

INFORMATION BULLETIN

Loan purpose	Implementation of such projects, which use renewable energy sources, as well as acquisition of energy-efficient equipment, machinery and other basic and working capital, construction of infrastructure.
Client	RA resident micro, small and medium enterprises or individual farmers involved in agricultural activity which comply with the definition "Small and medium enterprises" according to the RA law in "State assistance to small and medium enterprises" and operate in the RA.
Currency	AMD
Minimum amount	5.000.000
Maximum amount*	500.000.000
Minimum term	12 months
Maximum term	60 months
Nominal annual interest rate	starting from 8.5%
Actual annual interest rate	starting from 8.89%

LOAN INTEREST AMOUNTS ARE CALCULATED BASED ON NOMINAL INTEREST RATE. LOAN INTEREST AMOUNT IS CALCULATED ON ACTUAL LOAN BALANCE, AND ACTUAL ANNUAL INTEREST RATE INDICATES HOW MUCH THE LOAN WILL COST THE CLIENT IN CASE OF MAKING PAYMENTS OF INTEREST AMOUNTS AND OTHER FEES IN DEFINED AMOUNTS AND AT DEFINED TERMS.

Loan application revision fee	Not specified
Commission for loan extension	0.5- 1% of the loan amount but not less than 50,000 AMD
Monthly loan service fee	Not specified
Loan repayment gross period	The gross period for loan repayment, depending on the peculiarities of the business, can be granted throughout the whole period of the loan, yet cannot exceed 36 months in total in case of acquisition of fixed assets, and 12 months in case of acquisition of working capital and other cases
Loan and interest payments	<ol style="list-style-type: none"> 1. Annuity - equal monthly payments of the sum of loan amount and interest amount, 2. Decreasing - equal loan amount payments, monthly interest payments, 3. Mixed - loan amount payments depending on the financial flows of the client, monthly interest payments
Minimum business activity period (continuous)	6 months
Opening/maintenance of a bank account	According to the tariffs applied in the Bank which are presented at the following link: Information bulletin on tariffs
Loan amount extension method	<p>Non-cash, through transfer to the bank account: withdrawal of loan amount in cash from the bank account shall be made according to the tariffs.</p> <p>The usage of the loan amount or part of in in cash can be limited by the decision of the competent body of the Bank (transfers from one account of the client to another account with the Bank or other banks can also be considered as usage of cash)</p>

Age limit for the borrower/guarantor	The age of PEs, physical entities must not exceed 70 years by the end of loan maturity
Credit history requirements for the borrower (including participants in statutory capital with 10% and over)/guarantor	<ol style="list-style-type: none"> 1. Absence of overdue/classified liabilities as of the date of receiving the loan, 2. Good or neutral/acceptable for the Bank/ credit history according to internal legal acts of the Bank, 3. According to the decision of the competent body of the Bank the latter may define requirements towards credit histories of other participants, other entities closely related with the borrower
Acceptable means of security/pledge	<ul style="list-style-type: none"> • Real estate property, • Fixed assets /equipment, technical means, other property/, • Means of transportation, • Goods in circulation, • Receivable right, • Financial flows, • Guarantees, warranties, • Monetary funds, • Precious metals (goods)**, • Shares, • Securities, • Pledge of rights, • Other property or property right not forbidden by RA legislation.
Loan/pledge (estimated liquid value of pledge) ratio	Maximum 50-100% according to the decision of the competent body of the Bank depending on the type of pledge (in case of loans secured by property pledge). According to the decision of the competent body of the Bank the loan can also be extended without the security of property pledge or with security of property pledge and other security (guarantee, financial flows, property right etc.) at the same time
Insurance of subject of pledge	According to the decision of the competent body of the Bank the latter may require insurance of the subject of pledge out of the loan balance or the estimated market/liquid value of the property
Fines, penalties	Overdue loan penalty in the amount of 0.1% a day
	Overdue interest penalty in the amount of 0.1% a day

	No penalty is defined for premature loan repayment in case of loan extended in the amount of up to 5 million AMD, a penalty in the amount of 3% of the prematurely repaid amount can be charged in the rest of the cases
Place of acceptance and registration of the loan application	Branches, Head office of the Bank
Conclusion of a chief loan agreement	At the request of the client, a chief loan agreement can be concluded with the latter for up to 240 months term
Positive factors for extension	<ol style="list-style-type: none"> 1) Good credit history 2) Sufficient financial state 3) Compliance of the subject of pledge with the Bank requirements 4) Good reputation 5) Other factors
Rejection factors	<ol style="list-style-type: none"> 1) Bad credit history 2) Insufficient financial state 3) Incompliance of the subject of pledge with the Bank requirements 4) Provision of false or unreliable information 5) Provision of such information which calls into question the repayment of the loan 6) Other factors
Maximum decision-making period	Up to 15 business days after submission of a full package of documents required by the Bank
Term for notifying the client on decision ***	1 business day
Validity period of decision ****	30 business days
Decision reaffirmation period ***	Maximum once within 10 business days after expiration of the decision validity period, on the terms applied as of the date of reaffirmation
Loan extension period	Maximum 3 business days after complete submission of all the required documents and registration of the right of pledge after the

decision on the loan has been made, unless the client wishes to receive the loan later with maintenance of the term mentioned in paragraph 30

* Less than the noted minimum amount may be provided to the customer, but not less than 1.000.000 AMD if the total balance of the customer / borrower's total liabilities in the Bank (including the loan provided) exceeds the minimum loan amount. Credit lines are included in the calculation of the balance of total liabilities with the maximum limit of the credit line (regardless of the amount used/ unused). In case the loans have been provided to the customers in different currencies, the Bank is guided by the AMD equivalent of the currency as of the date of submission of the loan application. The other terms of the loan are defined in accordance with these terms.

** According to the decision of the competent body of the Bank together with the GAF consent in exceptional cases the Bank can provide a loan in the amount over the maximum amount mentioned, but not more than 1 billion AMD, if the loan is intended for such investments that are estimated by the GAF as investments of significant impact on the RA economy (creation of significant number of workplaces, promotion of export, creation of infrastructures, innovative solutions, application of significant amount of renewable energy sources within the business, pilot programs developed by the GAF etc.)

** appraisal of gold items is conducted according to tariffs applied in the Bank

*** The Bank can notify the client about its decision on extension of the loan at the premises of the Bank, by a telephone call or through electronic mail.

**** The Bank is entitled to refuse to extend a loan in case of change of essential conditions for a positive decision on extension of loan (e.g. change of pledge value, overdue liabilities, arrest/detention of bank accounts, etc.)

Besides the commission fees mentioned in these conditions, the borrower is also going to bear the following expenses related to pledging (the expenses are presented in terms of pledging 1 unit of real estate):

- Property appraisal fee - depending on the type of property (apartment, residential house, public space etc.), the list of tariffs of companies cooperating with the Bank is available: List of appraisal companies - the link is inactive
- Consolidated statement - up to 11.500 AMD
- Inquiry of information - 1300 AMD
- Notary fees - 15.000 AMD
- Registration of right of pledge - 26,400 AMD

Irrespective of the rates mentioned by the bank in these conditions, fees for services rendered by third parties can be changed by third parties.

[List of property appraisal companies](#)

[List of insurance companies](#)

List of activities/transactions not subject to lending

1. Loans provided to non-private beneficiaries (who own not more than 50% of shares RA resident owners)

2. Consumer loans

3. Mortgage loans provided for acquisition and renovation of real estate property for residential purposes

4. Loans related to gambling activities

5. Loans related to the trade of foreign currency and securities

6. Loans related to the purchase of such cars, the use of which is not directly related to the economic activity of the Beneficiary (for example, executive cars)

7. Lombard loans or all loans provided only on the basis of pledge (loans based on non-financial analysis)

8. Loans provided for refinancing liabilities or part of liabilities towards banks or other financial organizations

9. Loans provided for the purpose of financing taxes, duties, as well as customs payments

10 Activities included in the IFC list of exceptions:

- Any good or activity the production or sale of which is prohibited by the laws of the country or international conventions and agreements, or which are subjects of international ban such as medicine, pesticides/herbicides, ozone depleting agents, PCBs, wildlife or CITES-regulated objects,
- Production or sale of ammunition,
- Production or sale of alcoholic beverages (except beer and wine),
- Production or sale of tobacco,
- Gambling houses, gaming or similar activities,
- Production or sale of radioactive metals. This does not apply to medical equipment, quality control equipment and other equipment in case of which the International Financial Corporation considers the radioactive source to be ordinary and/or safe enough,
- Production and sale of unconnected asbestos joints (not related to asbestos-bound cement, where the content of asbestos is less than 20%),
- Net fishing on the surface of the water where the length of the net is more than 2,5 meters.

GENERAL PROVISIONS

1. Before conclusion of the loan agreement, in case of loans provided to physical entities on agricultural purpose in the amount of up to 5 million AMD or equivalent in foreign currency, the Bank provides the client with the individual sheet of essential loan terms with individual terms and condition of the loan to be provided to the client.
2. The client has the right to unilaterally terminate the loan agreement without any justification within 7 (seven) business days following the signing of agreement (time to think) by returning the received loan amount in full and paying interest which is calculated in accordance with the actual annual interest rate defined by the agreement. In case of premature loan repayment. In case of early repayment, the payments generating the Bank's income, which are included in the total cost of the borrower's lending, are proportionally reduced. The client also has the right to fulfill (repay) the obligations under the loan agreement ahead of time, regardless of whether such a right is provided by the loan agreement or not.
3. The real estate mortgage agreement must be verified by notary order. The ownership right to property, the mortgage right and other property rights are subject to state registration.
4. Loan interest amounts are calculated based on the nominal interest rate. The loan interest amount is calculated on the actual loan balance.
5. Actual annual interest rate indicates how much the loan would cost the client in case of making all the interest amount and other fee payments at defined periods and amounts.
6. The order of calculation of actual annual interest rate is presented at the following link: Instruction on calculation of actual annual interest rate.
7. A poor credit history can prevent the client from receiving loans in the future.
8. The borrower may be deprived of his/her rights to the property if he/she fails to fulfill or properly fulfill his obligations under the loan agreement.
9. In case if the subject of pledge is insufficient to cover the obligations while repaying liabilities at the expense of the pledge in case if the borrower fails to fulfil his/her obligations, the liabilities may be repaid at the expense of the client's other properties.
10. Repayment of overdue liabilities is performed in the following order: expenses related to confiscation of funds, including judicial expenses (if applicable), interest amount fines, loan amount fines, interest, service fee and commission (if any) and loan amount. The lender has the right to change the sequence of payments mentioned in this paragraph at any time.
11. Disputes arising between the Bank and a borrower, who is considered a micro enterprise according to the RA legislation, can be resolved in a judicial order or through the Financial System Mediator (in accordance with the RA law "On Financial System Mediator"), located at 15 M. Khorenatsi St, "Elite Plaza" business center, 7th floor, Yerevan 0010, RA, email – info@fsm.am, telephone – (+37460) 70-11-11, fax – (+37410) 58 24 21. Moreover, in case if the amount of the property claim does not exceed 500,000 (five hundred thousand) AMD or equivalent in foreign currency, the decisions of the financial system cannot be challenged by the Bank.
12. For the purpose of proper study 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.

13. 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.

14. 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.

15. Conditions on provision of statements, their copies, references throughout the period of the loan agreement can be found at the following link: [Information bulletin on tariffs.](#)

16. 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.](#)

17. Remote servicing by the Bank is provided through the Bank-Client online system, the service conditions and tariffs on which are can be found at the following link: [“Information bulletin on tariffs”.](#)

ATTENTION! THE BANK IS CONTROLLED BY THE RA CENTRAL BANK