



RETAIL SME LENDING TERMS

Edition 48

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1. Retail SME loans secured by assets

Loan type	Retail SME loans secured by assets			
Purpose ¹	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 ²	According to the approved criteria			
Loan terms	Minimum and maximum loan limit	AMD 3 million - 150 million or its equivalent in foreign currency		
	Currency	AMD	USD	EUR
	Term (months)	12-36 (with a 1-6 months grace period)		
	Standard fixed annual rate ³	12.5% (APR: 14.1-21.9%)	9.5% (APR: 10.7-18.2%)	8.0% (APR: 8.6-16.5%)
	Term (months)	37-60 (with a 1-6 months grace period)		
	Standard fixed annual rate ³	13.5% (APR: 14.9-17.4%)	10.5% (APR: 11.5-13.9%)	9.0% (APR: 9.9-12.2%)
	Standard adjustable annual rate (rate can be changed starting from the 13th month) ³	Fixed component 5.0% + variable component (base rate) (APR: 12.6-15.1%)	Fixed component 8.0% + variable component (base rate) (APR: 10.4-12.8%)	Fixed component 7% + variable component (base rate) (APR: 8.2-10.6%)
	Term (months)	61-120 (with a 1-6 months grace period) (doesn't apply to the purchase of working capital)		
	Standard fixed annual rate ³	N/a	11.5% (APR: 12.4-14%)	10.0% (APR: 10.7-12.3%)
	Standard adjustable annual rate (rate can be changed starting from the 37th month) ³	Fixed component 6.0% + variable component (base rate) (APR: 13.5-15.2%)	Fixed component 9.0% + variable component (base rate) (APR: 11.3-12.9%)	Fixed component 8% + variable component (base rate) (APR: 9.1-10.6%)
	Business mortgage			
	Term (months)	6-60 (with a 1-6 months grace period)		
	Standard fixed annual rate	12.5% (APR: 13.3-15.4%)	10.5% (APR: 11.1-13.4%)	8.5% (APR: 8.9-10.8%)
	Term (months)	61-240 (with a 1-6 months grace period)		
	Standard adjustable annual rate (rate can be changed starting from the 37th month)	Fixed component 6.0% + variable component (base rate) (APR: 13.3-15.4%)	Fixed component 9.0% + variable component (base rate) (APR: 11.0-13.4%)	Fixed component 8% + variable component (base rate) (APR: 8.8-10.7%)
	Minimum down payment	At least 5% of appraised market value of property Where the property being acquired is registered in the name of the legal entity or the private entrepreneur, the borrower should provide additional 5% down payment or additional collateral so that the LTV ratio does not exceed 90%.		
	Standard annual interest rate under GAF SME support program			
	Term (months)	6-60 (with a 1-6 months grace period)		
	Standard fixed annual rate	9.5%-10.5% (APR: 9.9%-12.4%)	N/a	N/a
	Term (months)	61-120 (with a 1-6 months grace period) (doesn't apply to the purchase of working assets)		
Standard adjustable annual rate (rate can be changed starting from the 61st month)	Fixed component 4.5% + variable component (base rate) (APR: 11.6-12.4%)	N/a	N/a	
Standard annual interest rate in case of finance for purchase of solar panels and water heating systems				
6-120 months (with a 1-6 months grace period)				
Fixed interest rate in case of financing of projects with cashback option	13% (APR: 13.9-17.5%)	9% (APR: 9.5-12.9%)	7% (APR: 7.3-10.7%)	
Fixed rate on internal resources	12% (APR: 12.8-16.3%)	8% (APR: 8.4-11.8%)	7% (APR: 7.3-10.7%)	
Standard fixed annual rate under GAF "Development of the Renewable Energies" program	8.5%-9.5% (APR: 8.5-10.0%)	N/a	N/a	
Standard annual rate on the loans financed under GAF "Energy Efficiency for SMEs" program ⁴				
Term (months)	6-84 (with a 1-6 months grace period)			
Standard fixed annual rate	8.5%-10.0% (APR: 9.0-10.75%)	N/a	N/a	
Standard annual interest rate under GAF SME Finance (tourism, agriculture, agricultural processing, export oriented and manufacturing industries) program				
6-90 months (with a 1-30 months grace period)				

		9,0%-9,5% (APR: 9,0-9,5%)	N/a	N/a
Standard annual interest rate on the loans for procurement of agricultural raw materials (in accordance with the requirements of the respective program of the Armenian Government)				
Term (months)	6-12 months (with a 2-3 months grace period)			
Standard fixed annual rate	12,0%-13,0% (with a possibility of full subsidy) (APR: 12,6-14%)		N/a	N/a
Standard annual interest rate on the loans for establishment of vineyards, intensive orchards and berry plantations (in accordance with the requirements of the respective program of the Armenian Government)				
Term (months)	61-96 months (with a 60-month grace period)			
Standard fixed annual rate	12%-13,0% (with a possibility of full subsidy) (APR: 12,7-14%)		N/a	N/a
Standard annual interest rate on the loans for purchase of pedigree cattle to promote cattle-breeding (in accordance with the requirements of the respective program of the Armenian Government)				
Term (months)	6-60 months (with a 12-month grace period)			
Standard fixed annual rate	12%-13,0% (with a possibility of full subsidy) (APR: 12,6-14%)		N/a	N/a
Standard annual interest rate on the loans for the development of sheep and goat farming (in accordance with the requirements of the respective program of the Armenian Government)				
Term (months)	6-48 months (with a 12-month grace period)			
Standard fixed annual rate	12%-13,0% (with a possibility of full subsidy) (APR: 12,6-14%)		N/a	N/a
Loans ³ issued out of other program resources ⁵	8,5%-15,0% (APR: 8,9%-21,4%)	5,5%-12,0% (APR: 5,6%-17,7%)	4,0%-11,0% (APR: 4,1%-16,5%)	
Other terms related to the interest rate	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 insurance of the collateral is obtained by the bank at the with 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 pledge is vehicle, or • 0.5% if the pledge is plant and equipment.			
	- In case of financing for purchase of solar panels and water heating systems, the insurance related costs are included in the loan interest rate.			
	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 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%.			
	If the repayment schedule is differentiated or mixed, the applicable interest rate is increased by 0.5%.			
Loan disbursement fee	If the client prefers a lending option without early repayment fee, the applicable interest rate is increased by 2%.			
	1% of the loan amount • Does not apply to (i) the loans for procurement of agricultural raw materials, (ii) loans for establishment of vineyards, intensive orchards and berry plantations with modern technologies, (iii) loans for purchase of pedigree cattle, (iv) loans for the development of sheep and goat farming, (v) business mortgage, and (vi) loans secured by cash collateral at Ameriabank and/or bonds issued by Ameriabank. • In case of financing of purchase of solar panels and water heating systems, as well as GAF "Energy Efficiency for SMEs" program, the loan disbursement fee is 0.5-1% of the loan amount or AMD 500,000, whichever is greater • 0-1% in case of financing under GAF SME Finance (tourism, agriculture, agricultural processing, export oriented and manufacturing industries) program			
Loan cashing	Not applicable to borrowers			
	In case of business mortgage or loans for procurement of agricultural raw materials where the amount is transferred to the bank accounts with Ameriabank CJSC for the purchase of real estate or agricultural products, the cash withdrawal fee is not charged.			
Forms of loan repayment	Annuity (equal monthly installments consisting of a portion of loan and a portion of interest)			
	Repayment	Differentiated (decreasing installments) (monthly repayment of equal portions of principal amount while interest accrues to outstanding loan and decreases each month)		
		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)		
Eligible security	Real estate ⁶ , 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)	The value of the loan security is included in the estimation of the LTV ratio in an amount not more than: 1. Real estate: up to 100%. In case of business mortgage, the value of the collateral is calculated as 100% of the lower of the two: appraised liquidation value or purchase price of the property. 2. Up to 50% if the loan is secured by vehicles 3. 40%, but not more than 30% of total collateral, if the loan is secured by property, plant and equipment (this does not apply to financing for purchase of solar panels and water heating systems in which case 100% of the project value is included irrespective of the share in the total collateral) 4. 80% if the loan is secured by metal accounts in gold with Ameriabank 5. If the loan is secured by cash/bonds issued by Ameriabank: -90% if currency of the collateral is the same as of the loan -70% if currencies of the collateral and the loan are different
	Location of real estate to be pledged	Armenia/Artsakh
	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
	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.
Insurance of property	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: 1. If by the Client: at least for the amount of the outstanding principal/credit limit 2. If obtained by the Bank: to the extent of the outstanding principal/credit limit. • In case of financing for purchase of solar panels and water heating systems, the insurance should be obtained within 10 days upon installation of power plants/water heating systems. The following vehicles are not subject to insurance: • Vehicles transporting hazardous materials (toxic substances, chemicals, radioactive and explosive materials) • Vehicles to be used in races, test drives; vehicles which have three wheels, snow removers, motorcycles, special purpose vehicles • Taxis and rental cars	
Loan service fees ⁷	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
Other fees payable by client	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	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. Does not apply to (i) the loans for procurement of agricultural raw materials, (ii) loans for establishment of vineyards, intensive orchards and berry plantations with modern technologies, (iii) loans for purchase of pedigree cattle, (iv) loans for the development of sheep and goat farming, and (v) loans secured by cash collateral at Ameriabank and/or bonds issued by Ameriabank. In case of early repayment of the loan, whether in full or in part, the fee will not be charged if such loan is prepaid out of the loan proceeds provided by Ameriabank CJSC to the borrower for that particular purpose. 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 the loan agreement shall continue to be applied to overdue loans. Fine in the amount of 0.13 % of overdue loan/interest for each day of delay	
Down payment in case of financing for purchase of solar panels and water heating systems	5% min, but if the borrower and the vendor sign a buyback or debt waiver agreement, there is no down payment.	
Loan disbursement tranches in case of finance for purchase of solar panels and water heating systems	The loan can be disbursed in tranches where the share of each tranche is determined in accordance with the cooperation agreement with the vendor, provided that the share of the last tranche is at least 20% of the loan principal and is provided after insurance of the solar facilities.	
Dealing with the cashback in case of finance for purchase of solar panels and water heating systems with a cashback option	If financing is provided for purchase of solar panels and water heating systems with a cashback option, at least 60% of the amount refunded (taking into account applicable taxes) is used for the loan repayment. In such a case the early repayment fees are not applied. This requirement is not applicable if the buyer (borrower) has provided at least 10% downpayment.	

¹ Unless otherwise specified in the Loan Agreement, the loan proceeds should be used for their intended purpose during no more than 3 months. In case of tranche loans, the amount of each tranche will be disbursed during no more than 3 months following the previous disbursement, after checking if the loan proceeds are used for their intended purpose.

² 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.

³ Depending on the creditworthiness of the borrower, term of loan and LTV ratio, a higher or lower interest rate is applied in accordance with annex 1 forming an integral part of these terms.

⁴ Total cost of the specified energy efficient investments and associated works should comprise at least 70% of the loan principal. Up to 30% may be invested into other fixed assets of the borrower. The loans for this purpose are financed under GAF "Energy Efficiency for SMEs" program.

⁵ The list of resources, their value and margin are determined by the Financial and Operational Department.

⁶ Geodetic measurement is required for any land other than fenced plots or grounds attached to house, if:

- Client has applied for a loan above 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.

⁷ 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

