

The terms and conditions specified in the Information Bulletin may be subject to change at the time of transaction.

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AMIO – Consumer Loan for Individuals Without Property Security

Information Bulletin

1	General conditions		
1.1	Loan type	Consumer loan provided to individuals without property security	
1.2	Place of loan processing	Bank branches/Nalbandyan service center	
1.3	Target borrower group	Individuals who have regular primary and/or secondary income, according to Appendix 1	
1.4	Borrower segment classification	Those who receive income from bank accounts for 1 month or more	Not receiving income from bank accounts
1.5	Loan currency	AMD	
1.6	Loan limit	100,000 - 15,000,000 ¹	
1.7	Annual nominal interest rate	13.9%-20.5%	18.5%- 21.0%
1.8	Annual effective interest rate	14.82%-22.81%	20.16%-23.42%
1.9	Procedure for calculating the annual nominal interest rate and loan limit	The annual nominal interest rate and the recommended loan limit are set taking into account the size and source of the borrower's income, as well as the results of the creditworthiness assessment conducted by the Bank.	
1.10	Type of annual nominal interest rate	Fixed	
1.11	Loan term	6-60 months	
1.12	Collateral	Collateral for the right to receive income and/or the right to claim money from a bank/card account	
1.13	Loan-to-value ratio (LTV)	100%	

¹ The maximum limit of unsecured loans for one borrower at "AMIO Bank" CJSC shall not exceed 15 million AMD.

1.14	Method of loan disbursement	Non-cash: to the borrower's account with the Bank
1.15	Repayment method	Annuity/monthly payment of interest and principal/
1.16	Procedure for calculating interest amounts	The interest amount is calculated on the decreasing loan balance on a daily basis.
1.17	Loan application review fee	Not defined
1.18	One-time loan disbursement commission fee	Not defined
1.19	Monthly loan servicing fee	Not defined
1.20	Time period for making a decision on the loan application	Up to 1 business day
1.21	Notification to the borrower regarding the decision made on the loan application	On the day the Bank makes a decision regarding the loan application, the borrower is notified via SMS message
1.22	Maximum validity period of the positive loan approval decision	10 business days from the date of the positive loan approval decision
1.23	Loan disbursement period to the borrower	Within 1 business day after signing the loan agreement
1.24	Penalties and adverse consequences in case the borrower fails to fulfill obligations	In case of non-fulfillment of the borrower's obligations, the Bank is entitled to: • Continue charging the interest specified in the Agreement on the overdue loan. • 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.
1.25	Early repayment	The loan can be repaid early at any time, in which case no penalties or other fees are charged. In case of early repayment of the loan: • The interest, commission and service fees calculated on the used part of the loan are subject to deduction, • Penalties paid for non-fulfillment or improper fulfillment of the terms of this agreement, transfers made for the purpose of repayment and/or payment of interest, as well as amounts paid for servicing accounts opened for this purpose, payments made for notary certification, state registration (if the specified services are available), plus insurance premiums paid for insurance services not related to this loan, selected at the request of the Borrower. • In case of full early repayment of the loan, payments made in advance for months/days that were actually unused are subject to deduction.
1.26	Other terms and conditions	In the event that the borrower does not receive income from the Bank's accounts for 3 consecutive months, the Bank may, by notifying the borrower in writing 7 business days in advance, revise (increase) the interest rate and set the interest rate applicable to the segment that does not receive income from the Bank's accounts.
2	Other fees	
2.1	Opening / maintenance of bank accounts	If the borrower does not have an active bank account with the Bank, then within the framework of the loan provision, a bank account is opened for him, the maintenance of which is free of charge during the loan period. Other terms of use and maintenance of the account are in accordance with the service tariffs for services provided to RA resident individuals by "AMIO BANK" CJSC operating in the bank.
2.2	Cash withdrawal of loan funds	According to the tariffs for services provided by "AMIO BANK" CJSC to individuals resident in the Republic of Armenia, in force at the bank:

2.3	Terms, timelines, and tariffs for the provision of statements, duplicate statements, certificates, and other information	According to the tariffs for services provided by "AMIO BANK" CJSC to individuals resident in the Republic of Armenia , in force at the bank:
2.4	Revision of loan terms and conditions	0.2% of the loan balance, minimum: AMD 5,000
3 Requirements for the borrower		
3.1	Borrower status	Resident individuals of the Republic of Armenia who have a permanent registration and/or actual residence address ²
3.2	Borrower's age	The borrower's age must be between 21 and 65 years old at the time of submitting the loan application, and must not exceed 68 years old at the loan maturity date.
3.3	Work experience	In the case of a Borrower with a salary income, it is necessary for the Borrower to have at least 3 /three/ months of work experience in the given organization.
4 Additional conditions		
4.1	Positive factors for loan application approval	• Positive credit history. • Compliance of the collateral with the Bank's requirements. • Stable cash flows. • Sufficient level of creditworthiness. • Other factors.

² For non-citizens of the Republic of Armenia or RA citizens who do not have registration in the Republic of Armenia, in the absence of a note on actual residence in the identity document, it is required to provide a residence card valid for no less than 183 days or a certificate of registration issued by the RA Police indicating the registered or actual residential address.

In the absence of the above-mentioned documents, an employment contract is required, the validity period of which exceeds the maturity date of the requested loan. At the same time, uninterrupted work experience at the latest workplace must be at least 4 months.

For employees of law enforcement or military structures, one of the following documents shall serve as proof of actual residence requirement compliance:

1. A certificate issued by a military unit in the Republic of Armenia confirming residence at a specific address or within the territory of the military unit, indicating the period of residence, or
2. An income certificate indicating the start date of service in the Republic of Armenia, or
3. A military booklet indicating the date of military registration, provided that the military unit is located within the territory of the Republic of Armenia.

In the absence of the above-mentioned documents, for employees of law enforcement or military structures, proof of presence within the territory of the Republic of Armenia for no less than 183 days during the last year shall serve as grounds (for confirmation, scanned copies of the relevant passport pages containing visa stamps must be attached).

4.2	Factors for loan application rejection	• 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 serve as a basis 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 facts revealed during an on-site visit to the place of actual activity. • The Borrower does not justify the need for obtaining loan funds. • Other cases defined by the Bank's internal regulations or the legislation of the Republic of Armenia.
4.2	Foreclosure of the 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.
4.3	Other terms	If the borrower wishes to obtain a loan for salary payments received from two or more organizations in total, and the terms of the loan differ within the framework of the cooperation agreements signed with the organizations, but there is no cooperation agreement, then the loan interest rate is set at the maximum interest rate, and the remaining terms are in accordance with the terms set for the given interest rate.

List of required documents	Appendix 2
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Attention

The procedure for calculating the annual effective interest rate in the bank
Loan interest is calculated based on the nominal interest rate. And the effective annual interest rate shows how much the loan will cost you if you make the interest payments and other payments in the specified terms and amounts.

Formula for calculating the annual effective interest rate:

The annual effective interest rate of loans provided by the Bank is calculated in accordance with the procedure established by Regulation 8/01 "Explanations and Examples of Calculation of Annual Effective Interest Rate" and the following formula established by Article 13 of the Law "On Consumer Crediting of the Republic of Armenia":

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

Where:

i – effective annual interest rate (APR),

A - loan amount (initial amount of loan disbursed by the creditor to the consumer),

n - number of the regular repayment on loan,

N - number of the last repayment on loan,

Kn- amount of the nth regular repayment on loan,

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

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

Example of calculating the annual effective interest rate:

Example 1

Loan amount: 1,000,000 AMD

Term: 24 months

Annual interest rate: 16%,

Interest rate type: Fixed

Repayment method: annuity/Equal monthly payment of loan amount and interest/

Loan application review fee: not specified
Lump sum loan disbursement fee: not specified
The annual effective interest rate is: 17.2%
Monthly payment amount: 48,963 AMD

Example 2

Loan amount: 500,000 AMD
Term: 48 months
Annual interest rate: 17%,
Interest rate type: Fixed
Repayment method: annuity/Equal monthly payment of loan amount and interest/
Loan application review fee: not specified
Lump sum loan disbursement fee: 10,000 AMD
Annual effective interest rate: 19.7%
Monthly payment amount: 14,428 AMD

Attention:

Depending on the loan amount, term, repayment frequency and changes in the cost of other ancillary services, the actual annual interest rate of the loan may differ from the above example.

- **After making a positive decision on the application for a consumer loan, the Bank provides the Borrower with an INDIVIDUAL SHEET OF ESSENTIAL TERMS OF A CONSUMER LOAN before concluding the consumer loan agreement, in accordance with the requirements of Regulation 8/05 "Rules of Business Conduct of Financial Organizations" approved by the Central Bank of the Republic of Armenia.**
- **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 PROVIDES CONFIDENTIALITY.**
- **The borrower has the right to unilaterally terminate the loan agreement without giving any reason within 7 business days following its conclusion, unless a longer period is provided for in the loan agreement (cooling off period). In that case, the borrower is obliged to pay interest to the Bank for the use of the loan amount, which is calculated in accordance with the annual effective interest rate provided for in the loan**

agreement. No other compensation may be required from the consumer in connection with the termination of the loan agreement.

- **The borrower has the right to fulfill (repay) his obligations under the loan agreement ahead of schedule, regardless of whether such a right is provided for in the loan agreement or not.**
- **For the purpose of due diligence of the customer as defined in the RA Law “On Combating Money Laundering and Financing of Terrorism”, 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 whether the borrower is a US taxpayer,**
- **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, in accordance with the requirements of the Tax Code of the Republic of Armenia, will be forced to refuse (suspend) transactions with the borrower's financial accounts, except for 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.**
- **"Your Financial Directory" www.fininfo.am is an electronic system that facilitates the search, comparison of services offered to individuals and the selection of the most effective option for the Borrower.**
- **Information on AMIO Mobile Banking can be found [here](#).**

Details: abcfinance.am and acra.am

Credit history information and score 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 liabilities assumed by the client, annual interest rate, balance of liabilities, property pledged against them.
 - payment history on liabilities assumed by the client, including delays in payments from the established schedule
 - guarantees given to other persons
 - information on liabilities of persons related to the client
- The credit history does not contain personal data.

The essence of a credit score

A credit score is a score formed based on information collected about a customer's serviced obligations, which indicates the risk of a given customer's loan repayment in the coming period. Impact of a credit inquiry on the score Depending on the type of credit inquiry, it may affect the types of scores used by the ACRA credit bureau: ACRA score and FAICO score, as well as the proprietary scores used by financial institutions. Details on the purposes of inquiries and their impact on the credit score are presented in the table below.

Purpose of credit inquiry	Credit inquiry sub-goal	Impact on credit score
New loan application		Decreases
Guarantor	New loan application	Decreases
Related person		No impact
Monitoring of an existing loan		No impact
Guarantor	• Active loan • Active guarantor monitoring	No impact
Other banking services		No impact

The importance of credit history and credit score

Credit history and credit score are important because when applying for a loan, the bank or credit organization reviews the applicant's credit history and assesses how responsible the applicant is as a borrower before making a lending decision.

A poor credit history may be a reason for loan application rejection.

Correction of incorrect or incomplete data

If the customer's credit history contains incorrect or incomplete data, for clarification and correction purposes, the customer may inform "ACRA Credit Reporting" CJSC (hereinafter: Credit Bureau) or directly contact the financial institutions that provided the information.

Notification to the Credit Bureau may be submitted either through a written application or electronically in online mode via the "My ACRA" personal account.

The process for receiving, reviewing, and responding to customer complaints regarding credit reports issued by the Credit Bureau, as well as the sequence of actions, is defined by the "Dispute Resolution Procedure" of "ACRA Credit Reporting" CJSC.

Steps to improve credit history and credit score

In order to improve your credit history and credit score, it is necessary first to correct the main factors that negatively affect them, in particular, overdue obligations should be repaid as soon as possible, as well as

- Make repayments strictly according to the established schedule, avoiding delays and demonstrating disciplined financial behavior.
- Reduce the number and volume of guarantees provided, and ensure full repayment of any overdue obligations related to them, if applicable.
- Avoid acting as a guarantor for unreliable individuals.
- Reduce credit burden by partially or fully repaying existing loans.
- Avoid frequently applying for new loans.

Information about AMIO Mobile Banking can be found here: [AMIO Bank Mobile Banking](#)

Details: [abcfinance.am](#) & [acra.am](#)