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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			
		Loan	Credit line		Loan	Loan	Loan			
1.1	Currency	AMD, USD, EUR			AMD		AMD		AMD	
1.2	Annual nominal interest rate	AMD	14%	15%	AMD	11.94%	AMD	13%	9%	
		USD	13%	14%						
		EUR	13%	14%						
1.3	Annual effective interest rate	12.8%-21.36%						10.32%-10.88%		
1.4	Period (months)	6-60		6-36	6-60			36-60		
1.5	Grace period	6 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 even 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 balance	Annuity (flexible schedule)					
1.8	Minimum amount (including the group of affiliated companies and persons)	AMD	300,000			AMD	200,000			
		USD	500							
		EUR	500							
1.9	Maximum amount (including the group of affiliated companies and persons)	AMD	50,000,000			AMD	50,000,000			
		USD	100,000							
		EUR	100,000							
1.10	Purpose of loan	Expenses 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 **			
1.11	Manner of lending	Cashless provision on the account opened with the Bank								
1.12	Fee for early repayment	When repaying a loan or credit line with a term of up to 1 year - 3 %; if the contract amount totals up to AMD 5,000,000, the penalty for early repayment shall be 0%						Non-applicable		
2	<b>Bank Fees</b>									
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 purchasing a loan from another bank, the Bank may not charge a service fee of 2% of the purchase amount) and maximum AMD 150.000						2% of contract amount, max. AMD 150.000		
2.3	Fee for loan funds cash out	Subject to the Bank tariffs applicable for cash withdrawals from the account								
2.4	Account opening	Subject to the Bank tariffs								
3	<b>Security</b>									

3.1	<b>Security</b>	Real estate (apartments, residential buildings, public premises, land plots only in Yerevan, the cadastral value of which must be paid/purpose - settlement, industrial, mixed construction), The age of the car (European, Japanese and American cars - up to 10 years, Korean cars - 5 years, Russian cars - 3 years) PPE, Primary security facilities, Third party warranties		
3.2	<b>LTV</b>	Up to 90% of the liquid value of real estate Up to 50% of the liquid value of the car (the value of pledged car must not exceed 30% of the amount of loan/credit line) (Fixed assets must not exceed 20% of the amount of loan/credit line max. AMD 3 000 000) In case of primary collateral - 100% (in the case of a deposit, the depositor and borrower must be the same legal entity or individual entrepreneur)		
3.3	<b>Insurance of pledged property *</b>	The pledged vehicle is insured by the Bank throughout the whole term of loan. Insurance is carried out on a yearly basis, exclusively by companies cooperating with the Bank. Insurance amounts are calculated on the limit of the market value of the collateral.		
<b>4</b>	<b>Requirements to Borrower</b>			
4.1	<b>Borrower</b>	Sole entrepreneur or legal entity registered in Armenia or Artsakh	Sole entrepreneur or legal entity registered in Armenia	
4.2	<b>Requirements to borrower</b>	<ul style="list-style-type: none"> <li>• Aged 23-65 (in case of a legal entity customer – director and incorporators holding 50% and more shares)</li> <li>• At least 6 months' actual and registered activity</li> <li>• Good credit history – as bank requirements</li> <li>• Credit check – as per the bank requirements</li> </ul>	<ul style="list-style-type: none"> <li>• Aged 23-65 (in case of a legal entity customer – director and incorporators holding 50% and more shares)</li> <li>• At least 6 months' actual and registered activity</li> <li>• Good credit history – as bank requirements</li> <li>• Credit check – as per the bank requirements</li> </ul>	<ul style="list-style-type: none"> <li>• Aged 23-65 (in case of a legal entity customer – director and incorporators holding 50% and more shares)</li> <li>• At least 12 months' actual and registered activity</li> <li>• Good credit history – as bank requirements</li> <li>• Credit check – as per the bank requirements</li> </ul> <ul style="list-style-type: none"> <li>• At least 12 months' actual and registered activity</li> <li>• Good credit history – as per bank requirements</li> <li>• Credit check – as per the bank requirements</li> </ul>
4.3	<b>Checking of creditworthiness</b>	Financial analysis		
<b>5</b>	<b>Requirements to guarantor</b>			
5.1	<b>Guarantor</b>	An individual, sole entrepreneur or legal entity registered in Armenia and Artsakh		
<b>6</b>	<b>Additional terms</b>			
6.1	Term of application review	Up to 2 business days after presentation of full credit package		
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%		
6.4	Site of loan processing	All branches of the Bank (except for Araratyan and Kumayri)		

\* If the loan/credit line is fully secured by real estate and pledging the car is an additional condition, then the decision-making authority may decide not to insure the pledged car.

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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.

## List of documents

### Documents required for loan approval

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. 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,
6. License (if available),
7. Lease agreement for the place of business or certificate of ownership (if any),
8. Invoices, agreements related to business (if any),
9. Photos related to the business,
10. Passport and power of attorney for proxy with the mark of consent for a request to ACRA,
11. Other documents as requested.

### Documents required for loan issuance

1. In case of legal entities - decision of the general meeting,
2. In case of pledged real estate - a uniform reference.

### Documents required for loan processing

1. Documents confirming ownership of the collateral
2. Preliminary report on the assessment of the collateral
3. In case of individuals:
  - ID documents – copies of passport, social. cards, ID-cards,
  - Marriage certificate and ID documents for the spouse. If the spouse is dead - a death certificate
4. Uniform reference
5. In case of legal entities - decision of the general meeting

*IN CASE OF NON-FULFILLMENT OR IMPROPER FULFILLMENT OF OBLIGATIONS BY THE BORROWER, THE CREDITOR SHALL WITHIN UP TO 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,

K<sub>n</sub>- amount of the n-th regular repayment on loan,

D<sub>n</sub>- 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](http://www.fininfo.am).