

INFORMATION GUIDE TO SME RETAIL LENDING

Terms and conditions specified in the Guide may be outdated.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

Ameriabank CJSC

ameriabank.am | 010 56 11 11

Address: 2 Vazgen Sargsyan St., Yerevan 0010, Armenia

Email: office@ameriabank.am

THE BANK IS SUPERVISED BY THE CENTRAL BANK OF ARMENIA.

Ameriabank CJSC offers loan products to the businesses served as retail clients, under the conditions specified below. More detailed information is presented in a separate table.

1. POS/account turnover-based overdrafts on business cards (Visa Business/MasterCard Business)

	Loan type	Overdraft on business card based on the volume of POS transactions or account turnover		
	Purpose	Business expansion; financing of current operations and other investments; transfer of outstanding business loans with other banks and credit organizations to Ameriabank CJSC		
	Clients	Legal entities and individual entrepreneurs with at least 6-month business history		
	Sectoral restrictions	According to the Exclusion List		
	Creditworthiness assessment ¹	According to the approved criteria		
	Currency	AMD	USD	EUR
Loan terms	Minimum and maximum lending limit	<ul style="list-style-type: none"> • Up to 40% of average monthly cash flows through accounts with Ameriabank during the most recent 612 months, within AMD 1,000,000-20,000,000 or its equivalent in foreign currency • The credit limit for the client with at least 3-month cash flow history with Ameriabank shall be based on the cash flows through the client's accounts with Ameriabank for 3 months and the net turnover with the other banks for at least 39 preceding months, within AMD 1,000,000-20,000,000, provided that the client transfers his/her accounts turnover with other banks to Ameriabank. <p>If credit line is issued to clients having POS-terminals:</p> <ul style="list-style-type: none"> • Difference between 5x of the average monthly POS turnover via the existing POS accounts with Ameriabank for the most recent 6 months or most recent 12 months, whichever is lower, and the amount of collateral-free loans at Ameriabank, within AMD 3,000,000-20,000,000 or its equivalent in foreign currency • The same approach is applied to the net POS turnover through accounts with other banks provided that such POS turnover is transferred to Ameriabank. 		
	Term (months)	12		

	Annual interest rate (fixed)	15.5% (APR: 17.9%)	12.5% (APR: 14.5%)	11% (APR: 12.8%)	
	Term (months)	36			
	Annual interest rate (fixed)	16.5% (APR: 18.3%)	13.5% (APR: 14.8%)	12% (APR: 13.1%)	
	Term (months)	60			
	Annual interest rate (fixed)	17.5% (APR: 19.3%)	14.5% (APR: 15.8%)	13% (APR: 14.1%)	
	Annual interest rate (fixed) if the credit line is issued to clients having POS-terminals	15% (APR: 16.1-18.6%)	12% (APR: 12.7-15.1%)	10.5% (APR: 11-13.4%)	
	Other terms related to the interest rate	If the line of credit/overdraft 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 insurance of the collateral is obtained by the bank at the wish of the client, the rate of interest is increased pro rata the share of each type of the collateral in the total value of the collateral by: • 2.5% if the collateral is a vehicle, or • 0.5% if the collateral is plant and equipment. Where the insurance of real estate is obtained by the client, the interest rate will be reduced by 0.05%, based on the share of each type of assets in the total collateral.			
		If the LTV ratio differs from the ratio specified herein, the interest rate is increased by 0.25%.			
		If the creditworthiness ratios differ from the ratios approved by the internal regulations of the Bank (DSCR), the applicable interest rate is increased by 0.25%.			
In case of other deviations, the applicable interest rate may be increased by 0.25%.					
1% of the loan amount • Not applicable in case of overdrafts issued via business cards on the basis of POS turnover					
Loan disbursement fee	1% of the loan amount • Not applicable in case of overdrafts issued via business cards on the basis of POS turnover				
Loan modification application fee	N/a				
Card service fees	In accordance with Ameriabank CJSC Business Card Rates and Fees (12CIB PL 72-54) ²				
Forms of loan repayment	Grace period	N/a			
	Repayment	Monthly repayment of interest, with the payment of principal at the end of the term. Any payments and credits to the card account shall be applied for the settlement of interest outstanding as of the moment.			

Security	Eligible security	<ol style="list-style-type: none"> 1. Pledge of cash flows through the account 2. In case of turnover-based overdrafts issued via business cards, a guarantee by another individual and/or entity is required. Furthermore, the source of the guarantor's income should not depend on the financed business, and there should be no material delays in the guarantor's credit history (no more than overdue 30 days within the recent 2 years but max 10 consecutive days)
	Description of eligible additional collateral	Real estate ³ , vehicles, plant and equipment to the reasonable satisfaction of the bank, metal accounts in gold, cash and bonds issued by Ameriabank
	LTV ratio (based on the liquidation value of the additional security)	<ol style="list-style-type: none"> 1. Up to 40% of average monthly net cash flows If credit line is issued to clients having POS-terminals, 5x of average monthly POS turnover (Should this ratio be breached during the loan term, the credit limit may be reviewed or revoked) 2. In case of additional security the credit limit may exceed 40% of the average cash flows, in which case the LTV ratio for the amount over the credit limit shall be as follows below: <ol style="list-style-type: none"> 1. Up to 100% if the loan is secured by real estate 2. 50% if the loan is secured by a vehicle 3. 40% if the loan is secured by plant and equipment, but not more than 30% of the value of aggregate pledge 4. 80% if the loan is secured by metal accounts in gold 5. If the loan is secured by cash/bonds issued by Ameriabank: <ul style="list-style-type: none"> -90% if currency of the collateral is the same as of the loan -70% if currencies of the collateral and the loan are different
	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
	Property appraisal	Pledged assets to be appraised by an appraising partner of the bank.
	Additional security	Individual guarantees by founders and beneficial owners of businesses are a required condition. The Bank may request guarantees by other individuals and/or companies as additional security.
	Loan service	Insurance of property
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
Additional fees payable by the client (where there is additional collateral apart from the account turnover)	1. Fee for the unified statement from State Committee of the Real Estate Cadaster under 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	N/a
Late payment fines and penalties	The interest rate specified in the loan agreement will continue to be applied to overdue loans. Fine in the amount of 0.13 % of overdue loan/interest for each day of delay

¹ No creditworthiness ratios are calculated and no business analysis and proof of income are required for loans secured by cash and metal accounts in gold.

² Ameriabank CJSC Business Card Rates and Fees (12CIB PL 72-54, approved by Management Board Resolution # 24/19/13 dated June 27, 2013). Available at <https://ameriabank.am/useful-links>

³ Geodetic measurement is required for any land other than fenced plots or grounds attached to house, if:

- The requested loan amount exceeds AMD 50 million, and
- Share of credit limit to be secured by such land plot exceeds 30% of total available credit limit. For the purposes of this document total available credit limit means the sum of all loan proceeds made available to client by decision of the bank's authorized body within acceptable LTV ratio and subject to disbursement at the given moment.

⁴ 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.

ATTENTION!

NOMINAL INTEREST RATES MAY BE MODIFIED BY THE FINANCIAL INSTITUTION.

1 There may be deviations from the benchmark indicator based on the financed business's specifics, if the business is profitable but no own resources are required due to the nature of the business.

No creditworthiness ratios are calculated and no business analysis and proof of income are required for loans secured by cash and metal accounts in gold.

2 Geodetic measurement is required for any land other than fenced plots or grounds attached to house, if:

- The requested loan amount exceeds AMD 50 million, and
- Share of credit limit to be secured by such land plot exceeds 30% of total available credit limit. For the purposes of this document total available credit limit means the sum of all loan proceeds made available to client by decision of the bank's authorized body within acceptable LTV ratio and subject to disbursement at the given moment.

3 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.

2 List of Minimum Documents and Information Required for Lending

Required documents filed together with the loan application
Loan application
Passports (original) (for private entrepreneurs)
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)
Documents required after initial approval
Copies of the state registration certificates and the inserts of the Borrower and legal entities and private entrepreneurs 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
Tax clearance certificate
Initial report on appraisal of real estate/vehicle
Documents required after loan approval
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 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

Required documents (for automatically approved SME loans/overdrafts not secured by assets, automatically approved SME loans for purchase of solar panels and water heating systems, overdrafts via business cards based on POS/consumer finance/account turnover)

Required documents filed together with the loan application
ID of the shareholders and CEO of the legal entity/Individual entrepreneur
TIN
Charter (for corporate applicants)
Documents required after initial approval
ID of the shareholders
Tax clearance certificate (n/a in case of score-based automatically approved loans/overdrafts)
Documents required after loan approval
Approval of the authorized body of corporate applicant to execute loan and pledge-related transactions
Purchase documents (required in case of automatically approved SME loans for purchase of solar panels and water heating systems)
Other documents as the bank's specialist may request

Other documents and information may also be required depending on the case specifics

3 Miscellaneous

Provision of loans

To get a loan you can visit any branch office of the Bank.

The loan is disbursed via crediting to the account

Loans, lines of credit, overdrafts, purchase order finance, etc. can be provided for any reasonable term not shorter than 1 month.

Interest Calculation

Interest is calculated at nominal interest rate based on outstanding loan. The calculations are based on a 365-day year. Annual percentage rate (APR) shows the cost of loan in case of proper and timely performance of obligations under the agreement. 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.

APR is calculated by the following formula:

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

where

A – amount of loan (principal amount provided by the lender to the borrower)

n – sequence number of payment

N – sequence number of the last payment

Kn – amount of the nth payment

Dn – period between the day of provision of loan and the day of the nth payment, expressed in days

i – annual percentage rate, calculable if other input data are known from loan agreement or otherwise

Interest Calculation: Representative Example

Loan principal: AMD 7,000,000

Annual interest rate: 15%

Loan term: 60 months

Daily interest will make: $7,000,000 * 15 / 100 / 365 = 2,876.7$

Interest on credit lines/overdrafts is accrued on utilized amount on daily basis. Non-utilized amounts can also bear interest.

Change of nominal rate

The Bank is entitled to review and change the interest rate and lump-sum disbursement fee during the term of loan agreement, based on interest rate fluctuations on funds borrowed and/or allocated by the Bank on the financial market and/or if there are real preconditions for changing the interest rate. In either case, we will give you notice 30 days in advance.

Loans in foreign currency

ATTENTION!

Exchange rate changes can affect the amount of loan payments.

When calculating annual percentage rate it should be taken into account that payments of loans in foreign currencies are made using funds on accounts in that currency, or, where the funds are insufficient, other accounts in any other currency. Exchange is performed at the rate effective in the Bank at that moment, therefore the annual percentage rate can change depending on changes in the exchange rate of the given currency.

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.

ATTENTION!

Overdue liabilities are paid in the following succession:

- i. Fines and penalties
- ii. Interest
- iii. Principal

ATTENTION!

YOUR BAD CREDIT HISTORY MAY AFFECT YOUR FUTURE LOAN APPLICATIONS.

ATTENTION!

THE COLLATERAL MAY BE ENFORCED (FORECLOSED ON) IF THE BORROWER FAILS TO REPAY THE LOAN AND INTEREST WHEN DUE. SHOULD THE VALUE OF THE COLLATERAL BE INSUFFICIENT, THE BORROWER'S OBLIGATIONS WILL BE REPAYED AT THE EXPENSE OF OTHER PROPERTY OWNED BY THE BORROWER.

Loan decision

Loan decisions are made within 10 business days after the customer submits all required documents. The bank's decision is communicated to the client within one business day. The loan is issued to the borrower only after execution of security agreements specified in the agreement. In case of pledge of property, the loan will be disbursed to the borrower if the following conditions precedent have been met:

- (i) security agreements have been signed in accordance with the Armenian laws and regulations, such agreements prepared in form and substance satisfactory to the Bank,
- (ii) the collateral has been insured (upon the Bank's request) by an insurance company cooperating with the Bank,
- (iii) the borrower has fulfilled other conditions of loan issuance.

What may help you to get your loan approved

- Financial standing
- Banking/credit history
- Security
- Management quality
- Business environment
- Business and credit history, etc. of affiliates/subsidiaries

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).

Charges and fees payable in case of loans secured by property

The real estate or movable property to be pledged should be appraised by an appraisal company cooperating with the bank. The company is selected by the client from the offered list. Appraisal fee is AMD 7,000-30,000 depending on the property. On a case-by-case basis, the fee for appraisal of major items of property may be negotiable.

Fees payable for loans secured by vehicles or real estate:

- Notary fee: AMD 14,000-16,000 lump-sum (in case of pledge of vehicles)
- Notary fee: AMD 13,000-20,000 lump-sum (in case of pledge of real estate)
- Notary fee: AMD 13,000-18,000 lump-sum (in case of pledge of plant and equipment)
- Fee for unified statement from the State Real Estate Cadaster on encumbrance of property: AMD 10,000
- Security interest filing fee: AMD 26,000
- Fee of the Police of the Republic of Armenia (for lien and pledge of movable property): AMD 5,000 lump sum
- The property is to be insured by a specialized organization which charges commissions and fees pursuant to its tariffs and rates which can change from time to time. Insurance premiums are within the following range:

Insurance premium	% of loan amount
Real estate	0.15-0.25
Equipment	0.2-0.35
Working assets	0.3-0.5
Vehicles	2.5

The bank requires insurance to cover at least the outstanding loan. Where the property is insured for its full value, it is the authority of the insurance company to decide whether to consider the market or liquidation value of the property.

List of Partner Insurance Companies

Insurance Company	Address	Phone:
Nairi Insurance ILLC	10 V. Sargsyan St., off. 110 (Piazza Grande Business Center), Yerevan	(+37460) 500060
ROSGOSSTRAKH-ARMENIA ICJSC	1 Northern Ave., Yerevan 1	(+37410) 591010
Ingo Armenia CJSC	51, 53 Hanrapetutyun St., area 47, 48, 50, Yerevan	(+37410) 592121
Reso ICJSC	62 Komitas Ave., area 93-93/1, Yerevan	(+37460) 275757

List of Partner Appraisal Companies

Appraisal Company	Address	Phone
Cost Consult LLC	1 Buzand St., Yerevan	+374 77 471925, +374 91 471925
Finlaw LLC	50 Nalbandyan St., apt. 3, Yerevan	(+374 10) 50 60 00 (+374 60) 74 74 00 (mob.) (+374 91) 91 11 55 (mob.) (+374 77) 78 05 10 (mob.)
VM-RP LLC	#3 Vardanants Blind Alley 8, Yerevan	(+374 10) 58 87 97
Believe LLC	9-14 Mashtots Ave., Yerevan	(+374 94) 22 11 11 (mob.)
Inex LLC	45/403 Orbeli Yeghbayrner St., Yerevan	(+374 77) 51 81 16 (mob.) (+374 55) 51 81 15 (mob.) (+374 41) 04 22 87 (mob.)
For Smart Consult LLC	30/3/128 Gyulbenkyan St., Yerevan	(+374 11) 27 76 67 (+374 91) 17 76 67 (mob.) (+374 41) 17 76 67 (mob.) (+374 98) 17 76 67 (mob.)

This information is also available at Ameriabank CJSC's website www.ameriabank.am and may be requested via the channels specified below.

Due to various reasons, we may ask you for more information and documents. Where required under the Republic of Armenia Law “On Combating Money Laundering and Terrorism Financing”, we may request you to provide additional information and documents to conduct “Know your customer” checks, as well as ask further questions during verbal communication. If it is not possible to identify the client in a proper manner or to maintain the accounts, we may restrict access to the service provided by the Bank. Furthermore, to find out whether you are a US taxpayer we may collect additional information in accordance with the agreement executed with the US under the Foreign Account Tax Compliance Act (FATCA).

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.

Ameriabank CJSC

Address: 2 V. Sargsyan St., 0010, Yerevan, Armenia

Phone: (374 10) 56 11 11

Fax: (374 10) 51 31 33

Email: office@ameriabank.am; www.ameriabank.am