

Retail Lending Terms and Conditions
2.2 Loan for renovation of commercial property

Purpose	Purpose	(i) Renovation of commercial property for business purposes, leasing or as an investment, or (ii) transfer of a loan for renovation of commercial property for business purposes, leasing or as an investment from another bank/credit organization to Ameriabank CJSC					
	Eligible age	18-63 years old, provided that the borrower's age at loan maturity will not have exceeded 63, otherwise a coborrower or guarantor is required. The eligible age of coborrower or guarantor is 18-63 provided that at the expiry of the agreement it will not have exceeded 63. If presence of a coborrower or guarantor is a required condition pursuant to the loan terms (except where the coborrowers or guarantors possess at least 70% of the income included in the OTI ratio calculation), the eligible age is 18-63 provided that at the expiry of the agreement it will not have exceeded 63.					
Client's personal details	Residency	Citizens of Armenia and other countries who are resident in Armenia					
	Currency	AMD	USD	EUR			
Minimum and maximum credit limit		AMD 1,000,000 - AMD 100,000,000	USD 3,000 - USD 300,000	EUR 3,000 - EUR 300,000			
		The loan is disbursed in parts. Each subsequent disbursement is made if the borrower has used the previous disbursement for its intended purpose. This condition is not applicable if the amount of the loan is up to 7 million AMD or if the loan is transferred from another bank.					
Term (months)		6-60					
Annual interest rate*		Floating (applicable starting from the 13th month)	Fixed	Floating (applicable starting from the 13th month)	Fixed	Floating (applicable starting from the 13th month)	Fixed
		Fixed component 3.5% + variable component (base rate)	13.0%	Fixed component 8% + variable component (base rate)	9.5%	Fixed component 6.5% + variable component (base rate)	8.0%
Term (months)		60-120					
Annual interest rate*		Floating (applicable starting from the 37th month)	Floating (applicable starting from the 37th month)	Fixed	Floating (applicable starting from the 37th month)	Fixed	
		Fixed component 3.75% + variable component (base rate)	Fixed component 8.25% + variable component (base rate)	9.75%	Fixed component 6.75% + variable component (base rate)	8.25%	
Term (months)		120-240					
Annual interest rate*		Floating (applicable starting from the 37th month)	Floating (applicable starting from the 37th month)	Floating (applicable starting from the 37th month)			
		Fixed component 4% + variable component (base rate)	Fixed component 8.5% + variable component (base rate)	Fixed component 7% + variable component (base rate)			

Other terms relating to the interest rate	The specified interest rate is applicable if (i) at least the amount for repayment of the loan is to be received through Ameriabank accounts, or (ii) the borrower has been Ameriabank account holder for at least 3 months, or (iii) the loan is used for transfer of loan facilities from another bank/credit institution if the payments under such liabilities during the most recent 3 months have been made in a proper and timely manner. If none of the specified conditions is in place, the applicable interest rate is +0.5%.	
	If the LTV ratio deviates from the standard terms and additional security is required, the applicable interest rate is +1%.	
	If the loan repayment form is differentiated or mixed, the applicable interest rate is +0.5%.	
	If the LTV ratio is above 70% for the property located in Yerevan and above 60% for the property outside Yerevan, the applicable interest rate is +0.5%.	
	Where at the client's request insurance is obtained by the Bank, the interest rate shall be increased by 0.2%.	
	If the borrower prefers lending scheme without early repayment penalty, the applicable interest rate is +1%.	
	<i>In case of other deviations, as well as depending on the Client's credit history and assessment of the credit risks, the applicable interest rate may be higher, at least by 0.5%.</i> If the client's ACRA score is 550 or below, the applicable interest rate shall be +0.5% to the current rate. If ACRA score is 750 or above, the applicable rate shall be -0.5% from the current rate.	
Loan disbursement upfront fee	0.5% of the loan principal or AMD 50,000, whichever the greater	
Cashing the loan by the borrower	Free	
Forms of loan repayment	Annuity (equal loan installments consisting of a portion of loan and a portion of interest; payable on monthly basis)	
	Differentiated (repayment of equal portions of principal with decreasing interest accrued to the outstanding balance; payable on monthly basis)	
	Mixed (the client may choose an individual repayment schedule based on the seasonality of cash flows, provided that the amount of principal repaid each year makes at least 5% of contractual amount). Interest is payable on monthly basis.	
Security	Eligible security	1. The loan is secured by the property being renovated. The Bank may consider pledge of other real estate as additional security to the reasonable satisfaction of the Bank. 2. If the borrower wishes to renovate half-finished property without registered certificate of title, the loan is secured by another Armenia-based real estate to the reasonable satisfaction of the Bank.
	LTV (loan to value) ratio	The maximum loan principal is (i) 80% of the liquidation value of the real estate pledged, if in Yerevan, or (ii) 70% of the liquidation value of the real estate pledged, if it is outside Yerevan.
	Location of the real estate to be pledged	Capital cities and regional centers in Armenia and Nagorno Karabakh, as well as Abovyan, Etchmiadzin, Jrvezh, Arinj, Dzoraghbyur, Tsaghkadzor, Dilijan and Qajaran
	Pledge appraisal	The pledged property shall be appraised by a company cooperating with the Bank.
	Additional security	The Bank may request warranty by individuals and/or companies as additional security.
Insurance of pledged property	Insurance of pledged property	The insurance of real estate is maintained annually throughout the loan term: 1. By the client at least to the extent of the outstanding principal 2. By the Bank to the extent of the outstanding principal.
Modification of the loan terms		AMD 15,000
	Change of pledged property (for real estate; including change of the owner of the pledged property)	

Loan service fees****	Change of pledged property (for vehicles; including change of the owner of the pledged property)	AMD 5,000
	Provision of pledge-related consents, permissions and references	AMD 5,000 (VAT included)
	Change of the loan repayment date	AMD 5,000
Required documents	Required documents	Required documents filed together with loan application
		• <i>Loan application</i>
		• <i>ID [original]</i>
		• <i>Certificate of ownership of the real estate to be bought/pledged [copy]</i>
		Documents required after initial approval
		• <i>Proof of employment and/or other income</i>
		• <i>Marriage (divorce, spouse death), birth certificate [original]</i>
		• <i>Certificate of title to the real estate to be pledged [original]</i>
		• <i>Geodetic measurement of the land plot</i>
		• <i>Initial real estate appraisal report</i>
		• <i>Renovation costs estimate</i>
		Documents required after loan approval
		• <i>Bases of title to real estate [copies], as the Bank may require</i>
		• <i>ID of the owners of the property to be purchased/pledged [original]</i>
		• <i>Copy of the marriage (divorce, spouse death) certificate of the owners of the property to be pledged</i>
		• <i>Statement from the State Committee of the Real Estate Cadastre on encumbrance of the real estate (unified statement)</i>
		• <i>Real estate appraisal report (final)</i>
		• <i>Real estate insurance agreement</i>
• <i>Other documents as the Bank's specialist may request</i>		
Fines and penalties	Early repayment penalty	3% of the prepaid amount applicable during first 3 years of the loan term If the early repayment penalty is not applied, the loan interest rate is +1%.
	Late payment fee (principal and interest)	The interest rate stipulated in the agreement shall continue to be applied to overdue loans. Fine equal to 0.15% of the overdue loan for each day of delay; should the delay extend for 5 business days or longer – also a penalty equal to 2% of the overdue loan. Fine equal to 0.3% of the overdue interest for each day of delay; should the delay extend for 5 business days or longer – also a penalty equal to 5% of the overdue interest.
Other fees	Other fees payable by the client	<ul style="list-style-type: none"> • <i>Fee for the joint statement from the State Committee of the Real Estate Cadaster adjunct to the RA Government</i> • <i>Fee for notarization and state registration of the bank's security under the real estate pledge agreement</i>

* Floating rates are applicable only if the loan term is more than 5 years. Fixed rates are applied if the loan term is 60 months or less for AMD-denominated loans, and 120 months or less for USD and EUR-denominated loans.

****The fee is charged if the modification is requested by the client. If several fees should be charged for one and the same modification, the higher of the applicable fees will be charged only once. Such fees are not applicable in case of loans secured by pledge of cash, bonds and metal accounts. If the modification implies adding new pledge or a new guarantor, the fee is not charged.