

2.3. Loan for construction of commercial real estate

Purpose	Purpose	(i) Construction of commercial property for commercial, lease or investment purposes, or (ii) transfer of a loan for construction of property for commercial, lease or investment purposes from another bank/credit organization to Ameriabank CJSC					
	Eligible age of client/co-borrower/guarantor	18-65 years old, provided that the borrower's age at the time of expiry of loan agreement will not have exceeded 65, otherwise a co-borrower or guarantor is required. The eligible age of co-borrower or guarantor is 18-65 provided that at the time of expiry of agreement it will not have exceeded 65. If involvement of a co-borrower or guarantor is a required condition under loan terms (except where co-borrowers or guarantors possess at least 70% of income included in OTI calculation), the eligible age is 18-65 provided that at the time of expiry of agreement it will not have exceeded 65.					
Client's personal details	Residency	Citizens and non-citizens of Armenia who are resident in Armenia					
	Currency	AMD	USD	EUR			
Terms of loan	Minimum and maximum loan limit	AMD 3,000,000 - AMD 150,000,000	USD 5,000 - USD 300,000	EUR 5,000 - EUR 300,000			
	Term (months)	36-60					
	Standard annual interest rate ¹	Adjustable (rate can be changed starting from the 13th month)	Fixed	Adjustable (rate can be changed starting from the 13th month)	Fixed	Adjustable (rate can be changed starting from the 13th month)	Fixed
Annual percentage rate	Fixed component 4.5% + variable component (base rate)	13.0%	Fixed component 7.5% + variable component (base rate)	10.0%	Fixed component 6.5% + variable component (base rate)	8%	
	Adjustable (rate can be changed starting from the 13th month)	Fixed	Adjustable (rate can be changed starting from the 13th month)	Fixed	Adjustable (rate can be changed starting from the 13th month)	Fixed	
Annual percentage rate	<u>13.53%-16.04%</u>	<u>11.31%-14.25%</u>	<u>10.22%-13.9%</u>	<u>9.13%-12.74%</u>	<u>8.54%-11.59%</u>	<u>7.47%-10.46%</u>	
	Term (months)	61-120					
Standard annual interest rate ¹	Adjustable (rate can be changed starting from the 37th month)	Fixed	Adjustable (rate can be changed starting from the 37th month)	Fixed	Adjustable (rate can be changed starting from the 37th month)	Fixed	
	Fixed component 4.75% + variable component (base rate)		Fixed component 7.75% + variable component (base rate)	10.25%	Fixed component 6.75% + variable component (base rate)	8.25%	
Annual percentage rate	Adjustable (rate can be changed starting from the 37th month)	Fixed	Adjustable (rate can be changed starting from the 37th month)	Fixed	Adjustable (rate can be changed starting from the 37th month)	Fixed	
	<u>11.46%-13.09%</u>		<u>10.36%-12.39%</u>	<u>9.27%-11.24%</u>	<u>8.7%-10.36%</u>	<u>7.63%-9.23%</u>	
Term (months)	121-240						
Standard annual interest rate ¹	Adjustable (rate can be changed starting from the 37th month)	Adjustable (rate can be changed starting from the 37th month)	Adjustable (rate can be changed starting from the 37th month)	Adjustable (rate can be changed starting from the 37th month)			
	Fixed component 5.0% + variable component (base rate)	Fixed component 8.0% + variable component (base rate)	Fixed component 7.0% + variable component (base rate)	Fixed component 7.0% + variable component (base rate)			
Annual percentage rate	Adjustable (rate can be changed starting from the 37th month)	Adjustable (rate can be changed starting from the 37th month)	Adjustable (rate can be changed starting from the 37th month)	Adjustable (rate can be changed starting from the 37th month)			
	<u>11.67%-12.7%</u>	<u>9.47%-10.66%</u>	<u>7.84%-8.78%</u>				

	Other terms related to interest rate	If repayment schedule is differentiated or mixed, the applicable interest rate is increased by 0.5%.
		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%.
		If the client prefers a lending scheme without early repayment fee, the applicable interest rate is increased by +2% (not applicable to loans secured by cash or bonds).
		Where insurance is obtained by client, the interest rate is decreased by 0.05%.
	Loan disbursement lump-sum fee	<u>0.5% of loan amount or AMD 50,000, whichever the greater</u>
Forms of loan repayment	Loan repayment form	Annuity (equal monthly installments consisting of a portion of loan and a portion of interest)
		Differentiated (monthly repayment of equal portions of principal amount while interest accrues to outstanding loan and decreases each month)
		Mixed (client may choose an individual repayment schedule based on seasonality of cash flows, provided that at least 5% of contractual loan amount is repaid each year; interest payable on monthly basis)
Security	Eligible security	<ol style="list-style-type: none"> The loan is secured by the property being constructed. The bank may consider as additional security pledge of other real estate to the reasonable satisfaction of the bank, as well as cash in Ameriabank or bonds issued by Ameriabank. If the borrower wishes to finish property under construction without registered certificate of title, the loan will be secured by other Armenia-based real estate to the reasonable satisfaction of the bank.
	Loan-to-value (LTV) ratio	Maximum loan amount is 100% ¹ of the lower of the two: appraised liquidation value or purchase price of pledged property; or 100% of pledged cash in Ameriabank or bonds issued by Ameriabank.
	Location of real estate to be pledged	Capital cities and regional centers of Armenia and Artsakh, as well as the towns of Abovyan, Etchmiadzin, Jrvezh, Arinj, Dzoraghbyur, Tsaghkadzor, Dilijan, Qajaran and Jermuk
	Appraisal of pledge	Pledged property to be appraised by an appraising partner of the bank.
	Additional security	The bank may request warranty of individuals and/or companies as additional security.
Insurance of pledged property	Insurance of pledged property	<p>Insurance for pledged real estate to be obtained on an annual basis throughout loan term:</p> <ul style="list-style-type: none"> - By the bank to the extent of outstanding loan - By client at least to the extent of outstanding loan
	Term of fulfillment of conditions of loan	12 months after disbursement of the last installment, unless otherwise determined by the authorized body of the bank approving the loan
Required documents	Required documents	Required documents filed together with loan application
		• Loan application
		• ID [original]
		• Certificate of ownership of property to be purchased/pledged [copy]
		Documents required after initial approval
		• Proof of employment and/or other income
		• Marriage (divorce, spouse death), birth certificate [original]
		• Certificate of title to real estate to be pledged [original]
		• Geodetic measurement report of land plot to be pledged**
		• Initial real estate appraisal report
		• Construction costs estimate
		Documents required after loan approval
		• Copies of bases of title to real estate (to be submitted upon request)
		• IDs of owners of property to be purchased/pledged [originals]
		• Copies of marriage (divorce, spouse death) certificates of owners of property to be pledged
• Statement from the State Committee of Real Estate Cadaster on encumbrance of real estate (unified statement)		
• Real estate appraisal report (final)		

		<ul style="list-style-type: none"> • Other documents as the bank's specialist may request
	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
	Late payment fines and penalties	<p>The interest rate specified in loan agreement shall continue to be applied to overdue loans.</p> <p>Fine in the amount of 0.13% of overdue loan/interest for each day beyond terms</p>
Other terms	Other fees payable by client	<ul style="list-style-type: none"> • Fee for unified statement from the State Committee of Real Estate Cadaster of the Government of the Republic of Armenia • Fees for notarization of pledge (real estate) and filing of the bank's security interest under pledge agreement

1. Depending on the creditworthiness of the borrower, term of loan and LTV ratio, a higher or lower interest rate can be applied.