

Information Bulletin for Loans, Credit Lines, and Overdrafts Provided to Legal Entities and Individual Entrepreneurs under AMIO-BUSINESS of AMIO Bank

1	General conditions	Loan	Credit line	Overdraft
1.1	Type of Loan	Loans, credit lines and overdrafts provided to resident legal entities and individual entrepreneurs		
1.2	Purpose of Loan / Credit Line / Overdraft	Implementation and development of entrepreneurial activities		
1.3	Currency	AMD, US dollar, Euro		
1.4	Minimum Limit	5,000,001 AMD or equivalent foreign currency		
1.5	Maximum Limit	1 Maximum limit allowed by the standard for the risk of a borrower		
1.6	Annual Nominal Interest Rate	AMD: 12.5%-17.5%, US dollar: 8.0%-13.0%, Euro: 6.0%-11.0%		
1.7	Interest Rate Charged on the Unused Portion	-	0-2%	-
1.8	Procedure for Calculating the Annual Nominal Interest Rate and the Limit of the Loan / Credit Line / Overdraft	The annual nominal interest rate and the recommended loan/credit line/overdraft limit are set taking into account the results of the Borrower's creditworthiness assessment, the Bank's comprehensive service indicators, and the income received/to be received from the Borrower.		
1.9	Terms and Procedure for Changing the Interest Rate	ATTENTION: The annual nominal interest rate may be changed due to changes in the bank interest calculation rate set by the Central Bank of the Republic of Armenia or the average exchange rate of the Armenian dram against foreign currency published by the Central Bank in the currency markets or in the case of non-target use of the Loan/credit line/overdraft, as well as in other cases at the discretion of the Bank, upon 5 days' prior written notice to the Borrower.		
1.10	Loan Application Review Fee	10,000 AMD		
1.11	Loan / Credit Line / Overdraft Service Fee	0.5% of the amount of the loan/credit line/overdraft provided		
1.12	Penalties and Negative Consequences for Non-	In case of non-fulfillment of the borrower's obligations, the Bank is entitled to:		

	Performance of Borrower's Obligations	- Continue charging the interest specified in the Agreement on the overdue loan/credit line/overdraft. - Apply a penalty of 0.13% for each day of delay on the overdue principal and overdue interest amount. - In case overdue obligations are repaid, payments are applied in the following order: 1) Penalties/Fines 2) Interest amounts 3) Principal Attention: In case of non-fulfillment or improper fulfillment of obligations by the borrower, the Bank shall submit the relevant information to the Credit Bureau within 1 business day, where the borrower's credit history is formed. The borrower has the right to obtain their credit history free of charge once a year from the Credit Bureau. Attention: A poor credit history may hinder the borrower's ability to obtain loans in the future.		
1.13	Early Repayment Fee	In case of early repayment of the principal amount of the loan/non-revolving credit line before half of the term of the loan/non-revolving credit line (except for cases when early repayment is made at the request of the Bank), the Bank has the right to charge an early repayment fee in the amount of 5% of the early repayment principal amount. In case of revolving credit lines and overdrafts, no early repayment fee is applied in case of early repayment of the principal amount of the credit line/overdraft.		
1.14	Minimum Term	1 month	1 month	1 month
1.15	Maximum Term	120 months	60 months	12 months
1.16	Collateral	Cash in deposit and bank accounts, real estate and movable property acceptable to the Bank, guarantees, other collateral acceptable to the Bank.		
1.17	Valuation of the Collateral Object	The valuation of real estate and movable property is carried out by independent valuation companies cooperating with the Bank. The fees charged for the valuation are set by the independent valuation companies.		
1.18	Insurance	In the event of a Bank's insurance requirement, the market value of the property is taken as the basis. The insurance premiums are set by the insurance companies cooperating with the Bank.		
1.19	Loan-to-Collateral Ratio	- In the case of funds in deposit and bank accounts: in the same currency - up to 100%, in different currencies - up to 85%. - In the case of pledging real estate - up to 85% of the assessed value, - In the case of pledging movable property - up to 70% of the assessed value. Regardless of the volume of the pledged movable property, it is necessary		

		to pledge real estate as well. The share of real estate in the calculation of the total loan/collateral ratio cannot be less than 50%.
1.20	Loan Disbursement Method	Non-cash: to the Borrower's account in the Bank.
1.21	Repayment Method	Repayment of accrued interest is monthly, principal repayments depend on the specifics of the business.
1.22	Procedure for Interest Calculation	The interest amount is calculated on the loan balance on a daily basis.
1.23	Timeframe for Loan Application Decision	The decision to approve/reject a loan/credit line/overdraft is made within 15 business days after the Borrower provides complete documents.
1.24	Procedure and Timeframe for Notification of the Loan Decision	The Borrower is notified of the results of the decision on the application for a loan/credit line/overdraft within 2 business days, verbally or, if the Borrower wishes, also in writing.
1.25	Maximum Validity Period of the Positive Decision on Loan / Credit Line / Overdraft Approval	30 calendar days from the date of a positive decision on the provision of a loan/credit line/overdraft.
1.26	Timeframe for Loan / Credit Line / Overdraft Provision to the Borrower	The loan/credit line/overdraft shall be disbursed within 3 business days after the signing of the agreements and/or registration of the pledge right.
1.27	Place of Loan Processing	"Nalbandyan" service center and branches
2 Other Bank commissions		
2.1	Cash Withdrawal of Loan Funds	Not allowed
2.2	Other Fees Related to Pledging/Collateralization	The amount of payments related to the pledge is determined by the following bodies carrying out the registration of the pledge right: the RA Unified State Cadastre of Real Estate , the RA Ministry of Justice , the RA Central Depository OJSC or a specialized organization maintaining the register of owners (nominees) of nominal securities or the Central Bank , the territorial subdivision of the Department of Permits and Licensing for the Provision of Accounting and Auditing Services of the RA Ministry of Internal Affairs .
2.3	Terms, Timeframes, and Tariffs for Opening/Maintaining Bank Accounts, as well as for Providing Statements, Their Duplicates, Certificates, and Other Information	According to the tariffs for services provided by "AMIO Bank" CJSC for resident legal entities and individual entrepreneur clients.
3 Requirements to the Borrower		
3.1	Borrower's status	Resident legal entities and individual entrepreneurs.

3.2	Requirements to the Borrower	• At least 6 months of operating experience. • No overdue obligations at the time of application (including under issued guarantees). • Over the last 12 months, the average monthly delay period must not exceed 3 days, and in each of the last three months, delays must not exceed 3 days. • No classified obligations within the last 12 months.
3.3	Guarantor's Status	Resident legal entity, individual entrepreneur and individual person.
3.4	Requirements to the Guarantor	• Legal entity, individual entrepreneur and individual persons aged 21-63 with at least 6 months of activity. • Absence of overdue/classified liabilities at the moment (including on the guarantees provided). • The total number of overdue days during the last 12 months should not exceed 36 days. However, when the number of consecutive overdue days does not exceed 6 days, the number of overdue days per year should not exceed 72 days. Moreover, only the maximum number of overdue days for all loans during a month is taken as the basis.
4 Additional conditions		
4.1	Positive factors for granting a loan/credit line/overdraft	• Positive credit history. • Compliance of the collateral with the Bank's requirements. • Stable cash flows. • Sufficient level of creditworthiness. • Other factors.
4.2	Reasons for rejection of a loan application	• The documents submitted by the Borrower are incomplete. • The documents submitted by the Borrower or the data contained therein are not reliable. • Disclosure of any information that may constitute grounds for rejection of the loan application by the Bank. • The Borrower has a negative credit history. • The information provided in the submitted documents contradicts the findings identified during the on-site visit to the actual place of business. • The Borrower fails to substantiate the need for loan funds. • Other cases defined by the Bank's internal legal acts, the legislation of the Republic of Armenia, and the Program.
4.3	Documents required for loan application review	In accordance appendix 1

4.4	Foreclosure of collateral	The Bank has the right to enforce foreclosure on the collateral or realize it without applying to court. In case of foreclosure on the collateral, if the secured claim is not fully satisfied from the proceeds of the sale, the remaining amount shall be recovered from the Borrower's other assets. WARNING: YOUR PROPERTY MAY BE SEIZED IN ACCORDANCE WITH THE PROCEDURE ESTABLISHED BY LAW IF YOU FAIL TO PERFORM OR IMPROPERLY PERFORM THE OBLIGATIONS ASSUMED UNDER THE LOAN AGREEMENT.
4.5	Additional condition	In case of pledging residential real estate, the pledgor shall present the basis of ownership rights. If ownership of the pledged real estate was transferred to the pledgor based on a donation agreement within three years preceding the submission of the loan application, additional collateral is required in the form of joint or subsidiary guarantee(s) from the donor(s), in accordance with the requirements of the legislation of the Republic of Armenia. At the time of submission of the loan application, the donor individual must not be declared incapacitated, deceased, or bankrupt, and the donor legal entity must not be declared bankrupt or liquidated, as well as other cases at the discretion of the Bank.

ATTENTION

- Exchange rate fluctuations may affect loan repayments.
- THE BORROWER HAS THE RIGHT TO COMMUNICATE WITH THE FINANCIAL ORGANIZATION IN HIS PREFERRED WAY: BY POSTAL OR ELECTRONIC. RECEIVING INFORMATION ELECTRONIC IS THE MOST CONVENIENT. IT IS AVAILABLE 24/7, FREE FROM THE RISK OF LOSS OF PAPER INFORMATION AND ENSURES CONFIDENTIALITY.
- For the purpose of due diligence of the customer defined by the RA Law "On Combating Money Laundering and Terrorism Financing", the Bank may request additional documents or other information from the borrower based on the "Know your client" principle, as well as ask additional questions to the borrower during oral communication (if such a request exists).
- In accordance with the agreement signed with the USA based on the Foreign Account Tax Compliance Act (FATCA), the Bank may collect additional information to determine the borrower's US taxpayer status.
- In accordance with the requirements of the RA Tax Code and the "Common Reporting Standard for Automatic Exchange of Financial Account Information" (CRS), the Bank may collect and transfer certain information on the accounts and tax residency of non-resident customers to the RA State Revenue Committee. In case of failure to provide the required information to the Bank, the Bank will be forced to refuse (suspend) transactions with the borrower's financial accounts in accordance with the requirements of the Tax Code of the Republic of Armenia, with the exception of transactions involving the transfer of funds belonging to the borrower to an account opened in the borrower's name at another financial institution or the provision of funds to the borrower in person.

- You can find out more about remote service details by clicking on the link [Remote Service | For Business | AMIO BANK.](#)

Credit history information

The essence of credit history

A credit history is a set of information about the obligations undertaken by a client, which shows the history of the latter's financial obligations or their fulfillment. The credit history includes data for the 5 years preceding the moment of the inquiry, and it shows:

- Information on the amount of obligations undertaken by the client, annual interest rate, the balance of obligations, and the property pledged against them.
- the history of payments on obligations undertaken by the client, including delays in payments from the established schedule
- guarantees given to other persons
- information on the obligations of persons related to the client

The importance of credit history

Credit history is important because, from the time you apply for a loan, the Bank, before making a decision to grant a loan, examines the applicant's credit history and assesses how responsible the applicant is as a borrower. A "bad credit history" may be a reason for refusing to provide financing.

Correction of incorrect or incomplete data

If there are incorrect or incomplete data in the client's credit history, the client may notify "ACRA Credit Reporting" CJSC, hereinafter referred to as the Credit Bureau, for clarification and correction, or directly apply to the financial institutions providing the information. Notification to the Credit Bureau may be carried out by submitting a corresponding written application or electronically, online from the "My ACRA" personal office. The process of accepting/receiving, discussing and responding to customer complaints regarding credit reports provided by the Credit Bureau, the sequence of actions is defined by the "Dispute Resolution Procedure" of "ACRA Credit Reporting" CJSC.

Steps to improve your credit history

To improve your credit history, it is necessary to first correct the main causes that are worsening it, in particular, it is necessary to quickly repay existing overdue liabilities at the earliest opportunity, as well as:

- make repayments in accordance with the established schedule, excluding delays and demonstrating punctual behavior,
- reduce the guarantees provided by reducing their number, amount, as well as if available, ensuring the full repayment of overdue liabilities in this regard,

- avoid becoming a guarantor for unreliable persons,
- ease the credit burden by repaying existing loans, partially or in full,
- avoid frequently applying for new loans.

Details at acra.am.

INFORMATION FOR GUARANTEES

We inform you that:

- If the borrower fails to fulfill his obligations, then you will pay instead of him, your credit history will deteriorate and you will be deprived of your property,
- You will be provided with a copy of the loan, guarantee agreements and repayment schedule,
- Communication is carried out by the method chosen by you,
- You will be notified 7 days in advance of any changes to the terms of the agreement (applicable in the case of individual guarantors),
- A reminder will be sent 1 day in advance regarding existing obligations,
- In case of a delay in the repayment of the loan/credit line/overdraft, you will be notified no later than 1 day later.

THE GUARANTEE HAS THE RIGHT:

- To request information from the Bank about the amount of the loan balance at any time,
- To recover from the Borrower the amounts paid by him for the loan/credit line/overdraft, as well as other losses incurred on behalf of the Borrower.