

**INFORMATION BULLETIN
ON «IDMERCH» BUSINESS LOAN/OVERDRAFT
FOR CORPORATE CLIENTS**

1.	Purpose	Business loan/overdraft offered to legal entities and individual entrepreneurs residing in the Republic of Armenia, both with and without collateral: - implementation of entrepreneurial activity, - funding of current activities, - transfer of loan liabilities from other banks to "ID Bank" CJSC.		
2.	Amount	Up to six times the minimum amount of the average monthly turnover generated over the last 6 (six) and 12 (twelve) months through the use of POS terminals ¹ provided by "ID Bank" CJSC (henceforth referred to as "the Bank") and/or other RA banks, and/or up to 10 (ten) times the minimum amount of the average monthly turnover generated through Idram LLC's QR/online ckeckout payment system over the last 6(six) and 12 (twelve) months, as well as in the amount of the difference between the loans issued by the Bank without pledge of property and without income verification. At the same time, the amount of the provided loan/overdraft must not exceed 100 (one hundred) percent of the minimum amount of the average monthly turnover for the last 6 (six) and 12 (twelve) months, as stated in the tax report.		
	Minimum amount ²	AMD 500,000 or equivalent in foreign currency		
	Maximum amount ²	AMD 50,000,000 or equivalent in foreign currency		
3.	Term (month)	12-60 months		
4.	Currency	AMD	USD	
5.	Type of interest rate ³	Floating interest rate		
6.	Annual interest rate on the loan ⁴ (According to the Appendix)	Nominal	IBRR +/5,2%-8,95%/	IBRR +/7,6%-10,35%/
		Effective	15,52%-19,91%	12,16%-15,26%
7.	Annual interest rate applicable to the used part of overdraft ^{3, 4} (According to the Appendix)	Nominal	IBRR +/6,2%-9,7%/	IBRR +/8,1%-11,35%/
		Effective	13,87%-16,98%	10,75%-13,67%
8.	Annual interest rate for the unused part of the overdraft	Not specified		
9.	Method of disbursement	Non-cash, via payment card/client's bank account opened with the Bank		
REQUIREMENTS				
10.	Status	RA resident legal entity and individual entrepreneur		
11.	Age restrictions imposed on the borrower/guarantor	The age of persons with the status of individual entrepreneurs should not be over 68 years old by the maturity date.		
12.	Minimum period of business activity (continuous)	6 months		

¹ A point-of-sale (POS) terminal is any type of terminal that can accept non-cash payments using payment cards.

² To calculate the foreign currency rate, the sale exchange rate defined by the Bank for the day of application approval is taken as a basis.

³ The IDBank reference rate ("IBRR"), and its calculation methodology are presented through the following link: For loans granted under these terms and conditions, the IBRR may be changed twice a year, in May and November. In this case, the change shall take effect 30 calendar days after publication. The minimum and maximum thresholds of the floating (nominal) interest rate on the loan in AMD are 10% and 20% respectively, and in USD - 7.5% and 16.5% respectively.

⁴ ATTENTION! THE LOAN INTEREST IS CALCULATED BASED ON THE NOMINAL INTEREST RATE, WHILE THE EFFECTIVE ANNUAL INTEREST RATE SHOWS HOW MUCH THE LOAN WILL COST IF INTEREST AND OTHER CHARGES ARE PAID WITHIN THE ESTABLISHED TERMS AND AMOUNTS.

13.	Requirements to the credit history of the borrower (including participants with 20% or more share in its authorized capital) /guarantor/pledger	<ul style="list-style-type: none"> No overdue/classified liabilities (loan, credit line, overdraft, issued guarantee, etc.) in force as of the date of loan application, No more than 30 days overdue in total repayments on previously obtained loans (credit line, overdraft, issued guarantee, etc.), within the previous 12 months as of the date of loan application, No more than 9 days overdue in the total amount of repayments on previously obtained loans (credit line, overdraft, issued guarantee, etc.) within the previous 3 months as of the date of loan application, Absence of credit history is acceptable.
14.	Loan application review fee	Not specified
15.	Loan/overdraft disbursement fee	Not specified
16.	Bank account opening and maintenance fee (if the client does not have an account with the Bank)	According to Tariffs of bank accounts, transfers and other services provided by "ID BANK" CJSC to RA resident and non-resident legal entities and private entrepreneurs
17.	Fee for withdrawal of credit funds from the account	According to Tariffs of bank accounts, transfers and other services provided by "ID BANK" CJSC to RA resident and non-resident legal entities and private entrepreneurs
18.	Payment card opening and maintenance fee	In accordance with the conditions established by Information Bulletins on payment cards.
19.	Overdraft and interest repayment ⁵	The card account must be credited monthly with 10% of the overdraft amount used as of the last day of the previous month, as well as the amount of interest payable by the 15th of the current month. Full repayment of the principal balance and the remaining part of the accrued interest is set at the end of the term.
20.	Grace period ⁶	Up to 45 days Interest on non-cash overdraft amounts used during the previous month (except for card-to-card transfers, intrabank and interbank transfers within the territory of Armenia and between own accounts) may not be charged, if the client repays the used part of the overdraft by the specified method within the period until the 15th day of the following month.
21.	Loan and interest repayment	Annuity: equal monthly payments of principal loan amount and interest
22.	Security	<ul style="list-style-type: none"> Pledge of future cash flows on existing bank accounts, Guarantee: <ul style="list-style-type: none"> ❖ In case of a beneficial owner ❖ In case of legal entities - founders/owners having 20% or more shares, Real estate, Vehicle, Fixed and current assets, Other property or property right acceptable to the Bank and not prohibited by the RA legislation
23.	Collateral valuation	The collateral valuation is implemented 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
24.	Collateral insurance	Insurance of the collateral may be required at the discretion of the competent authority granting the loan. The list of insurance companies cooperating with the Bank is available through the following link: List of Insurance Companies
25.	Penalty for early termination of the overdraft contract	Up to 5% of the amount established by the agreement
26.	Penalty for early repayment of the loan	Not specified
27.	Fine, penalty	Penalty for overdue loan/overdraft amount - 0.1% per day Penalty for overdue interest - 0.1% per day.
28.	Place of acceptance of application and processing of the loan	Branches and Head Office of the Bank
29.	Positive factors for provision of the loan	<ol style="list-style-type: none"> Positive credit history Stable cash flows Compliance of the collateral with the Bank's requirements Business environment Other factors <p>In the case of individuals with private entrepreneurial status, the calculation of unsecured loans includes the unsecured loans that an individual with private entrepreneurial status has in "ID Bank" CJSC. For legal entities, the calculation includes the unsecured loans existing in "ID Bank" CJSC under the name of the company.</p>
30.	Loan rejection factors	<ol style="list-style-type: none"> Bad credit history, Unstable financial situation, Non-compliance of the collateral with the Bank's requirements

⁵ Interest rate on overdraft is calculated based on the used part of the overdraft.

⁶ Grace period is available only for Visa Platinum Business cards.

- 4) Providing false or unreliable information,
- 5) Provision of information that casts doubt on the loan repayment
- 6) Unreliability of the client's source of income
- 7) Other factors

31. Conclusion of a master loan agreement	At the customer's request, a master loan agreement can be concluded with the latter for up to 240 months
32. Maximum decision-making term	Up to 5 working days after submission of the full set of documents required by the Bank, after which the client is notified of the decision within a maximum of 1 working day
33. Decision validity term ⁷	30 business days
34. Term for re-approval of the decision	Maximum once, within 10 working days after the expiration of the decision, under the loan terms and conditions in force on the date of re-approval
35. Loan disbursement term	Maximum 4 working days after submission of the required documents in full and registration of the right to pledge after the decision to provide the loan, if the client has not expressed a desire to receive the loan later.
36. Required documents	<ul style="list-style-type: none"> • Tax reports for at least 6(six) previous months, • Information on the credit history of the borrower, guarantor, pledger, • In case of taking as a basis the turnover through POS terminals provided by other banks, the statement of account to which the funds are received from the payments accepted through POS terminal for at least 6(six) previous months (version issued and certified by the given bank/version in working Excel format), • In case of taking as a basis the turnover through QR/online checkout payment system of "Idram" Ltd, statements for at least 6(six) previous months, • Other documents, if necessary
37. Other conditions	<p>1) If the turnover through POS terminals provided by other banks is used as a basis, the loan/overdraft will be approved and granted provided that the customer ensures the turnover through POS terminals of the Bank within 6 months of the loan/overdraft being granted, at least to the extent required by this Information Bulletin. The Bank will monitor the turnover every 6 (six) months after issuing the loan. If the monitoring results do not comply with the terms and conditions of this Information Bulletin and/or the Agreement concluded with the customer, the Bank has the right to demand early repayment of the loan, and in the case of overdraft, to reduce the limit or apply other liability measures stipulated in the Agreement between the parties.</p> <p>2) In case of taking as a basis the turnover through QR/online checkout payment system of "Idram" LLC, the loan/overdraft is approved and provided on condition that the client within 6 (six) months after providing the loan/overdraft ensures the turnover generated through QR/online checkout payment system of "Idram" LLC on the bank account opened with the Bank, at least within the limit established in accordance with this Information Bulletin. The Bank will monitor the turnover every 6 (six) months after issuing the loan. If the average monthly turnover for a given quarter does not comply with the terms and conditions of this Information Bulletin and/or the Agreement concluded with the client, the Bank will have the right to demand early repayment of the loan, and in case of overdraft - to reduce the limit or apply other liability measures provided by the Agreement between the parties.</p>

Appendix

Interest rate matrix for "IDMERCH" business loan/overdraft for corporate clients

		Ratio of the loan amount to the average monthly turnover in accordance with the tax report			
		50%	60%	70%	100%
Loan amount (AMD)	500,000-2,000,000	17.5%	17.75%	18%	18.25%
	2,000,001-6,000,000	16.5%	16.75%	17%	17.25%
	6,000,001 and over	14.5%	14.9%	15.2%	15.4%

⁷ The Bank has the right to refuse to provide a loan if the conditions considered necessary for a positive decision on granting a loan have changed (e.g. change in the value of collateral, overdue obligations, seizure of bank accounts, etc.).

		Ratio of the loan amount to the average monthly turnover in accordance with the tax report			
		50%	60%	70%	100%
Loan amount (in USD equivalent to AMD)	500,000- 2,000,000	13.5%	13.75%	14%	14.25%
	2,000,001- 6,000,000	12.5%	12.75%	13%	13.25%
	6,000,001 and over	11.5%	11.75%	12%	12.25%

		Ratio of the overdraft amount to the average monthly turnover in accordance with the tax report			
		50%	60%	70%	100%
Overdraft amount (in AMD)	500,000- 2,000,000	18.5%	18.75%	18.8%	19%
	2,000,001- 6,000,000	17.5%	17.75%	17.8%	18%
	6,000,001 and over	15.5%	15.75%	16%	16.25%

		Ratio of the overdraft amount to the average monthly turnover in accordance with the tax report			
		50%	60%	70%	100%
Overdraft amount (in USD equivalent to AMD)	500,000- 2,000,000	14.5%	14.75%	15.00%	15.25%
	2,000,001- 6,000,000	13.5%	13.75%	14.00%	14.25%
	6,000,001 and over	12%	12.25%	12.50%	12.75%

General conditions

- The Bank has the right to conclude an agreement with the customer on tariffs and terms and conditions that differ from the tariffs and terms and conditions set forth herein.
- ATTENTION:** THE NOMINAL INTEREST RATE ON THE LOAN MAY BE CHANGED BY THE BANK. If the client does not agree with the change of the interest rate, he/she has the right to terminate the agreement unilaterally ahead of schedule by fully repaying the principal amount of the granted loan, the accrued interest and other payments. Regardless of the amount of the tariff set by the Bank, the interest rate on the loan cannot exceed twice the bank reference rate set by the Central Bank of the Republic of Armenia.
- The procedure for calculating the effective annual interest rate is presented at the following link: [Guidelines for Calculation of effective annual interest rate](#)
- Foreign currency loans**
ATTENTION: Changes in the currency exchange rate may affect loan repayments. To calculate the effective annual interest rate, it should be considered that repayment of loans in foreign currency is made from the account in the currency of the given loan, and in the absence of necessary funds on it - also from other accounts in any currency. At the same time, currency conversion is carried out at the relevant exchange rate currently in effect at the Bank, so the effective annual interest rate may change depending on changes in the exchange rate of the given currency.
- WARNING:** IN CASE OF FAILURE TO REPAY THE INTEREST AND THE LOAN AMOUNT ON TIME, THE PLEDGED PROPERTY AND/OR FUNDS MAY BE CONFISCATED IN ACCORDANCE WITH THE PROCEDURE ESTABLISHED BY LAW, AND THE BANK SENDS INFORMATION ABOUT THE CLIENT TO THE CREDIT BUREAU, WHERE THE CLIENT'S CREDIT HISTORY IS FORMED, WITHIN A MAXIMUM OF THREE WORKING DAYS. THE CLIENT HAS THE RIGHT TO RECEIVE HIS/HER CREDIT HISTORY FROM THE CREDIT BUREAU ONCE A YEAR FREE OF CHARGE.

6. **WARNING:** A BAD CREDIT HISTORY MAY PREVENT THE CLIENT FROM GETTING A LOAN IN THE FUTURE. IN THE CASE OF REPAYMENT OF OBLIGATIONS AT THE EXPENSE OF COLLATERAL, IN THE EVENT OF CLIENT DEFAULT OF OBLIGATIONS, IT IS POSSIBLE TO REPAY OBLIGATIONS AT THE EXPENSE OF THE CLIENT'S OTHER PROPERTY, IF THE PLEDGED PROPERTY IS INSUFFICIENT.
7. **ATTENTION:** In case of fulfillment of overdue obligations, repayments shall be made in the following order:
 - Penalty/fines
 - Interest
 - Principal amount
8. Disputes arising between the Bank and the borrower classified as micro-entrepreneur under RA legislation 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.

9. 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.

10. The Bank may collect additional information to verify if a customer is a US taxpayer in accordance with the terms of the agreement with the USA based on the Foreign Account Tax Compliance Act (FATCA).

11. 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.
9. The conditions of providing statements, their copies, references during the validity of the loan agreement are available on the official website of the Bank (www.dbank.am) at the following [link](#).
10. **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](#)**
11. Remote banking services are provided by the Bank via IDBusiness Mobile application and online Bank-Client system (IDBusiness Online - online.idbank.am/). The procedure and terms of service provision are presented in the [Public Terms and Conditions of Remote Banking Services](#). The systems are modern and convenient tools allowing to view account transactions, submit payment orders, receive information, exchange currencies, make payments, etc.

ATTENTION! THE BANK IS CONTROLLED BY THE CENTRAL BANK OF THE REPUBLIC OF ARMENIA