

Retail Lending Terms and Conditions
Edition 42
Effective date: February 24, 2021
2.3. Loan for construction of commercial real estate

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| Purpose | Purpose | (i) Construction of commercial property for commercial, lease or investment purposes, or (ii) transfer of a loan for construction of property for commercial, lease or investment purposes from another bank/credit organization to Ameriabank CJSC | | | | | |
| | Eligible age of client/co-borrower/guarantor | 18-65 years old, provided that the borrower's age at the time of expiry of loan agreement will not have exceeded 65, otherwise a co-borrower or guarantor is required. The eligible age of co-borrower or guarantor is 18-65 provided that at the time of expiry of agreement it will not have exceeded 65. If involvement of a co-borrower or guarantor is a required condition under loan terms (except where co-borrowers or guarantors possess at least 70% of income included in OTI calculation), the eligible age is 18-65 provided that at the time of expiry of agreement it will not have exceeded 65. | | | | | |
| Client's personal details | Residency | Citizens and non-citizens of Armenia who are resident in Armenia | | | | | |
| | Currency | AMD | USD | EUR | | | |
| Loan conditions | Minimum and maximum loan limit | AMD 3,000,000 - AMD 150,000,000 | USD 5,000 - USD 300,000 | EUR 5,000 - EUR 300,000 | | | |
| | Term (months) | Loans are disbursed by installments. Each disbursement is subject to proper use of previous disbursement for its intended purpose by the borrower, except where the amount of loan is AMD 7 million or less or the loan has been transferred from another bank, in which cases the sum is disbursed lump-sum. | | | | | |
| | Standard annual interest rate ¹ | 36-60 | | | | | |
| | Annual percentage rate | Adjustable (rate can be changed starting from the 13th month) | Fixed | Adjustable (rate can be changed starting from the 13th month) | Fixed | Adjustable (rate can be changed starting from the 13th month) | Fixed |
| | | Fixed component 4.5% + variable component (base rate) | 13.0% | Fixed component 7.5% + variable component (base rate) | 10.0% | Fixed component 6.5% + variable component (base rate) | 8% |
| | Annual percentage rate | Adjustable (rate can be changed starting from the 13th month) | Fixed | Adjustable (rate can be changed starting from the 13th month) | Fixed | Adjustable (rate can be changed starting from the 13th month) | Fixed |
| | | <u>13.53%-16.04%</u> | <u>11.31%-14.25%</u> | <u>10.22%-13.9%</u> | <u>9.13%-12.74%</u> | <u>8.54%-11.59%</u> | <u>7.47%-10.46%</u> |
| | Term (months) | 61-120 | | | | | |
| | Standard annual interest rate ¹ | Adjustable (rate can be changed starting from the 37th month) | Fixed | Adjustable (rate can be changed starting from the 37th month) | Fixed | Adjustable (rate can be changed starting from the 37th month) | Fixed |
| | | Fixed component 4.75% + variable component (base rate) | | Fixed component 7.75% + variable component (base rate) | 10.25% | Fixed component 6.75% + variable component (base rate) | 8.25% |
| Annual percentage rate | Adjustable (rate can be changed starting from the 37th month) | Fixed | Adjustable (rate can be changed starting from the 37th month) | Fixed | Adjustable (rate can be changed starting from the 37th month) | Fixed | |
| | <u>11.46%-13.09%</u> | | <u>10.36%-12.39%</u> | <u>9.27%-11.24%</u> | <u>8.7%-10.36%</u> | <u>7.63%-9.23%</u> | |
| Term (months) | 121-240 | | | | | | |
| Standard annual interest rate ¹ | Adjustable (rate can be changed starting from the 37th month) | Adjustable (rate can be changed starting from the 37th month) | Adjustable (rate can be changed starting from the 37th month) | Adjustable (rate can be changed starting from the 37th month) | | | |
| | Fixed component 5.0% + variable component (base rate) | Fixed component 8.0% + variable component (base rate) | Fixed component 7.0% + variable component (base rate) | Fixed component 7.0% + variable component (base rate) | | | |
| Annual percentage rate | Adjustable (rate can be changed starting from the 37th month) | Adjustable (rate can be changed starting from the 37th month) | Adjustable (rate can be changed starting from the 37th month) | Adjustable (rate can be changed starting from the 37th month) | | | |
| | <u>11.67%-12.7%</u> | <u>9.47%-10.66%</u> | <u>7.84%-8.78%</u> | | | | |
| Other terms related to the interest rate | If repayment schedule is differentiated or mixed, the applicable interest rate is increased by 0.5%. | | | | | | |
| | If loan-to-value ratio differs from the approved standard, the applicable interest rate is increased by 0.5%. | | | | | | |
| | Depending on credit history, the applicable interest rate can be increased by 0.5%. | | | | | | |
| | If the client prefers a lending scheme without early repayment fee, the applicable interest rate is increased by +2% (not applicable to loans secured by cash or bonds). | | | | | | |
| | Where insurance is obtained by client, the interest rate is decreased by 0.05%. | | | | | | |

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| | Loan disbursement lump-sum fee | 0.5% of the loan principal or AMD 50,000, whichever is greater |
| Forms of loan repayment | Repayment | Annuity (equal monthly installments consisting of a portion of loan and a portion of interest) |
| | | Differentiated (monthly repayment of equal portions of principal amount while interest accrues to outstanding loan and decreases each month) |
| | | Mixed (client may choose an individual repayment schedule based on seasonality of cash flows, provided that at least 5% of contractual loan amount is repaid each year; interest payable on monthly basis) |
| Security | Eligible security | 1. The loan is secured by the property being built. The Bank may consider as additional security pledge of other real estate to the reasonable satisfaction of the Bank, as well as cash in Ameriabank or bonds issued by Ameriabank. 2. If the borrower wishes to finish property under construction without registered certificate of title, the loan will be secured by other Armenia-based real estate to the reasonable satisfaction of the Bank. |
| | Loan-to-value (LTV) ratio | Maximum loan amount is 100% ¹ of the lower of the two: appraised liquidation value or purchase price of pledged property; or 100% of pledged cash in Ameriabank or bonds issued by Ameriabank. |
| | Location of real estate to be pledged | Capital cities and regional centers of Armenia and Artsakh, as well as the towns of Abovyan, Ejmiatsin, Jrvezh, Arinj, Dzoraghbyur, Tsaghkadzor, Dilijan, Qajaran and Jermuk |
| | Appraisal of the pledged property | Pledged property to be appraised by an appraising partner of the bank. |
| | Additional security | The Bank may request guarantee of individuals and/or companies as additional security. |
| Insurance of pledged property | Insurance of pledged property | Insurance for pledged real estate to be obtained on an annual basis throughout the loan term: - If by the Bank: to the extent of outstanding loan - If by the client: at least to the extent of outstanding loan |
| | Term of fulfillment of conditions of loan | 12 months after disbursement of the last loan installment, unless otherwise determined by the relevant authority of the Bank |
| Required documents | Required documents | Required documents filed together with loan application |
| | | • Loan application |
| | | • ID [original] |
| | | • Certificate of ownership of property to be purchased/pledged [copy] |
| | | Documents required after initial approval |
| | | • Proof of employment and/or other income |
| | | • Marriage (divorce, spouse death), birth certificate [original] |
| | | • Certificate of title to real estate to be pledged [original] |
| | | • Geodetic measurement report of land plot to be pledged** |
| | | • Initial real estate appraisal report |
| | | • Construction costs estimate |
| | | Documents required after loan approval |
| | | • Copies of bases of title to real estate (to be submitted upon request) |
| | | • IDs of owners of property to be purchased/pledged [originals] |
| | | • Copies of marriage (divorce, spouse death) certificates of owners of property to be pledged |
| | | • Statement from the State Committee of Real Estate Cadaster on encumbrance of real estate (unified statement) |
| • Real estate appraisal report (final) | | |
| • Other documents as the bank's specialist may request | | |
| Other terms | Early repayment fee | 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 |
| | 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 beyond terms |
| Other terms | Other fees payable by client | • Fee for unified statement from the State Committee of Real Estate Cadaster of the Government of the Republic of Armenia • Fees for notarization of pledge (real estate) and filing of the bank's security interest under pledge agreement |

1. Depending on the creditworthiness of the borrower, term of loan and LTV ratio, a higher or lower interest rate can be applied.