

**INFORMATION GUIDE**  
**INSTALLMENT FINANCE FOR PURCHASE OF GOODS AND SERVICES**

Effective date: May 15, 2020

The terms specified in this information guide can change. For full terms please contact us:

**ameriabank.am** | **010 56 11 11**

Ameriabank is supervised by the Central Bank of Armenia.

**Purpose of credit**

The purpose of installment finance is purchase of goods or services by individuals.

**Essential Terms of Installment Finance for Purchase of Goods**

Client's personal details	Eligible age	21-65
	Eligible clients	Physical entities who are citizens of Armenia
Terms of finance	Currency of finance	AMD
	Financing limit	50,000-3,000,000
	Term of finance (in months)	6-60
	Nominal annual interest rate	21.5%
	Actual annual percentage rate	0-24%
	Monthly account service fee	N/a
Debt repayment options	Repayment	In case of interest: annuity, equal monthly payments consisting of a portion of loan and a portion of interest  In case of fee: equal monthly payments for loan and fee
Security	Eligible collateral	The purchased item is considered the security.
	Maximum "loan to value" ratio	100%
Fee for service, payment of interest and other charges	For payments via wire transfer or Ameriabank devices (payment terminals or ATMs)	0
	For payments via other payment terminals and ATMs	As per fees of the organization operating the payment terminal or ATM: <a href="https://ameriabank.am/">https://ameriabank.am/</a>
	For cash payments within Ameriabank premises	As per Ameriabank's fees for individuals: <a href="https://ameriabank.am">https://ameriabank.am</a>
Fines and penalties	Late payment fines and penalties (principal and interest)	In case of failing to make payment when due under loan agreement, the client shall be required to pay a penalty in the amount of 0.13% of overdue loan or interest for each day beyond terms. No fines or penalties are charged in case of repayment before due date.

**Essential Terms of Installment Finance for Purchase of Services**

Client's personal details	Eligible age	21-65
	Client	Physical entities who are citizens of Armenia
Terms of finance	Currency of finance	AMD
	Financing limit	100,000-1,500,000
	Term of finance (in months)	6-24
	Nominal annual interest rate	18.5-21.5%
	Actual annual percentage rate	0-24%
	Monthly account service fee	N/a
Debt repayment options	Repayment	In case of interest: annuity, equal monthly payments consisting of a portion of loan and a portion of interest  In case of fee: equal monthly payments for loan and fee
Security	Eligible collateral	N/a
	Maximum "loan to value" ratio	N/a
Fee for service, payment of interest and other charges	For payments via wire transfer or Ameriabank devices (payment terminals or ATMs)	0
	For payments via other payment terminals and ATMs	As per fees of the organization operating the payment terminal or ATM: <a href="https://ameriabank.am/">https://ameriabank.am/</a>
	For cash payments within Ameriabank premises	As per Ameriabank's fees for individuals: <a href="https://ameriabank.am">https://ameriabank.am</a>
Fines and penalties	Late payment fines and penalties (principal and interest)	In case of failing to make payment when due under loan agreement, the client shall be required to pay a penalty in the amount of 0.13% of overdue loan or interest for each day beyond terms. No fines or penalties are charged in case of repayment before due date.

## Essential Terms of Installment Finance for Purchase of Solar Panels and Water Heaters

Client's personal details	Eligible age	21-65
	Client	Physical entities who are citizens of Armenia
Terms of finance	Currency of finance	AMD
	Financing limit	200,000-5,000,000
	Term of finance (in months)	6-108
	Nominal annual interest rate	9.5-15.5%
	Actual annual percentage rate	0-17%
	Monthly account service fee	N/a
Debt repayment options	Repayment	In case of interest: annuity, equal monthly payments consisting of a portion of loan and a portion of interest
		In case of fee: equal monthly payments for loan and fee
Security	Eligible collateral	The purchased item is considered the security.
	Maximum "loan to value" ratio	100%
Fee for service, payment of interest and other charges	For payments via wire transfer or Ameriabank devices (payment terminals or ATMs)	0
	For payments via other payment terminals and ATMs	As per fees of the organization operating the payment terminal or ATM: <a href="https://ameriabank.am/">https://ameriabank.am/</a>
	For cash payments within Ameriabank premises	As per Ameriabank's fees for individuals: <a href="https://ameriabank.am">https://ameriabank.am</a>
Fines and penalties	Late payment fines and penalties (principal and interest)	In case of failing to make payment when due under loan agreement, the client shall be required to pay a penalty in the amount of 0.13% of overdue loan or interest for each day beyond terms. No fines or penalties are charged in case of repayment before due date.

### Financing service fee

Purpose	Fee
Modification of finance terms	AMD 15,000
Change of repayment date	AMD 5,000

The fee is charged if the modification is requested by client. Where one change results in several applicable fees, only the highest applicable fee is charged – once.

### Required documents

Documents required for installment finance application	Personal identification documents (originals) A non-biometric passport, national identification card, PPSN of the Republic of Armenia Other documents as necessary or appropriate
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## Bank statements

The bank provides credit account statements in the manner defined under the legislation of the Republic of Armenia and/or agreed with the client. Statements can be delivered via mail, email, Internet-Bank or in person in any branch office of the bank.

### Important notice:

ELECTRONIC CHANNELS ARE THE MOST CONVENIENT WAY TO GET INFORMATION. THEY ARE AVAILABLE 24/7, FREE FROM THE RISK OF LOSS OF INFORMATION STORED ON PAPER AND ENSURE HIGHER PRIVACY.

Provision of statements, information and copies of documents	Fee
Provision of up to 1-year old account statements, copies of account statements or other documents kept in electronic form	Free of charge
Provision of more than 1-year old account statements, copies of account statements or other documents kept in electronic form	AMD 5,000, VAT included, per annual statement per account
Provision of copies of documents kept in paper form or electronic documents more than 1-year old	AMD 5,000 per document, VAT included
<b>Provision of references</b>	
For clients who have had accounts with Ameriabank for 3 months or longer	AMD 3,000, VAT included
For clients having less than 3-month old accounts	AMD 5,000, VAT included

### Attention!

WHEN YOU APPLY FOR FINANCE, THE BANK PROVIDES TO YOU A PERSONAL LEAFLET ON ESSENTIAL TERMS OF CONSUMER CREDIT CONTAINING THE INDIVIDUAL CREDIT TERMS OFFERED TO YOU.

### Attention!

THE INTEREST RATE ON YOUR CREDIT CANNOT EXCEED THE DOUBLE OF THE BANK RATE DEFINED BY THE CENTRAL BANK OF ARMENIA.

### Attention!

THE INTEREST RATE ON YOUR CREDIT IS CALCULATED BASED ON NOMINAL INTEREST RATE. NOMINAL INTEREST RATE SHOWS THE ANNUAL INTEREST ACCRUED ON OUTSTANDING DEBT. INTEREST IS CALCULATED IN THE CURRENCY OF THE CREDIT ON A DAILY BASIS IN RELATION TO THE CREDIT OUTSTANDING AT EACH PARTICULAR TIME. INTEREST IS CALCULATED BASED ON A 365-DAY CALENDAR YEAR.

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

The annual percentage rate is calculated by the following formula:

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

The amount of interest is determined based on nominal annual interest rate and chosen credit repayment option.

**Credit and interest payments are performed based on annuity scheme where the amount of monthly payment is calculated as follows:**

$R = P \times r / (1 - 1/(1+r)^n)$ , where

R is the amount of monthly repayment

P is the amount of credit

n is the total number of payments during the whole term of credit (number of months)

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

- Annuity

### **Attention!**

IF THE BORROWER FAILS TO MEET OBLIGATIONS WHEN DUE OR DOES NOT PERFORM THEM PROPERLY, THE OVERDUE OBLIGATIONS SHALL INCUR FINES AND PENALTIES UNDER THE RESPECTIVE CREDIT AGREEMENT, AND YOUR CREDIT REPORT WILL BE SUBMITTED TO THE 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 should be performed in the following succession:**

1. Fines/penalties
2. Interest
3. Principal amount

YOUR BAD CREDIT HISTORY MAY AFFECT YOUR FUTURE CREDIT APPLICATIONS.

Early repayment

In case of installment finance you can perform your credit obligations before due date irrespective of whether or not such option is envisaged under your credit agreement.

### **Change of interest rates**

THE BANK HAS THE RIGHT TO CHANGE THE INTEREST RATES DEPENDING ON 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 OF YOUR CREDIT.

IN CASE OF UNILATERAL CHANGE OF NOMINAL INTEREST RATE THE BANK SHALL INFORM YOU IN THE MANNER DEFINED UNDER YOUR CREDIT AGREEMENT (AT LEAST 7 DAYS IN ADVANCE). SUCH NOTICE SHALL BE DELIVERED VIA THE PREFERRED COMMUNICATION CHANNEL SPECIFIED IN THE CREDIT AGREEMENT AND SERVE AS BASIS FOR APPLICATION OF THE NEW INTEREST RATE FROM THE DATE SPECIFIED THEREIN.

IF NOT CONSENTING TO THE NEW INTEREST RATE, YOU CAN TERMINATE THE RESPECTIVE AGREEMENT OR COVENANT IN WHICH CASE YOU WILL BE REQUIRED TO PERFORM YOUR LIABILITIES UNDER SUCH AGREEMENT OR COVENANT AS OF THE DATE OF TERMINATION TO THE FULL EXTENT.

YOU CAN TERMINATE YOUR CREDIT AGREEMENT WITHOUT HAVING TO PROVIDE EXPLANATION ANY TIME WITHIN 7 BUSINESS DAYS AFTER EXECUTION, UNLESS A LONGER PERIOD IS

ENVISAGED UNDER THE CREDIT AGREEMENT (COOLING-OFF PERIOD). THIS BEING THE CASE, YOU WILL BE REQUIRED TO PAY INTEREST AT THE ACTUAL ANNUAL PERCENTAGE RATE SPECIFIED UNDER YOUR CREDIT AGREEMENT. NO OTHER COMPENSATION FOR TERMINATION OF CREDIT AGREEMENT CAN BE DEMANDED FROM THE BORROWER.

**Factors that can have positive effect for your credit application:**

- Established business relationship between the Bank and you
- Amount of your income
- Good credit history
- Etc.

**Factors that might result in rejection of your application:**

- The information or documents provided by you are not trustworthy or complete.
- Your declared income is not sufficient to repay the obligations.
- You have bad credit history, overdue and/or non-performing liabilities (including those to third parties).
- Etc.

**Credit decision**

You need not visit the Bank to get installment finance. All you have to do is approach our partner selling the item you want to purchase. The financing process is automated. Your application will be processed and reviewed by dedicated software based on your credit score.

If your application is approved and you:

- Confirm your intention to get the credit within 7 calendar days after you are notified, you get the credit.

**YOU HAVE THE RIGHT TO CONTACT OR MAINTAIN CORRESPONDENCE WITH THE FINANCIAL INSTITUTION VIA YOUR PREFERRED CHANNEL: REGULAR MAIL OR ELECTRONIC CHANNELS. ELECTRONIC CHANNELS ARE THE MOST CONVENIENT WAY TO GET INFORMATION. THEY ARE AVAILABLE 24/7, FREE FROM THE RISK OF LOSS OF INFORMATION STORED ON PAPER AND ENSURE HIGHER PRIVACY.**