

		AMERIABANK CJSC	10RB PL 72-03-02
RETAIL SME LENDING TERMS			Edition 38
			Effective date: 10.08.2019
8. Retail SME Export Loans Secured by Assets			
	Loan type	Financing of export-oriented private sector projects	
Purpose	Purpose **	Capital investments, long-term investments in working capital for entering new export markets or expanding existing markets; debt restructuring program if there is a substantial gap between the service life of the entity's fixed assets and the maturity of financing used to purchase such fixed assets	
	Clients	Any business that has been involved in the export value chain and served such chain for at least 6 months, as well as any entity involved in inbound tourism or otherwise earning foreign exchange in a similar way	
Exclusion list	Exclusion list	1. Production or trade in any product or activity deemed illegal under the Republic of Armenia laws or regulations or international conventions and agreements 2. Production or trade in weapons and munitions or any other activity involving threats of illegal or immoral act 3. Gambling, casinos, night clubs and equivalent enterprises exploiting human weaknesses 4. Trade in precious stones 5. Currency exchange office 6. Brokerage or bookmaking offices 7. Production, use of or trade in hazardous substances (like radioactive materials) other than pesticides and fertilizers used in agriculture 8. Production of strong alcoholic beverages (above 12%) 9. Real estate business (residential construction, etc.) 10. Any business in breach of current Armenian environmental legislation, standards and norms 11. Activity that involves involuntary resettlement of people and economic entities without prompt, equivalent and effective compensation 12. Purchasing the land alienated by state 13. Public entities 14. Entities owned by public officials and their affiliates or managed and/or controlled by public officials can't act as a sub-borrower.	
Terms of loan	Currency	AMD	
	Minimum and maximum loan limit	AMD 30 million - 100 million or its equivalent in foreign currency	
	Term (months)	36-120 months 36-48 months if the loan is for entering new export markets or expanding existing export markets	
	Annual interest rate	13.5%	
		If the loan is secured by cash or bonds issued by Ameriabank, the interest rate is: - Applicable interest rate for cash/bond + 4%, but in any case not more than the rates specified above, if the loan and the collateral are in the same currency - Rates specified above, if the loan and the collateral are in different currencies	
		Where the client wishes that insurance of pledge should be obtained by the bank, the rate of interest is increased by: • 2.5% if the pledge is vehicle, or • 0.5% if the pledge is plant and equipment. Where the insurance of real estate is obtained by the client, the interest rate is reduced by 0.05%, based on the share of each type of assets in the total collateral.	
		If loan-to-value ratio differs from approved standard, the applicable interest rate is increased by 0.5%.	
		Depending on credit history, the applicable interest rate can be increased by 0.5%.	
	Loan disbursement fee	1% of the loan principal or AMD 50,000, whichever the greater	
	Loan cashing	N/a	
Forms of loan repayment	Loan repayment form	Annuity (equal monthly installments consisting of a portion of loan and a portion of interest)	
		Differentiated (decreasing installments) (The loan principal is paid out in equal installments while the interest is calculated on the outstanding loan and decreases with each repayment; principal and interest payable on monthly basis) The annual interest rate for such loan schemes is at least +0.5% to the effective rate.	
		Mixed (The client may choose a preferable repayment schedule based on business seasonality, but the installment of the loan principal repaid during 1 year shall be equal to at least 15% of the loan principal specified in the agreement. Interest is payable on monthly basis.) The annual interest rate for such loan schemes is at least +1% to the effective rate.	
	Eligible security	Real estate, vehicles, plant and equipment to the reasonable satisfaction of the bank, metal accounts in gold, cash and bonds issued by Ameriabank	

Security	LTV ratio (based on the liquidation value)	<p>The value of the loan security shall be included in the estimation of the LTV ratio in an amount not more than:</p> <ol style="list-style-type: none"> <li>1. 70% for the pledge of real estate; 80% if the DSR is at least 1.5.</li> <li>2. 50% for the pledge of vehicles</li> <li>3. 40% for the pledge of plant and equipment, not to exceed 30% of the value of the aggregate pledge</li> <li>4. 80% for the pledge of metal accounts in gold with Ameriabank CJSC</li> <li>5. in case of cash collateral in Ameriabank/bonds issued by Ameriabank: <ul style="list-style-type: none"> <li>-90% if currency of the collateral is the same as of the loan</li> <li>-70% if currencies of the collateral and the loan are different</li> </ul> </li> </ol>
	Age of vehicles to be pledged	Max 12 years for foreign brand vehicles other than vehicles made in Russia, China and Iran, in which case max age is 8 years
	Location of real estate to be pledged	Armenia/Nagorno Karabakh
	Property appraisal	Pledged assets to be appraised by an appraising partner of the bank.
	Additional security	Individual guarantees by founders/beneficial owners of businesses are a required condition. The Bank may request guarantees by other individuals and/or companies as additional security.
Insurance of pledged property	Insurance of property	<p>The insurance of the pledged real estate is to be obtained only if it is or will be used for business purposes. The insurance of real estate, vehicles and plant and equipment is maintained throughout the loan term:</p> <ol style="list-style-type: none"> <li>1. By the Client at least for the amount of the outstanding principal/credit limit</li> <li>2. By the Bank for the amount of the outstanding principal/credit limit.</li> </ol> <p>The following vehicles are not subject to insurance:</p> <ul style="list-style-type: none"> <li>• Vehicles transporting hazardous materials (toxic substances, chemicals, radioactive and explosive materials)</li> <li>• Vehicles to be used in races, test drives; vehicles which have three wheels, snow removers, motorcycles, special purpose vehicles</li> <li>• Taxis and rental cars</li> </ul>
Loan service fees*****	Modification of the loan terms	AMD 25,000
	Substitution of pledged property (for real estate; including change of the property owner)	AMD 20,000
	Substitution of pledged property (for vehicles; including change of the owner of the pledged vehicles)	AMD 10,000
	Provision of pledge-related consents, permissions and references	AMD 10,000 (VAT included)
	Change of the loan repayment date	AMD 10,000
Required documents	Required documents	<b>Required documents filed together with loan application</b>
		Loan application
		TIN certificate, state registration certificate (for corporate applicants, information on the executive body is required)
		Charter (for corporate applicants)
		Copies of the passports and social security cards of the shareholders and CEO/President (for corporate applicants)
		<b>Documents required after initial approval</b>
		Copies of the state registration certificates and the inserts of the Borrower and legal entities affiliated with the Borrower
		Financial statements for the latest reporting period, certified by the tax authority
		For the recent reporting year (for those filing the balance sheet and the statement of comprehensive income); for the recent reporting quarter (for fixed and/or simplified tax payers)
		Copy of the certificate of title or the document certifying the right to lease the premises used as place of business
		Sale/supply agreements, orders, invoices, other documents supporting the normal process of sales
		Licenses, certificates and other documents required for business operation (copies)
		Documents certifying title to the assets (real estate and/or movable property) to be pledged
		Geodetic measurement report of land plot to be pledged***
		Initial report on appraisal of real estate/vehicle
		Tax clearance certificate
		<b>Documents required after loan approval</b>
		Copies of bases of title to real estate (to be submitted upon request)
		Passports of the owners of the property to be pledged (copy of the spouse death certificate)
		Bases of title to real estate
		Copy of the marriage (divorce, spouse death) certificate

		Statement from the State Committee of Real Estate Cadaster on encumbrance of real estate (unified statement)
		Statement, issued by the Police, on encumbrance of vehicle
		Pledged property appraisal report (final)
		Real estate/vehicle insurance agreement (as required)
		Approval of the authorized body of corporate applicant to execute loan and pledge-related transactions
		Reference on registered shareholders/stockholders/founders, director and the latest amendments to the charter (for corporate applicants)
		Environmental impact assessment report, technical safety report, examination reports, feasibility studies (whenever required), etc., required under the applicable Armenian laws and regulations and/or the bank’s bylaws and regulations (if the company’s activity is associated with high environmental risks)
		Other documents as the bank's specialist may request
Other fees	Other fees payable by client	1. Fee for the unified statement from the State Committee of the Real Estate Cadaster adjunct to the RA Government; fee for police reference on vehicles encumbrance 2. Notary fee for registration of pledged real estate; fee for state registration of the bank’s security interest under the real estate pledge agreement; Fee for the certificate of registration of the security interest in the vehicle
	Early repayment fee	5% of prepaid amount, chargeable if early repayment of the whole or part of loan is made during the first 3 years of loan term If the early repayment penalty is not applied, the loan interest rate is increased by 2%. In case of loans in the amount of up to AMD 5 million or its equivalent in foreign currency, any early repayment fines, fees, increase of rates or any other means affecting the borrower’s condition are not applied.
	Late payment fines and penalties	The interest rate specified in loan agreement shall continue to be applied to overdue loans. Fine in the amount of 0.13 % of overdue loan/interest for each day beyond terms