

ABB – AUTO

Terms and fee schedule applicable for loans provided to individuals for the acquisition of transport facilities
 (on the account of Bank resources)

		Loans for the acquisition of USED and NEW transport facility (TF) from motor shows within and beyond the framework of cooperation agreement		
		Group 1	Group 2	Group 3
		German and Japanese TF	French, Czech and South Korean TF	TF manufactured in other countries
1.	Conditions of the loan			
1.1	Currency	Armenian dram (AMD)		
1.2	Nominal annual interest rate *	15%	16%	18%
1.3	Prepayment for acquisition of TF	- For vehicles with date of issue up to 2 years - at least 20% of the cost of the car; - For vehicles with date of issue of 3-10 years - at least 30% of the cost of the car;	- For vehicles with date of issue up to 2 years - at least 30% of the cost of the car; - For vehicles with date of issue of 3-7 years - at least 40% of the cost of the car;	at least 50% of the cost of the car;
1.4	Maximum loan/security ratio	70-80%	60-70%	50%
1.5	Period	24-60 months	24-60 months	36 months
1.6	Manner of repayment	At customer's option: <ul style="list-style-type: none"> • Annuity payments, • Uniform monthly repayment of principal and monthly payment of accrued interests 		
1.7	Minimum loan amount	AMD 1,000 000		
1.8	Maximum loan amount	AMD 12,000,000		
1.9	Manner of lending	One-time cashless provision of loan		
1.10	Early repayment of loan	Permissible, no fines or penalties are applied		
2.	Manner of lending			
2.1	One-time fee for application review	AMD 3,000		
2.2	One-time fee for loan maintenance	1% of loan contract amount		
2.3	Monthly loan servicing fee	0,1% of loan contract amount		
2.4	Opening/maintenance of bank accounts (one-time)	As per Bank tariffs		
3.	Security			
3.1	Subject of pledge	Acquired transport facility		
3.2	TF release date	10 years	7 years	4 years
3.3	Requirements to subject of pledge	<ul style="list-style-type: none"> • Passenger vehicles with up to 8 passenger seats are accepted • Vehicles used as taxis, fixed-run minibuses are not accepted 		

4. Assessment and insurance of the collateral		
4.1	Assessment of collateral value	<ul style="list-style-type: none"> Assessment of the collateral should be carried out by an independent evaluating company cooperating with the Bank Assessment of the collateral is not required in case of purchasing a new vehicle within the framework of a cooperation agreement
4.2	Insurance	<p>Insurance must be carried out on a yearly basis by companies, which cooperate with the Bank. The insurance amount is calculated on the balance of the loan amount:</p> <ul style="list-style-type: none"> Insurance of transport facility - mandatory Accident insurance – mandatory
		<p>* The Borrower must ensure the continuity of insurance for the duration of loan agreement. In case of default by the Borrower of this requirement, an additional 2% shall be added on the annual nominal interest rate of the loan.</p>
5. Requirements to Borrower / Co-borrower		
5.1	Borrower	A resident natural person aged 21-63 who is registered in RA or NKR
5.2	Co-borrower	A resident natural person aged 21-63 registered in the Republic of Armenia or Nagorno-Karabakh Republic, whose obligation arises upon Borrower's failure to fulfill his/her obligations or partial fulfillment of his/her obligations. Maximum 2 co-borrowers are acceptable.
5.3	Revenues of the Borrower/Co-borrower	<ul style="list-style-type: none"> Primary income (mandatory) ** – 100% Secondary income (not mandatory) *** - maximum 60%, and may not exceed the twofold amount of primary income
5.4	Credit history requirements for Borrower/Co-borrower	<ul style="list-style-type: none"> By the time of loan approval there should not be any overdue or classified current credit commitments Total number of days outstanding on all loans (repaid and current) during the past 12 months must not exceed 30 calendar days
6. Additional terms		
6.1	Basis for rejecting an application	<ul style="list-style-type: none"> Customer and co-borrower have failed to provide requested documents The inquiry to "ACRA" credit bureau has reported on a negative credit history of Customer (as well as the co-borrower if applicable) According to credit rating, the customer is not creditworthy Information about customer/co-borrower, which came into possession in the course of lending arouses prejudice with regard to the information provided by the Client or the repayment of loan
6.2	<i>Failure by Borrower to fulfill their liabilities</i>	<ul style="list-style-type: none"> <i>For failure to pay interests when due, the Bank shall charge a penalty for each day of default equal to 0,13% of past-due amount;</i> <i>For failure to repay the loan when due as prescribed by contract terms, the calculation of interests under the contract shall be suspended and effective from that day until the actual repayment of the arrears interests shall be accrued on the overdue amount equal to the twofold of the settlement rate of the bank interest set by the Central Bank of RA</i>
		<p>In case of non-fulfillment or improper fulfillment of credit commitments, information on indebtedness shall be filed to credit register and "ACRA" credit bureau.</p> <p><i>NOTE: BAD CREDIT HISTORY MAY SERVE AS AN IMPEDIMENT TO THE BORROWER IN THE FUTURE FOR ACCESS TO OTHER CREDITS</i></p>
		<p>The Bank may impose a forfeiture on the collateral or sell it out without applying to court</p>
		<p>Where a claim for pledged transport facility is not satisfied in full on the account of amount received from the sale - the difference should be charged from other assets of the borrower</p>

6.3	Manner of calculating interest amounts	The interest rate is charged on the reducing balance of loan
6.4	<i>Other expenses of Customer</i>	<ul style="list-style-type: none"> ✓ <i>Costs associated with the evaluation of collateral (as per tariffs of evaluating companies, which cooperate with the Bank; are not required in the case of loans issued for the purchase of a new transport facility within the framework of a cooperation agreement)</i> ✓ <i>Notary's costs; are not required in the case of loans issued for the purchase of a new transport facility within the framework of a cooperation agreement)</i> ✓ <i>Costs associated with car registration and execution</i> ✓ <i>Costs associated with the lien registration</i> ✓ <i>Annual insurance premium (according to the tariffs of insurance companies, cooperating with the Bank)</i>
6.5	Term of application review	5-7 business days
6.6	Place of loan processing	Head Office and all branches of the Bank
6.7	Other terms	Other conditions and tariffs for lending may be established under cooperation agreement signed with the organization
6.8	<p>* As primary income is accepted:</p> <ul style="list-style-type: none"> - Income justified by a statement of employment; moreover, the Borrower should be an employee of the organization for at least 3 months, - Pensions confirmed by a statement of competent authority, <p>** As secondary income is accepted:</p> <ul style="list-style-type: none"> - Income from rent under lease agreement approved by public notary and registered by State Committee of Real Estate Cadastre, and in addition the lease agreement must be concluded no later than three months before the date loan application has been submitted (except in cases of the renewal of lease agreement) and must be concluded for at least 1 year; - Interests receivable under deposit agreement with the Bank, which must be concluded no later than three months before submission of loan application and must be concluded for at least 1 year; - Regular money transfers received over the last 12 months; - Income from paid services, dividends and other revenues, which can be justified by documents. 	
6.9	Documents requested for loan execution	
<i>Provisional documents</i>		
	Documents requested from customer	Documents requested from co-borrower
Identity document /passport or ID card/	✓	✓
Social card or social service registration mark, if not any, a statement from the relevant authority (not required upon providing an ID card)	✓	✓
Statement of employment and income printed on the official letterhead of the employer, which shall specify current position, primary length of service in the organization, and net monthly salary	✓	✓
Reference on dwelling place issued by competent authority (local self-governing body, Housing communal office, Condominiums, authorized representative, etc.)	✓	-
Copies of documents confirming marital status /marriage certificate, marriage contract, divorce certificate, etc./	✓	-
Copies of ID documents of persons residing with and/or under tutelage of Customer (for adults - also their consent to the inquiry to ACRA)	✓	-
Proof of secondary income (upon request)	✓	✓
Statement for the acquisition of TF (is required in case of acquiring a transport facility from automobile sales center)	✓	-
Documents for TF clearance, invoice (in case of acquiring a transport facility from automobile sales center)	✓	-

Ownership certificate for the transport facility	✓	-
Certificates of temporary and permanent registration of transport facility	✓	-
Copies of passport, social card and marriage certificate of the vehicle seller	✓	-
TF assessment certificate (except loans issued for the purchase of new transport facility from automobile sales center)	✓	-
<i>Documents requested after a decision to granting a loan has been made</i>		
Contract on TF purchase and sale (in case of loans issued for the purchase of new TFs from automobile sales center)	✓	-
Statement issued by competent authority on TF restrictions (except for purchasing new TFs from automobile sales center)	✓	-
Voucher of prepayment /agreement on advance payment approved by the notary/	✓	-
Certificate of registration of the lien	✓	-
Insurance contracts	✓	-
Document confirming the Acceptance of TF (in case of purchase of new TFs under Cooperation agreement)	✓	-
Other documents upon request	✓	✓

Attention

The interest amounts on loan are calculated based on the nominal interest rate. The effective annual percentage rate on loans measures the real cost of credit after the interests are paid and other payments are made within the specified time and amounts.

Formula for Effective Annual Percentage Rate Calculation

The effective annual percentage rate is calculated based on the following formula:

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

where:

i – effective annual percentage rate (APR),

A - initial amount of loan to be disbursed,

n - number of the regular repayment on loan,

N - number of the last repayment on loan,

Kn- amount of the n-th regular repayment on loan,

Dn- time from the date of loan disbursement to the date of the n-th regular repayment on loan measured in terms of days

i - effective annual interest rate can be calculated providing that the rest of equation data are known from loan agreement or otherwise.

To calculate the actual annual percentage rate you can use Effective Annual Interest Rate Calculator, with reference <http://www.armbusinessbank.am/am/page/Crediting>.

Example of calculating the effective annual interest rate

Loans issued for the purchase of New transport facility at automobile sales centers:

1. In case of loans issued for the purchase of New transport facility of Japanese production at automobile sales centers within and beyond the framework of cooperation agreements:
 - Loan amount – AMD 10 000 000
 - Loan period - 60 months
 - Interest rate - 15%
 - One-time fee for application review – AMD 3,000

- One-time fee for loan maintenance – 1% of loan contract amount
- Monthly fee for loan maintenance – 0,1% of loan contract amount
- Insurance – 2,5%
- Accident insurance - 0,15%
- Fee for lien registration - AMD 8,000
- Fee for opening of a bank account – AMD 1,500
- Manner of repayment of loan and interests – uniform monthly repayment of loan and monthly payment of accrued interest

The effective annual interest rate is 17,38 %.

2. In case of loans issued for the purchase of NEW transport facility of Japanese production at automobile sales centers beyond the framework of cooperation agreement:

- Loan amount – AMD 10 000 000
- Loan period - 60 months
- Interest rate - 15%
- One-time fee for application review – AMD 3,000
- One-time fee for loan maintenance – 1% of loan contract amount
- Monthly fee for loan maintenance – 0,1% of loan contract amount
- Insurance – 2,5%
- Accident insurance - 0,15%
- Fee for lien registration - AMD 8,000
- Fee for opening of a bank account – AMD 1,500
- Notary's costs – AMD 15,000
- Evaluation of the collateral – AMD 10,000
- Manner of repayment of loan and interests – uniform monthly repayment of loan and monthly payment of accrued interest

The effective annual interest rate is 17,40%.

Based on the amount, term of the loan, frequency of repayments and changes in the prices of other miscellaneous services - the effective annual interest rate may vary from the above example.

Upon favorable decision regarding the application for a consumer loan, "ARMBUSINESSBANK" CJSC shall provide prior to credit arrangement an INDIVIDUAL SHEET subject to the Central Bank of Armenia Regulation 8/05 "On the Procedure, Terms, Forms and Minimum Requirements for Communication Between Bank and Depositors, Creditor and Consumer".

"Financial Assistant" system at www.fininfo.am website offering "Finance for Everyone"

Other information, Bank details

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Certificate of registration N 0176, issued 10.12.1991, bank license N 40, issued 10.12.1991

List of services, which the Bank may render, is stipulated in accordance with Chapter 4 of RA Law "On Banks and Banking Activity".