

Effective date: August 24, 2022

Terms and conditions specified in the Guide may be outdated. For more details, please contact  
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## **Information Guide**

### **Unsecured Overdraft via Payment Cards**

The overdraft issued through payment cards offers you an opportunity to use money within the limit of revolving credit line opened by the Bank, without adding money to the card account. The maximum amount of the revolving credit that can be borrowed on card is your credit limit.

Overdraft is issued by debit cards, without grace period. Debit cards may be used both for cash and non-cash transactions and have a low cash withdrawal rate both for Ameriabank ATMs and ATMs of other banks (including abroad).

## **METHOD AND FREQUENCY OF PAYMENTS**

### **Repayment form**

Interest accrued on overdraft is repaid on monthly basis and the utilized amounts are repaid at the of the term.

### **Manner of disbursement**

Loan is disbursed in non-cash form by crediting the amount to the card account.

**There are no conditions limiting accessibility of loan proceeds.**

**There are no required charges to be paid by the borrower. Loan decision**

The Bank reviews the loan application and makes a preliminary decision within 2 business days upon receipt of the application. If approved, the final loan decision is made within no more than 8 (eight) business days upon receipt of the complete set of documents. The Bank informs the client about the decision within 1 business day. The loan is issued to the borrower only after execution of security agreements specified in the agreement.

The loan is disbursed within 1 (one) business day after fulfillment of the lending conditions by the borrower.

**Once the Bank makes a loan decision, if the client.**

- Confirms his/her intention to receive the loan within 45 calendar days after getting loan approval notice, the process moves to the formalization stage.
- If the client takes longer than 45 calendar days upon getting loan approval notice to confirm his/her intention to receive the loan, re-approval is needed.

**What may help you to get your loan approved**

- Long-standing relationship between the Bank and the client
  - Business reputation
  - Turnover of your funds through Ameriabank accounts
  - Average balance on the accounts with Ameriabank, etc.
- Why your application might be rejected

- The information (documents and other data) is not trustworthy or is incomplete.
- The borrower's declared income is not sufficient to repay the obligations.
- The borrower has bad credit history, overdue and/or classified liabilities (including liabilities to third parties).

#### **Loan-to-value (LTV) ratio**

The bank can issue a card line of credit to the borrower under the following terms (both debit and credit cards):

Currency	Interest rate	'Credit limit/Deposit principal' (LTV) Ratio[1].
Same as deposit currency	Deposit rate + 4%	Up to 90%
Other than deposit currency	According to the tariffs for credit lines via cards	Up to 70%

Deposit amount used for calculation of the ratio does not include interest paid at the beginning of term.

We will have the right to charge the amount of any overdue liabilities on credit card to the deposit account through direct debit (without prior consent of the depositor).

#### **Down payment**

N/a for this loan facility.

Exchange rate volatilities may affect the installments in case of credit lines in foreign currencies.

**Attention!** *If you fail to pay the minimum installment, the Bank will charge a fee in the amount of AMD 5,000. For credit cards issued after January 2015 late payment penalties prescribed by the Retail Lending Terms and Conditions will be applicable instead of lump-sum fee.*

**Attention!** *No limitations are set on the repayment of the loan before due date.*

Loan type	Overdraft (on debit cards)		
Who may apply	Citizens and non-citizens of Armenia who are resident in Armenia and are aged 18-65		
Loan purpose	Payments		
Currency	AMD	USD	EUR

Manner of disbursement		Loan is disbursed in non-cash form by crediting the amount to the card account.			
Maximum amount of total unsecured liabilities (including liabilities to other banks and credit organizations)		<p>8x income. Where documented income is received through Ameriabank or where income is registered in Nork Informational and Analytical Center: maximum AMD 10 million</p> <p>Where documented income is received through other channels than Ameriabank: maximum AMD 3 million</p> <p>Where there has been balance on accounts with Ameriabank within the most recent 6 months: maximum AMD 6 million</p>			
Minimum and maximum loan term		<p>Indefinite term (until requested back)*</p> <p>Until loan cancellation by the Bank, which may occur in accordance with the agreement, based on the results of the monitoring by the Bank</p>			
Credit limit**		<p>Where documented income is received through Ameriabank or where income is registered in Nork Informational and Analytical Center: maximum AMD 10 million</p> <ul style="list-style-type: none"> <li>• Maximum credit limit is 4x your income.</li> </ul> <p>Where documented income is received through other channels than Ameriabank: maximum AMD</p> <ul style="list-style-type: none"> <li>• No guarantee required, if maximum credit limit is 3x income,</li> <li>• Where there has been balance on accounts with Ameriabank within the most recent 6 months*: the lesser of average 6-month balance and average balance of the last month, up to AMD 3 million</li> </ul> <p>Maximum credit limit is 3x balance</p> <p>*Average account balance should be at least AMD 100,000. Applicable to those clients who have had accounts with Ameriabank for at least 3 months; where there are deposits, the deposit amount is counted only once.</p>			
Card type	Annual interest rate	Minimum and maximum credit limits	Annual service fee	Card package service fee	Increase of the credit limit
Arca Classic, Ayo Visa Classic Cirrus Maestro Visa Electron	<p>21%</p> <p>18%</p> <p>16.5%</p>	<p>AMD 300,000-1,000,000</p> <p>USD 700-3,000</p> <p>EUR 700 - EUR 3,000</p>	<p>AMD 5,000 annually;</p> <p>AMD 2,500 if ordered by Internet/Mobile Banking system</p>	-	AMD 1,500

Master Card Standard/VISA Classic	21%	AMD 300,000- 1,500,000	AMD 5,000 annually;	-	AMD 3,000
	18%	USD 700-5,000	AMD 2,500 if ordered by Internet/Mobile Banking system		
	16.5%	EUR 700 - EUR 5,000			
Master Card Gold/VISA Gold/	20%	AMD 1,500,000 - AMD 7,500,000	AMD 2,000 monthly/ AMD 20,000 annually;	AMD 3,000 monthly/ AMD 30,000 annually	AMD 5,000
	17%	USD 5,000-15,000	AMD 10,000 annually if ordered by Internet/Mobile Banking system		
	15.5%	EUR 5,000 - EUR 15,000			

Master Card Platinum/VI SA Platinum	20%	AMD 5,000,000- 50,000,000	AMD 3,000 monthly/ AMD 30,000 annually; AMD 20,000 annually if ordered by Internet/Mobile Banking system	AMD 3,000 monthly/ AMD 30,000 annually	AMD 5,000
	17%	15,000-100,000 USD			
	15.5%	15,000-100,000 EUR			
Annual percentage rate (APR)		AMD	21.92-23.13 %		
		USD	18.38-19.55 %		
		EUR	16.64-17.79 %		
Frequency of payments		Monthly			
Grace period		Up to 51 days			
Interest calculation		If the client repays the whole amount utilized in one month during the grace period, no interest accrues. If the client does not make repayment, utilized amounts bear interest starting from the first day withdrawn. The same interest accrues to amounts utilized after that and is payable on monthly basis.			
Minimum payment required		3% of utilized amount shown in the account statement or AMD 5,000, USD 10, EUR 10, whichever is greater, plus interest accrued  * Not applicable to loans secured by cash or bonds and credit cards provided to Premium and Partner clients.			
Security		The Bank may request guarantee of individuals and/or companies as security.			
Guarantee		Guarantors' documented income should comprise at least 50% of the borrower's income, and their credit history should meet the criteria set by the Bank.			
Late payment fines and penalties		Fine in the amount of 0.13 % of overdue loan/interest for each day of delay The interest rate specified in the loan agreement will continue to be applied to overdue loans.			
Loan formalization venue		Bank			

- If repayment schedule is differentiated or mixed, the applicable interest rate is increased by 0.5%.
- If the creditworthiness ratios differ from the ratios approved by the internal regulations of the Bank, the applicable interest rate is increased by 0.25%.
- In case of other deviations, the interest rate may be increased by 0.25%.

The annual percentage rate (APR) may differ from the above specified values if there is any or a few of the following factors:

- When the borrower selects differentiated or mixed form of loan repayment
- If there are deviations from the creditworthiness criteria approved under the internal regulations of the Bank
- If there are other deviations

In case of applications for scoring-based loans or loans to workers of specific industries, other terms can be applied, in particular, 13%-21% interest rates can be applied for AMD-denominated loans, 13%-21% for loans in USD and 12.5%-21% for loans in EUR. The APR may be 13.79-23.15% in case of loans in AMD, 13.79%-23.15% in case of loans in USD and 13.23%-23.15% in case of loans in EUR.

### Loan service fees

Purpose	Rates & Fees
Modification of the loan terms	AMD 15,000
Change of the loan repayment date	AMD 5,000

The fee is charged if the modification is requested by the client. Where there are several applicable fees for the same modification, the highest fee is charged and only once. Fees are not applicable in case of loans secured by cash, bonds and metal accounts. If the modification implies adding new collateral or involving a new guarantor, no fee is charged.

### Required documents

Required documents filed together with the loan application	<ul style="list-style-type: none"> <li>• Loan application</li> <li>• ID (original)</li> </ul>
Documents required after initial approval	<ul style="list-style-type: none"> <li>• Proof of employment and/or other income</li> <li>• Other documents as the bank's specialist may request</li> </ul>

When applying online, only ID and PPSN/social card are required.

### **Information for the Guarantor**

If the Borrower fails to meet his/her loan obligations in a proper manner, the guarantor will take on responsibility of the debt and will have to repay the outstanding loan.

The guarantor is entitled to receive reimbursement from the borrower for the repaid debt, i.e. the guarantor may request the borrower to reimburse the amount paid to the lender, the interest and other expenses incurred as a result of taking responsibility instead of the borrower.

The lender must warn the guarantor in advance about pending loan repayment, i.e., if the borrower fails to meet his/her obligations in due manner, the guarantor is required to repay the outstanding debt within the period defined in the guarantee agreement after getting the respective notice from the lender.

The guarantor's name may appear in the BAD BORROWER LIST, i.e., if the borrower doesn't repay his/her obligations, the guarantor's name may be reported to the Credit Bureau, where the credit history is originated. This may affect the guarantor's future loan applications.

### **Statements**

We will provide to you the statements of your credit accounts through communication channels and at frequency agreed between you and us and/or in accordance with the Armenian laws and regulations. The statements are provided by post, email, Internet-Bank or in person at any branch of the Bank.

Provision of statements, information and copies of documents	Rates & Fees
Provision of up to 1 year-old account statements, copies of account statements or other documents kept in electronic form	Free
Provision of more than 1 year-old account statements or copies of account statements or provision of other documents kept in electronic form	AMD 5,000 per annual statement per account, VAT included
Delivery of any statement to the client by email without stamp	Free
Provision of references	
To holders of 3 or more months old accounts	AMD 3,000, VAT included
To holders of less than 3 months old accounts	AMD 5,000, VAT included
If ordered via Internet/Mobile Banking or Ameriabank website	AMD 1,000, VAT included

### **Attention!**

**WHEN YOU APPLY FOR A LOAN, WE WILL PROVIDE YOU AN INDIVIDUAL LEAFLET DETAILING ALL ESSENTIAL TERMS OF YOUR CONSUMER LOAN.**

### **Attention!**

**THE LOAN INTEREST RATE MAY NOT EXCEED THE DOUBLE OF THE BANK RATE**

**DECLARED BY THE CENTRAL BANK OF ARMENIA.**

**Attention!**

**LOAN INTEREST IS CALCULATED AT THE NOMINAL INTEREST RATE. THE LATTER SHOWS THE ANNUAL INTEREST ACCRUED AS PERCENTAGE OF THE OUTSTANDING LOAN. THE LOAN INTEREST IS ACCRUED ON THE OUTSTANDING LOAN PRINCIPAL IN THE LOAN CURRENCY DAILY, BASED ON A 365-DAY CALENDAR YEAR.**

**ANNUAL PERCENTAGE RATE SHOWS THE COST OF LOAN IN CASE OF PROPER AND TIMELY PERFORMANCE OF ALL CONTRACTUAL OBLIGATIONS.**

**Interest Accrual**

In case of differentiated repayment method, the amount of monthly loan payment is calculated according to the following formula:

$R = p / t + p * r \% / 365 * d$ , where

R – monthly repayment of the loan,

p – amount of loan principal,

t – loan term (in months),

r – annual interest rate of the loan,

d – number of days in a month.

In case of annuity, the amount of monthly payment is calculated according to the following formula:  $R = P * r / (1 - (1 + r)^{-n})$ , where

R – monthly repayment for the loan P – loan principal

n – total number of payments during the whole term of loan (number of months)

r – monthly interest rate, which is equal to 1/12 of the annual interest rate under the loan agreement at the time of provision of the loan

The amount of monthly payments is rounded to one decimal place.

The outstanding loan is calculated according to the following formula:  $P_t = R * ((1 - (1 + r)^{-n}) / r)$ , where

$P_t$  – actual Loan outstanding by the end of the period

R – monthly repayment for the loan

t – number of repayments due before the end of the loan term (number of months)

r – monthly interest rate, which is equal to 1/12 of the annual interest rate under the loan agreement at the time of provision of the loan

APR is calculated by the following formula:

$$A = \sum_{n=1}^N \frac{K_n}{\left(1 + i\right)^{\frac{D_n}{365}}}$$

where

i – annual percentage rate (APR).

A – the amount of the credit (initial amount provided by the lender to the borrower)

n – sequence number of payment

N – sequence number of the last payment

$K_n$  – amount of the nth payment



$D_n$  – period between the day of provision of loan and the day of the  $n^{\text{th}}$  payment, expressed in days  
 $i$  – annual percentage rate, calculable if other input data are known from loan agreement or otherwise

#### APR Calculation Example

Loan product: consumer loan secured by property

Amount: AMD 15,000,000

Fixed interest rate: 17%

Term: 60 months

Repayment method: annuity (equal installments consisting of a portion of loan and some interest)

Lump sum disbursement fee: AMD 75,000

Insurance fee: 0.16% of the outstanding loan principal each year

Real estate appraisal fee: AMD 15,000

Fee for the unified statement on real estate encumbrance: AMD 10,300

Pledge agreement notarization fee: AMD 13,000

Security interest filing fee: AMD 26,000

Loan disbursement day: September 16, 2014

First payment day: October 11, 2014

Annual percentage rate (APR): 19.14 %

The annual percentage rate is calculated on the basis of the underlying components, is indicative and can change during the Agreement term due to early repayment of loan by the borrower or change of the components included in its calculation.

#### Interest calculation example

Initial loan principal: AMD 1,000,000

Annual interest rate: 20%

Term: 36 months

Daily interest will make:  $1,000,000 \times 20 / 100 / 365 = 548$  AMD

The amount of monthly payments in case of annuity: AMD 37,163.6.

#### **Attention!**

**IF YOU FAIL TO PERFORM YOUR PAYMENT OBLIGATIONS WHEN DUE OR DO NOT PERFORM THEM PROPERLY, OVERDUE AMOUNTS SHALL BEAR FINES AND PENALTIES AS DEFINED BY AGREEMENT, AND THE INFORMATION ABOUT YOUR OVERDUE LIABILITIES WILL BE REPORTED TO CREDIT BUREAU WITHIN 3 BUSINESS DAYS. YOU HAVE THE RIGHT TO OBTAIN YOUR CREDIT HISTORY FROM THE CREDIT BUREAU ONCE A YEAR, AT NO COST.**

Overdue liabilities are paid in the following succession:

- Fines and penalties
- Interest
- Principal

**YOUR BAD CREDIT HISTORY MAY AFFECT YOUR FUTURE LOAN APPLICATIONS.**

### **Attention!**

*In case of loans in foreign currency, any change of the exchange rates may affect loan payments, while the annual percentage rate may change depending on the exchange rate published by the Central Bank of Armenia on its official page. Definition of the annual percentage rate is based on the exchange rate published on the official website of the Central Bank of Armenia on the day of the agreement execution or the preceding business day.*

### **Early repayment**

In case of consumer loans, car loans, line of credit or overdraft the client has the right to repay the liabilities before the due date irrespective of whether or not such provision is included in the loan agreement.

### **Change of interest rates**

The bank is entitled to change the interest rates depending on the volatility of interest rates on funds borrowed and/or allocated by the bank on financial market, and/or occurrence of preconditions for change of annual interest rate applied to the loan. The Bank shall inform the borrower of any change in the nominal interest rate made at the sole discretion of the Bank in advance, within the term specified in the agreement (at least 7 days in advance), via the channels specified in the agreement, which shall serve as a basis for applying the new terms from the date specified in the notice. If the borrower doesn't consent to the new interest rate, the borrower may terminate the respective agreement before the maturity date, repaying the obligations to the Bank under such agreement in full.

Consumers are allowed to cancel the credit agreement at their own discretion, for no particular reason, within 7 business days following its execution unless a longer period is stipulated therein (cooling-off period). In such cases, consumers are required to pay the interest accrued at the effective annual rate under the credit agreement. The consumer will not be required to pay any other reimbursement in relation to the cancellation of the credit agreement.

### **What may help you to get your loan approved**

- Long-standing relationship between the Bank and the client
- Business reputation
- Other

### **Why your loan might be rejected**

- The information (documents and other data) is not trustworthy or is incomplete.
- The borrower's declared income is not sufficient to repay the obligations.
- The borrower has bad credit history, overdue and/or classified liabilities (including liabilities to third parties).
- Other