</p>
1.11	Other terms of lending	<p>Loan amount: AMD 35.000.001 – AMD 60.000.000</p> <p>Loan interest: Annual nominal rate -12.5 % Annual effective rate - 13.65 % – 13.77 % In case of the terms specified in this clause, the OTI ratio is set at 50%</p>
1.12	Manner of lending	One-time, by stages, cashless
1.13	Early repayment of loan	Permissible, no fines or penalties are applied
2.	Bank fees	
2.1	One-time fee for application review	N/A
2.2	One-time fee for loan maintenance	0.5 %, but not to exceed AMD 100.000
3.	Requirements for borrower / co-borrower	
3.1	Borrower / co-borrower	<ul style="list-style-type: none"> Resident natural person citizen of Armenia aged at least 18 A resident natural person citizen of Armenia aged at least 18 who is a member of the same family may act as a Co-borrower <p>Members of the same family are: father, mother, spouse, parents of the spouse, grandmother, grandfather, sister, brother, children, the spouse and children of the spouse</p>
3.2	Credit history requirements	<ul style="list-style-type: none"> By the time of loan approval there should not be any overdue loan commitments, Guarantees valid at the time of the decision to grant a loan should be classified in the standard risk class Total number of days outstanding on all loans (repaid and current) during the past 12 months must not exceed 30 calendar days If the amount of a borrower’s outstanding obligation per loan does not exceed AMD 1,000 /one thousand/, then this loan shall not be deemed overdue
4.	Assessment and insurance of the collateral	
4.1	Collateral	Purchased real property (right to purchase real property)
4.2	Location of the collateral	<ul style="list-style-type: none"> “N&S Construction” LLC – 64 Anastas Mikoyan, Yerevan, RA “ML-Mining” LLC - 19/8 Adontsi str., Yerevan, RA

		<ul style="list-style-type: none"> • “Ord Development” LLC - 48 Griboyedov, Yerevan, RA • “Mets Syunik” CJSC - Nor Nork, 27 H. Gyurjyan str., Yerevan, RA • “Octagon” C/C - 5/9, Tumanyan 2nd passage, Yerevan, RA • “RIM Garun” LLC - 12/11, Admiral Isakov, Yerevan, RA • OOO “Aygedzor” LLC - 11/12, Anhaghti Street, Kanaker-Zeytun, Yerevan, RA • “Sahakyanshin” CJSC - Shengavit, building 1 and 2, H. Hovsepyan str., Yerevan, RA • “M.S. GROUP” LLC – Arinj village, P. Sevak district, street 17, lot 17, Kotayk, Kotayk region, RA • “ML-Mining” LLC - 2/1, M. Melikyan str., Yerevan, RA • “Sahakyanshin” CJSC - 13, Tsitsernakaberd highway, Yerevan, RA • “ML-Mining” LLC – 19/19, Adontsi str., Yerevan, RA • “AKVA-LEN SHIN” LLC – 76/5, Charentsi str., Yerevan, RA • “Grig Development” LLC - 29/17, Leningradyan str., Yerevan, RA • “MV ELITE” – 3/1 Barekamutyán Square, Kotayk marz, Abovyan, RA • “BAYAZET CONSTRUCTION” LLC - Khanjyan Street 9/3, Yerevan, RA • “ML-Mining” LLC - Monte Melkonyan 16, Yerevan, RA • “Mamik 41/1” - 42/1, Mamikonyants, Yerevan, RA • “ML-Mining” LLC –19/9, Adonts str., Yerevan, RA • “ML-Mining” LLC - 42/5 Babajanyan str., Malatia-Sebastia, Yerevan, RA • “D & ED INVEST GROUP” LLC - 9/10 G. Nzhdeh str., Gyumri, RA • “DEFANS HOUSING INVEST” CJSC – P. Tichina str. buildings 320/23, 320/24, 320/25, 320/26, 320/27, 320/28, 320/29, 320/30, 320/31, 320/32, Ajapnyak, Yerevan, RA • “ELISON” LLC – 6 Magistrosi str., Tsakhhkadzor, Kotayk marz, RA • “SHIN-STROY HOUSE” LLC – 66/11, 2nd str., Duryan block, Arinj village, Abovyan community, Kotayk marz, RA
4.3	Assessment of collateral value	<p>In case of purchasing real property (rights to real estate) appraisal of real estate is not required - the certificate of the selling price provided by the developer shall be taken as a basis</p> <p>(within fifteen calendar days after receiving the certificate of ownership of the pledged property, the client must submit a report on the appraisal of the pledged property provided by the company cooperating with the Bank)</p>
4.4	Insurance	<ul style="list-style-type: none"> • Insurance of real estate collateral – mandatory • Accident insurance - mandatory <p>Insurance must be carried out on a yearly basis by companies, which cooperate with the Bank. The insurance amount of real estate collateral and the amount of accident insurance is calculated on the balance of the loan amount</p>
5.	Additional terms	
5.1	Basis for rejecting an application	<ul style="list-style-type: none"> • Customer has failed to provide requested documents • The inquiry to the Credit Register of the CBA and /or "ACRA" credit bureau has reported on a negative credit history of Customer • According to credit rating, the customer is not deemed to be creditworthy • Information, which came into possession in the course of lending, arouses prejudice with regard to the information

		provided by the Client
5.2	<i>Failure by borrower to fulfill his/her liabilities</i>	<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>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 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><i>In the event of non-fulfillment or improper fulfillment of credit commitments, information on indebtedness shall be filed to credit register and "ACRA" credit bureau.</i></p> <p><i>NOTE: BAD CREDIT HISTORY MAY SERVE AS AN IMPEDIMENT TO THE BORROWER IN THE FUTURE FOR ACCESS TO OTHER CREDITS</i></p> <p><i>The Bank is entitled to impose a forfeiture on the collateral or sell it out without applying to court</i></p>
5.3	Other terms	<ul style="list-style-type: none"> • If there are special arrangements within the framework of cooperation agreement with the organization, other conditions and tariffs for lending may be established <p>¹ This clause does not apply to current terms with Urban Development Committee of Armenia. In this case, interest rates and terms approved under memorandum signed between the Bank and Urban Development Committee of Armenia are valid.</p>
5.4	This clause also applies to applications accepted after 01.05.2022	

Additional information

Manner of calculating interest amounts	The interest rate is charged on the reducing balance of loan	
<i>Other expenses of Customer</i>	<ul style="list-style-type: none"> ✓ <i>Costs associated with the assessment of collateral (AMD 15,000-25,000) as per tariffs of appraising companies, which cooperate with the Bank</i> ✓ <i>Notary's costs (AMD 15,000-25,000)</i> ✓ <i>Costs associated with cadastral registration – state registration of right (in case of a flat acquisition – AMD 72,000-73,000; in other cases - AMD 27,000-28,000)</i> ✓ <i>Uniform statement - AMD 10, 000</i> ✓ <i>On frontier and highland settlements other rates are applicable</i> ✓ <i>Costs associated with property insurance against fire and other hazards - 0,15% of the balance of loan amount (as per tariffs of insurance companies, which cooperate with the Bank)</i> ✓ <i>Costs associated with accident insurance - 0,15 % of the balance of loan amount (as per tariffs of insurance companies, which cooperate with the Bank)</i> ✓ <i>In case of advance payment insurance – equal to the residual amount of advance payment (as per tariffs of companies, which cooperate with the Bank)</i> 	
Term of application review	Up to 7 business days	
Place of loan execution	Head Office and all branches of the Bank	
Documents requested for loan execution		
<i>Provisional documents</i>	Documents requested from customer	Documents requested from guarantor/ co-borrower

Identity document (passport or ID card)	✓	✓
Social card or social service registration mark, if not any, a statement from the relevant authority	✓	✓
Proof of marital status of the Borrower /marriage certificate, marriage contract, divorce certificate, etc./ (if any)	✓	✓
Passports/birth certificates of persons residing with and/or under tutelage of the Borrower	✓	-
Official statement on the number of persons residing with and/or under tutelage of the Borrower	✓	-
Income statement issued by the principal employer	✓	✓
Information on employment (current position, record of service in that organization) and details of former employment (employer, position held in each organization)	✓	✓
Proof of secondary income	✓	✓
Income statement for husband / wife (if married)	✓	✓
Copy of employment record (“work book”)	✓	✓
Copy of labor contract	✓	✓
Detailed information on all credit transactions made over the last three years, including credit and collateral agreements	✓	✓
Data on all existing accounts (any type) and their movement (average monthly balance, average monthly proceeds and expenses)	✓	-
In case of term and demand deposit accounts with the banks - a statement on their movement and balance for the last 6 months	✓	-
Certificate and other documents confirming the origin of the acquired real estate and property rights, and other rights to it	✓	-
Passport, social card and marriage certificate for seller of real estate	✓	-
Appraisal report for underlying property carried out by an independent appraiser	✓	-
<i>Documents requested following a favorable decision to issue a loan</i>		
Statement from the State Cadastre Committee that real estate is not pledged or is not under any other kind of arrest (Uniform reference)	✓	-
Certificate of lien registration	✓	-
Certificate of property rights registration	✓	-
Other documents as may be requested	✓	✓

In case of a self-employed person, the following documents should be submitted:

- Copy of TIN
- Copy of state registration certificate for private entrepreneur or legal entity
- In case of a legal entity - copy of the charter
- Financial reports (monthly, quarterly, annual) provided to tax authorities during the last 1 year and approved by the relevant tax authorities
- Records of revenues and expenditures for the last 6 months

Attention

The interest amounts are calculated based on the nominal interest rate. The nominal interest rate on loans measures the annual rate of interest for loan and is calculated against loan balance on a yearly basis.

Example of calculating interest amount

- Initial loan amount – AMD 10 000 000

- Loan period - 120 months
- Annual interest rate – 10,4%
- Manner of repayment of loan and interest – by annuity payments

Amount of monthly repayments shall make AMD 134,376

*** The interest amounts on loan 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.**

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 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 please use Effective Annual Interest Rate Calculator, with reference <http://www.armbusinessbank.am/am/page/Crediting>.

Example of calculating the effective annual interest rate

In case of loans issued for real property acquisition

- Loan amount – AMD 25 000 000
 - Loan period - 240 months
 - Loan interest rate - 11%
 - One-time fee for loan servicing – AMD 100 000
 - Costs associated with the assessment of collateral - AMD 25 000
 - Costs related to notarial registration - AMD 25 000
 - Costs related to cadastral registration - AMD 72 000
 - Unified statement – AMD 10 000
 - Costs associated with property insurance against fire and other hazards - 0,15% of the balance of loan amount
 - Costs associated with accident insurance - 0,15% of the balance of loan amount
- Repayment of loan amount and interests – by annuity

The effective annual interest rate is 11,8 %

Given the amount, term of the loan, frequency of repayments and changes in the prices of other miscellaneous services, the effective annual interest rate on loan may vary from the above example.

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"

Effective of 14.03.2022
by "ARMBUSINESSBANK" CJSC Executive Board
decision dated 09.03.2022

Mortgage Loans under Regulation on "Refinancing of Mortgage Loans" by RCO CJSC "National Mortgage Company" to purchase apartments in the buildings constructed by the Developer cooperating with the Bank

1.	Terms & Conditions	
1.1	Revenues of the borrower	Primary income (mandatory) – 100% Secondary income (not mandatory) - maximum 60%
1.2	Currency	Armenian dram (AMD)
1.3	Nominal annual interest rate	<ul style="list-style-type: none"> • 120-180 months - Acquisition of real estate 10.4% • 181- 240 months - Acquisition of real estate 11% • 120-180 months - Regional loan for the purchase of residential real estate 8.9% • 181-240 months - Regional loan for the purchase of residential real estate 9.2%

1.4	Annual effective interest rate *	9.76%-13.06%
1.5	Prepayment	When pledging a target real estate - minimum 30% of the value of purchased property, In case of target and additional real estate pledge, as well as outstanding advance payment insurance - minimum 10% of the value of target property
1.6	Maximum loan/collateral value	<ul style="list-style-type: none"> • When pledging a target real estate – 70% • When pledging a target and additional real estate – maximum 70% of total amount of appraised value of target and additional real estate, but not to exceed 90% of the value of target property
1.7	Period	Acquisition of real estate – 120 - 240 months
1.8	Manner of repayment of loan and interests	Uniform monthly repayments or annuity repayments
1.9	Minimum loan amount	AMD 1 000 000
1.10	Maximum loan amount	<p>Acquisition of existing real estate: in case of residential real estate acquisition - 70% of the total amount of the appraised market value of purchased real estate, but not to exceed AMD 35 000 000: - in case of pledging the acquired and additional real property – maximum 70% of the total amount of appraised market value of acquired and additional real property. Loan amount may not exceed 90% of the minimum of appraised market value and the acquisition value of residential real estate.</p> <p>Acquisition of real estate under construction /unaccomplished/ - maximum AMD 35 000 000, but not to exceed: - in case of pledging real estate under construction (unaccomplished) and additional real estate - maximum 70% of the total appraised market appraised market value of real estate under construction (unaccomplished) and additional real estate. Loan amount may not exceed 90% of the minimum of appraised market value and the acquisition value of the real estate under construction (unaccomplished real estate), as well as the difference between the price specified under purchase contract signed with the developer and the advance payment made to the developer;</p>
1.11	Other terms of lending	<p>Loan amount: AMD 35.000.001 – AMD 60.000.000 mln</p> <p>Loan interest: Annual nominal rate -12.5 % Annual effective rate - 13.65 % – 13.77 %</p> <p>In case of the terms specified in this clause, the OTI ratio is set at 50%</p>
1.12	Manner of lending	One-time, by stages, cashless
1.13	Early repayment of loan	Permissible, no fines or penalties are applied
2.	Bank fees	
2.1	One-time fee for application review	AMD 5 000
2.2	One-time fee for loan maintenance	For loans up to AMD 12 000 000 - AMD 20 000 For loans from AMD 12 000 001 to 20 000 000 - AMD 30 000 For loans from AMD 20 000 001 and over - AMD 40 000
3.	Requirements for borrower/co-borrower	
3.1	Borrower / co-borrower	<ul style="list-style-type: none"> • A resident natural person citizen of Armenia aged at least 18 may act as a Borrower • A resident natural person citizen of Armenia aged at least 18 who is a member of the same family may act as a Co-borrower <p>Members of the same family are: father, mother, spouse, parents of the</p>

		spouse, grandmother, grandfather, sister, brother, children, the spouse and children of the spouse
3.2	Credit history requirements	<ul style="list-style-type: none"> • By the time of loan approval there should not be any overdue loan commitments, • Guarantees valid at the time of the decision to grant a loan should be classified in the standard risk class • Total number of days outstanding on all loans (repaid and current) during the past 12 months must not exceed 30 calendar days
4.	Assessment and insurance of the collateral	
4.1	Collateral	Purchased real property (right to purchase real property)
4.2	Location of the collateral	<ul style="list-style-type: none"> • “N&S Construction” LLC – 64 Anastas Mikoyan, Yerevan, RA • “ML-Mining” LLC - 19/8 Adontsi str., Yerevan, RA • “Ord Development” LLC - 48 Griboyedov, Yerevan, RA • “Mets Syunik” CJSC - Nor Nork, 27 H. Gyurjyan str., Yerevan, RA • “Octagon” C/C - 5/9, Tumanyan 2nd passage, Yerevan, RA • “RIM Garun” LLC - 12/11, Admiral Isakov, Yerevan, RA • OOO “Aygedzor” LLC - 11/12, Anhaghti Street, Kanaker-Zeytun, Yerevan, RA • “Sahakyanshin” CJSC - Shengavit, 31 H. Hovsepyan str., Yerevan, RA • “M.S. GROUP” LLC – Arinj village, P. Sevak district, street 17, lot 17, Kotayk, Kotayk region, RA • “ML-Mining” LLC - 2/1, M. Melikyan str., Yerevan, RA • “Sahakyanshin” CJSC - 13, Tsitsernakaberd highway, Yerevan, RA • “ML-Mining” LLC – 19/19, Adontsi str., Yerevan, RA • “AKVA-LEN SHIN” LLC – 76/5, Charentsi str., Yerevan, RA • “Grig Development” LLC - 29/17, Leningradyan str., Yerevan, RA
4.3	Assessment of collateral value	<p>In case of purchasing real property (rights to real estate) appraisal of real estate is not required - the certificate of the selling price provided by the developer shall be taken as a basis</p> <p>(within fifteen calendar days after receiving the certificate of ownership of the pledged property, the client must submit a report on the appraisal of the pledged property provided by the company cooperating with the Bank)</p> <p>This clause also applies to applications accepted after 05.05.2020.</p>
4.4	Insurance	<ul style="list-style-type: none"> • Insurance of real estate collateral – mandatory • Accident insurance - mandatory <p>Insurance must be carried out on a yearly basis by companies, which cooperate with the Bank. The insurance amount of real estate collateral and the amount of accident insurance is calculated on the balance of the loan amount</p>
5.	Additional terms	
5.1	Basis for rejecting an application	<ul style="list-style-type: none"> • Customer has failed to provide requested documents • The inquiry to the Credit Register of the CBA and /or "ACRA" credit bureau has reported on a negative credit history of Customer • According to credit rating, the customer is not deemed to be creditworthy • Information, which came into possession in the course of lending, arouses prejudice with regard to the information provided by the Client
5.2	<i>Failure by borrower to fulfill his/her</i>	<ul style="list-style-type: none"> • <i>For failure to repay interests when due, the Bank shall charge a</i>

	<i>liabilities</i>	<p><i>penalty from Borrower for each day of default equal to 0.13% of the amount past-due;</i></p> <ul style="list-style-type: none"> <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 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><i>In the event of non-fulfillment or improper fulfillment of credit commitments, information on indebtedness shall be filed to credit register and "ACRA" credit bureau.</i></p> <p><i>NOTE: BAD CREDIT HISTORY MAY SERVE AS AN IMPEDIMENT TO THE BORROWER IN THE FUTURE FOR ACCESS TO OTHER CREDITS</i></p> <p><i>The Bank is entitled to impose a forfeiture on the collateral or sell it out without applying to court</i></p>
5.3	Other terms	<ul style="list-style-type: none"> If there are special arrangements within the framework of cooperation agreement with the organization, other conditions and tariffs for lending may be established <p>¹ This clause does not apply to current terms with Urban Development Committee of Armenia. In this case, interest rates and terms approved under memorandum signed between the Bank and Urban Development Committee of Armenia are valid.</p>

Additional information

Manner of calculating interest amounts	The interest rate is charged on the reducing balance of loan	
<i>Other expenses of Customer</i>	<ul style="list-style-type: none"> ✓ <i>Costs associated with the assessment of collateral (AMD 15,000-25,000) as per tariffs of appraising companies, which cooperate with the Bank</i> ✓ <i>Notary's costs (AMD 15,000-25,000)</i> ✓ <i>Costs associated with cadastral registration – state registration of right (in case of a flat acquisition – AMD 72,000-73,000; in other cases - AMD 27,000-28,000)</i> ✓ <i>Uniform statement - AMD 10, 000</i> ✓ <i>On frontier and highland settlements other rates are applicable</i> ✓ <i>Costs associated with property insurance against fire and other hazards - 0,15% of the balance of loan amount (as per tariffs of insurance companies, which cooperate with the Bank)</i> ✓ <i>Costs associated with accident insurance - 0,15 % of the balance of loan amount (as per tariffs of insurance companies, which cooperate with the Bank)</i> ✓ <i>In case of advance payment insurance – equal to the residual amount of advance payment (as per tariffs of companies, which cooperate with the Bank)</i> 	
Term of application review	Up to 20 business days	
Place of loan execution	Head Office and all branches of the Bank	
Documents requested for loan execution		
<i>Provisional documents</i>	Documents requested from customer	Documents requested from guarantor/ co-borrower
Identity document (passport or ID card)	✓	✓
Social card or social service registration mark, if not any, a statement from the relevant authority	✓	✓

Proof of marital status of the Borrower /marriage certificate, marriage contract, divorce certificate, etc./ (if any)	✓	✓
Passports/birth certificates of persons residing with and/or under tutelage of the Borrower	✓	-
Official statement on the number of persons residing with and/or under tutelage of the Borrower	✓	-
Income statement issued by the principal employer	✓	✓
Information on employment (current position, record of service in that organization) and details of former employment (employer, position held in each organization)	✓	✓
Proof of secondary income	✓	✓
Income statement for husband / wife (if married)	✓	✓
Copy of employment record (“work book”)	✓	✓
Copy of labor contract	✓	✓
Detailed information on all credit transactions made over the last three years, including credit and collateral agreements	✓	✓
Data on all existing accounts (any type) and their movement (average monthly balance, average monthly proceeds and expenses)	✓	-
In case of term and demand deposit accounts with the banks - a statement on their movement and balance for the last 6 months	✓	-
Certificate and other documents confirming the origin of the acquired real estate and property rights, and other rights to it	✓	-
Passport, social card and marriage certificate for seller of real estate	✓	-
Appraisal report for underlying property carried out by an independent appraiser	✓	-
<i>Documents requested following a favorable decision to issue a loan</i>		
Statement from the State Cadastre Committee that real estate is not pledged or is not under any other kind of arrest (Uniform reference)	✓	-
Certificate of lien registration	✓	-
Certificate of property rights registration	✓	-
Other documents as may be requested	✓	✓

In case of a self-employed person, the following documents should be submitted:

- Copy of TIN
- Copy of state registration certificate for private entrepreneur or legal entity
- In case of a legal entity - copy of the charter
- Financial reports (monthly, quarterly, annual) provided to tax authorities during the last 1 year and approved by the relevant tax authorities
- Records of revenues and expenditures for the last 6 months

Attention

The interest amounts are calculated based on the nominal interest rate. The nominal interest rate on loans measures the annual rate of interest for loan and is calculated against loan balance on a yearly basis.

Example of calculating interest amount

- Initial loan amount – AMD 10 000 000
- Loan period - 120 months
- Annual interest rate – 10,5%
- Manner of repayment of loan and interest – by annuity payments

Amount of monthly repayments shall make AMD 134,935.00

* The interest amounts on loan 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.

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 loan to be disbursed,

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, with reference http://www.armbusinessbank.am/am/page/Crediting_.

Example of calculating the effective annual interest rate

In case of loans issued for real property acquisition

- Loan amount – AMD 25 000 000
- Loan period - 240 months
- Loan interest rate - 10,5%
- One-time fee for loan application review – AMD 5000
- One-time fee for loan servicing – AMD 40 000
- Costs associated with the assessment of collateral - AMD 25 000
- Costs associated with property insurance against fire and other hazards - 0,15% of the balance of loan amount
- Costs associated with accident insurance - 0,15% of the balance of loan amount
- Repayment of loan amount and interests – by annuity

The effective annual interest rate is 11,47%

Given the amount, term of the loan, frequency of repayments and changes in the prices of other miscellaneous services, the effective annual interest rate on loan may vary from the above example.

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"