

The terms mentioned in the bulletin may have been amended.

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INFORMATION BULLETIN BUSINESS LOANS SECURED BY REAL ESTATE					
1.	Loan purpose		Business activities		
2.	Loan currency		AMD, USD		
3.	Loan security		residential, public, commercial real estate		
		Stated income loans		Self-certified loans	
4.	Type of the interest rate		Fixed rate for the first 24 months and floating rate for 25 to 120 months		
5.	Annual interest rate*	nominal	AMD	Fixed interest rate 14.5% - 17.5% Floating interest rate: IBRR ¹ + /5.2%-8.2%/	Fixed interest rate 15% - 18% Floating interest rate: IBRR ¹ + /5.7%-8.7%/
		Effective	USD	Fixed interest rate 10%-12% Floating interest rate: IBRR ¹ + /6.1% - 8.1%/	Fixed interest rate 11.5% - 13.5% Floating interest rate: IBRR ¹ + /7.6% - 9.6%/

¹ IDBank reference rate (IBRR) and the methodology of its calculation are available through the following link¹ <https://www.idbank.am/retail/IDBank-reference-rate-ibrr/>. For loans provided under these terms and conditions, IBRR is changed twice a year, in May and November, and the change enters into force within 30 calendar days after its publication. The minimum and maximum thresholds of the floating interest rate of the loan can be 7.5% and 16.5% in the case of US dollars, and 9% and 19% in the case of AMD.

* the interest rate is determined depending on the term of the provided loan and the loan/collateral ratio according to the Table			
6.	Minimum term	36 months	
7.	Maximum term	120 months	
8.	Minimum amount	5,000,001 AMD or equal USD	
9.	Maximum amount ²	125,000,000 AMD or equal USD	25,000,000 AMD or equal USD
10.	Maximum loan/collateral ratio (to the estimated residual value of the property)	70% if the subject of the pledge is an apartment or a public area 50% if the subject of the pledge is a residential house with a land plot, etc.	60%, if the subject of the pledge is an apartment or a public area 40%, if the subject of the pledge is a residential house with a land plot, etc.
11.	Method of disbursement	Cashless: through the current account. Tariffs for account opening and maintaining are available at the following link: Tariff Information bullitin	
12.	Method of loan and interest repayment	<ol style="list-style-type: none"> 1. Annuity – the loan is repaid in equal monthly installments, consisting of the loan principal and interest charges 2. Decreasing: repayments of the principal amount of the loan are equal, and the interest amounts are monthly, 3. Mixed: repayments of the principal amount of the loan based on the dynamics of the client's financial flows, and interest payments are monthly. 	
<i>Requirements to the Borrower</i>			
13.	Status	RA resident legal entity, individual entrepreneur	
14.	Minimum term of business activity	6 months	N/A
15.	Age restriction	IE persons must be at least 21 years old, whose age must not exceed 65 years by the loan maturity	

² Includes the sum of the balances of all credit obligations of the Client and its affiliated persons to the Bank, where the credit lines/overdrafts are included in the calculation in the amount of the contractual amount, and liabilities secured in foreign currency at the rate of the Central Bank of the Republic of Armenia established for the given currency as of the day of making a decision on the loan.

16.	Requirements for the credit history		<ul style="list-style-type: none"> - absence of outstanding overdue/classified liabilities (loan, credit line, overdraft, surety, etc.), - absence of credit history is acceptable - the client should not be included in the list of undesirable clients of the Bank ³:
17.	<i>OTI ratio (ratio of all outstanding obligations (monthly average) to net income)</i>	AMD	Up to 60%
		USD	Up to 55%
<i>Security</i>			
18.	Security**		Residential/public/commercial real estate located in the territory of the Republic of Armenia, including a separate plot of land with the purpose of "settlement", which must be located in c. In Yerevan,
19.	Pledger		any natural or legal person (in the case of a legal entity mortgagor, the latter must have state registration in RA)
20.	Collateral appraisal		The subject of pledge must be appraised by one of the specialized organizations cooperating with the Bank. The list of appraisal companies is available through the following link: List of Appraisal Companies ***
21.	Minimum requirements for the subject of pledge		<ol style="list-style-type: none"> 1. The subject of pledge must have a stone, panel, or reinforced concrete structure (except for partition walls and inter-floor constructions), 2. The subject of pledge must not be public housing or located on the territory of another building – a dormitory, 3. The subject of pledge must not be located on the territory of the overriding public interest, 4. If the subject of pledge is a detached house, it must not have a common yard area, common or joint ownership with other property.
** For ensuring additional loan security, the Bank may require a guarantee from a physical or legal entity			

³ Legal relations regarding the bank's classification as an undesirable client are regulated by the procedure on determining the criteria for classifying a client as undesirable by the bank and managing relations with them"
https://idbank.am/information/helpfull-information/Classification_procedure.pdf

<i>Insurance</i>		
22.	Insurance of the borrower against death and permanent disability resulting from accidents	May be required by the Bank (applicable to individual entrepreneur borrowers), the list of which is presented at the following link: List of Insurance Companies ***
23.	Insurance of the subject of pledge	May be required by the Bank, the list of which is presented at the following link: List of Insurance Companies ***
<i>Commission fees</i>		
24.	Loan application processing fee	N/A
25.	Loan disbursement fee	N/A
26.	Monthly loan service fee	Calculated on the loan balance: 0.1%
<i>FINE, PENALTY</i>		
27.	Overdue loan, per day	0.1%
28.	Overdue interest, per day	0.1%
29.	Early loan repayment fee	In the amount of 5% of the early repaid loan amount
<i>Other conditions</i>		
30.	Master loan agreement	The bank can conclude a Master Loan agreement with the client for a period of up to 240 months.
31.	Positive factors for the loan decision-making	<ol style="list-style-type: none"> 1) good credit history 2) stable income 3) compliance of the collateral with the Bank's requirements 4) other factors
32.	Negative factors for the loan decision-making	<ol style="list-style-type: none"> 1) negative credit history 2) noncompliance of the collateral with the Bank's requirements or if the collateral is defined as illiquid asset by the Bank 3) providing false or unreliable information 4) providing information that undermines the recoverability of the loan 5) negative credit history of the person affiliated with the client ,

33.	Maximum decision-making period	Maximum of 5 business days following the submission of the full package of the documents required by the Bank	Maximum of 2 business days following the submission of the full package of the documents required by the Bank
34.	Deadline for notification about the decision	1 business day	
35.	Validity of the loan disbursement decision	30 business days The bank has the right to refuse to grant the loan, if the conditions considered essential for making a positive decision on granting the loan have changed (for example, overdue obligations, seizure/injunction of bank accounts, etc.)	
36.	Deadline for reapproval of the decision	at most once, within 10 working days following the expiration of the validity of the decision, according to the crediting conditions effective as of the date of reapproval	
37.	Loan disbursement date	1 business day following the receipt of the document confirming the right of pledge for the subject of pledge	
38.	<i>The place of acceptance of the loan application, arrangement and disbursement of the loan</i>	All branches of the Bank	
39.	List of documents to be submitted by the client	Follow the link: List of documents (for self-certified loans, none of prescribed documents are required for financial analysis)	

*** Regardless of the rates specified by the Bank in these conditions, fees for services provided by third parties may be changed by third parties.

Table

Stated income loans				
<i>Loan term (months)/loan to collateral ratio coefficient</i>		36-60	61-84	85-120
AMD	Up to 40%	14.5%	15%	15.5%
	41%-60%	15%	15.5%	16%
	61%-70%	15.5%	16%	17.5%
USD	Up to 40%	10%	10.5%	11%
	41%-60%	10.5%	11%	11.5%
	61%-70%	11%	11.5%	12%

Self-certified loans				
<i>Loan term (months)/loan to collateral ratio coefficient</i>		36-60	61-84	85-120
AMD	Up to 30%	15%	15.5%	16%
	31%-50%	15.5%	16%	16.5%
	51%-60%	16%	16.5%	18%
USD	Up to 30%	11.5%	12%	12.5%
	31%-50%	12%	12.5%	13%
	51%-60%	12.5%	13%	13.5%

General Provisions

1. In the case of loans provided to ultra-small commercial organizations and individual entrepreneurs as determined by the law on state support to small and medium enterprises, in the amount of up to 5,000,000 AMD (including 5,000,000 drams of the Republic of Armenia) and (or) equivalent foreign currency, the client has the right to unilaterally terminate the loan agreement for any reason within 7 (seven) business days (time to think) following its conclusion by returning the loan amount in full and paying interest calculated in accordance with the actual annual interest rate provided for in the agreement. In case of early repayment, the fees that form the Bank's income included in the total cost of lending to the borrower are proportionally reduced. The customer also has the right to fulfill (repay) the obligations under the loan agreement before the due date, regardless of whether such a right is stipulated in the loan agreement or not.
2. In case of early repayment, the payments, generating the Bank's income, included in the total cost of crediting the borrower, shall be proportionally reduced.
3. Loan disbursement commission fee (if any) is charged on the day of actual disbursement of the loan.
4. Loan interest amounts shall be calculated based on the effective interest rate. Loan interest amount shall be calculated against actual loan balance.
5. The client is entitled to fulfil (repay) his/her contractual obligations ahead of schedule, irrespective of the fact of such right being prescribed by the loan agreement or not.
6. The effective annual interest rate shows how much the loan will cost the customer after interest and other fees.
7. The lender has the right to unilaterally change the essential terms of the loan, including the interest rate of the loan, by giving the borrower 7 (seven) working days prior notice, or to request early partial or full repayment of the existing obligation, if:
 - 1) in case of fluctuation of the US dollar exchange rate published by the CBA by more than 5 (five) percent compared to the time of signing the loan agreement and/or in case of a fluctuation of more than 3 (three) percent in the lombard repo rate published by the CBA compared to the time of signing this agreement,
 - 2) in case of fluctuation of the public base interest rate used as the basis of the floating interest rate published by the bank by more than 2 (two) percentage points within a year (in the case of a floating interest rate),
 - 3) in case of fluctuation of the Russian ruble exchange rate published by the Central Bank of Armenia by more than 10 (ten) percent compared to the time of signing the loan agreement,
 - 4) in case of a more than 20 (twenty) percent fluctuation in the published prices of oil (BRENT) and gold on the international market compared to the time of signing the loan agreement,
 - 5) In case of publication of negative GDP of RA,
 - 6) In case of revocation of the license of any commercial bank of the Republic of Armenia by the CBA,
 - 7) In case of an increase of more than 10 (ten) percent of the published RA unemployment index,
 - 8) In case of a decrease of more than 10 (ten) percent in the published index of remittances from abroad to RA,
 - 9) In case of declaration of war or war operations in RA or neighbouring country/territories,

- 10) In case of declaring a state of emergency in RA,
- 11) In case of appointment of extraordinary parliamentary elections in RA,
- 12) in case of submission of an application (mandatory or voluntary) to declare the borrower or its founder bankrupt
- 13) in case of involvement of the borrower or the latter's founder as a suspect or accused in any criminal case or in case of initiation of a criminal prosecution against any of them,
- 14) in case of satisfaction of the request for confiscation of the amount exceeding AMD 1 million against the borrower or the latter's founder,
- 15) in case where a decision is made by the court on the imprisonment of the borrower's founder, founding guilty under criminal or civil code of the Republic of Armenia, the claim as a result of which exceeds AMD 1 million or there will be an imprisonment sentence,
- 16) In case of carrying out transactions with money laundering typologies or appearing on money laundering lists.
- 17) Termination of activity of a legal entity (individual entrepreneur) according to the State registry,
- 18) Termination /temporary suspension of the activity of a legal entity (individual entrepreneur) in accordance with SRC,
- 19) in the event of a 20% or more increase in the customer's credit burden after the date of signing the loan agreement, except for loans provided by the Bank,
- 20) in case of 30 or more overdue days in terms of obligations to the Bank during the last year,
- 21) in case of being classified in another financial institution,
- 22) in the case of a loss recorded by the borrower organization in the previous period with profit tax and/or audit report,
- 23) reduction of the equity capital of the borrower organization compared to the previous accounting period, according to the income tax and/or audit report,
- 24) in case of non-fulfillment and/or untimely fulfillment of tax obligations by the borrower,
- 25) in case of non-fulfilment/deficiency of the customer's obligations defined by the loan agreement, including violation of the covenants,
- 26) in the event that the borrower assumes new obligations without the written consent of the Bank, as a result of which the obligations to be paid monthly by the Borrower exceed 20 (twenty) percent of the Borrower's monthly repayments as of the date of signing the loan agreement,
- 27) in case of a decrease in the annual net profit of the borrower compared to the net profit of the previous period according to the income tax report,
- 28) if the borrower's average monthly turnover of the last 12 months is less than the average monthly turnover at the time of considering the loan application,
- 29) In the case of providing guarantees and warranties in the amount of more than 20% of the current liabilities of the borrower without the Bank's written consent.

8. The Bank has the right to require the borrower to return the Loan before the maturity term, accrued interests and other amounts payable to the Bank under the loan agreement, as well as to unilaterally revise the essential conditions of the loan agreement and the Loan (principal amount, repayment period, annual interest rate, Loan currency, etc.) if any of the following circumstances defined in the public terms/information summary of the loan provided under this agreement exists:
- 1) The borrower has violated the requirements stipulated in the loan agreement,
 - 2) It was found out that the borrower has submitted unreliable documents of legal significance and documents serving as a basis for provision and monitoring of the Loan, and it was also found that the assurances and guarantees given by the Borrower under the loan agreement were incorrect, unreliable or misleading,
 - 3) there are circumstances or documents factually justifying the insolvency (bankruptcy) of the borrower, including (but not limited to):
 - i. there are grounds for balance sheet insolvency according to the RA Law "On Bankruptcy",
 - ii. there is a situation of actual insolvency according to the RA Law "On Bankruptcy",
 - iii. The borrower filed an application for the risk of bankruptcy to the court in accordance with the RA Law "On Bankruptcy",
 - iv. if the Borrower is a bank or a credit organization and there are grounds for insolvency provided by the Law of the Republic of Armenia "On Bankruptcy of Banks and Credit Organizations.
 - 4) The borrower has overdue obligations towards the bank, other banks, credit or other organizations, or the state budget or any third parties,
 - 5) the bank accounts of the borrower have been blocked or arrested,
 - 6) security of the performance of the borrower's obligation under the loan agreement were lost or damaged or devalued in any other way, the conditions of their storage has deteriorated, or the right of ownership towards them was terminated in accordance with the procedure established by law, and they were not been restored replaced by adequate security measures within 10 (ten) days from the moment the Bank submitted a claim,
 - 7) other conditions provided for in the security agreement for the performance of the loan agreement were violated.
 - 8) the security contracts, guarantees or insurance certificates (policies), which are a means of ensuring the performance of the loan agreement, have for any reason lost their validity, including those that have been declared invalid, or which, according to the Bank, can no longer be considered as a full means of security of the performance of the loan agreement (bankruptcy of the guarantor, warrantor or insurance company, non-fulfillment of monetary obligations by the latter to other creditors, etc.),
 - 9) lawsuits have been filed against the borrower, the amount of which is more than 25% of the balance sheet value of the borrower's total assets (in the case of an individual entrepreneur borrower, more than 25% of the loan),
 - 10) the borrower has reduced the amount of his authorized capital, terminated its activity, or significantly changed the nature of the activity it was carrying out at the time of signing the loan agreement (*in the case of individual entrepreneur borrowers, this clause applies to the extent that it is applicable to an individual entrepreneur*),

- 11) the borrower's activities were hindered due to the loss of ownership rights to any property owned by it,
 - 12) any license, patent or other permission granted to the borrower (hereinafter referred to as the "License") has become invalid or the activity carried out on the basis of that License has been limited in any way, or the License granted to the borrower has undergone such changes that do not allow the borrower to continue its activities under the same conditions and in the same scope,
 - 13) A highly charged political situation has arisen in the Republic of Armenia, the Republic of Armenia has entered into a declared or undeclared war, large-scale military operations, uprisings or other political disturbances have occurred, except where such situation does not have a significant impact on the borrower's proper performance of its obligations under the loan agreement,
 - 14) a decision on reorganization, liquidation or insolvency has been made by the borrower's relevant management authority, or such events have occurred which, according to the current legislation, may cause such consequences,
 - 15) changes in the composition of the borrower's participants (shareholders, members), changes in their share ratio, any contracts concluded with third parties or other circumstances, as a result of which persons, other than those who had decision-making rights at the time of signing the loan agreement will receive decision-making rights in the Borrower's management bodies,
 - 16) The bank has reliable information that indicates the possible occurrence of such cases, which can significantly worsen the borrower's financial situation or make it impossible for the borrower to fulfill its obligations under the loan agreement,
 - 17) the borrower takes measures to resolve (dispute) any contract concluded with the Bank, including by court order,
 - 18) the performance of any obligation imposed on the borrower on the basis of the loan agreement, as well as any other agreement concluded for the purpose of ensuring the fulfillment of the obligations defined therein, becomes impossible due to its illegality,
 - 19) the loan agreement or any other agreement concluded for the purpose of ensuring the fulfillment of the obligations defined therein is recognized as invalid or is unsigned,
 - 20) the borrower has terminated its business activities,
 - 21) the borrower's auditors have issued a qualified audit opinion on any of the borrower's financial statements,
 - 22) the mortgaged property insurance contract, which secures the fulfillment of obligations under the loan agreement has not been concluded, or the term of the mortgaged property insurance contract has not been extended, or the beneficiary was changed by the insurer under the insurance contract (in case of a mortgaged property insurance claim),
 - 23) the borrower has obstructed the Bank's unconditional rights to verify the intended use of the Loan provided for by the loan agreement, moreover, in the terms of the loan agreement, obstruction means any prohibition, violation, omission, failure to provide information or provision of unreliable information, etc. by the borrower, so that the Bank is unable to use its rights.
9. The real estate mortgage contract must be notarized. Property rights, mortgage rights and other property rights are subject to state registration.
 10. In case of failure to perform interest and loan repayments on time the pledged property and/or monetary funds can be confiscated in an order prescribed by law, and the Bank shall send the information on the client to the credit bureau within a maximum of three business days, where the client's credit history is being shaped. The client has the right to receive his/her credit history free of charge once a year from the credit bureau:

11. A bad credit history can prevent a client from receiving loans in the future.
12. The borrower may be deprived of his rights to the property if he does not fulfill or improperly fulfills his obligations under the loan agreement.
13. In case of non-fulfillment of obligations by the client, when paying off the obligations at the account of the collateral, if the collateral is insufficient, it is possible to pay off the obligations at the account of other property of the client.
14. While performing overdue obligations, the repayments shall be implemented in the following order: cost of confiscation, including litigation expenses (if applicable), interest penalty, penalty for principal loan amount, interest, service fee and commissions /if applicable/ and principal loan amount. The Lender is entitled to unilaterally change the order of repayments mentioned in this provision at any time.
15. The interest calculated on the principal amount of the loan can also be paid in the currency of the loan at the request of the borrower.
16. Disputes arising between the parties can be settled in a court proceeding or by the Financial system mediator (in the order prescribed by the RA law on "Financial system mediator"), located at 0010, Yerevan, 15 M. Khorenatsi St, "Elite Plaza" business center, 7th floor, e-mail – info@fsm.am, telephone – (+37460) 70-11-11, fax –(+37410) 58 24 21. Moreover, if the property claim does not exceed 250 000 (two hundred fifty thousand) AMD or equivalent in foreign currency, the decisions of the Financial System Mediator cannot be challenged by the Bank.
17. For the purpose of due diligence of the client as defined by RA law on "Combating money laundering and terrorism financing", the Bank may require additional documents or information based on "Know Your Client" principle.
18. According to the agreement with the USA based on the Foreign Account Tax Compliance Act (FATCA) the Bank may collect additional information for the purpose of identification of the fact of the client being a US taxpayer.
19. The Client has the right to communicate with the Bank through a preferred means of communication: e-mail or regular post. The electronic means of communication is the most comfortable. It is available 24/7 and is free of the risk of losing information in paper as well as ensures confidentiality.
20. The conditions of providing statements, their copies, references during the validity of the loan agreement can be found at the following link: [Tariff Information bulletin](#)
21. The list of branches and ATMs of the Bank, information on their locations and working hours can be found at the following link: [Branches and ATMs.](#)
22. Remote servicing by the Bank is provided through the IDBusiness system, the terms of service and tariffs of which can be found at the following link: [Tariff Information bulletin.](#)

ATTENTION! THE BANK IS CONTROLLED BY THE RA CENTRAL BANK