

ARMSWISSBANK’s MAIN TERMS OF LENDING *
(for corporate clients)

Business Development Loan ¹

Terms	Loan	Revocable line of credit	Overdraft
Maximum amount (AMD)	AMD 1000,000,000	100% of the client’s bank accounts’ average monthly net credit turnover , but not more than AMD 200,000,000	50% of the client’s bank accounts’ average monthly net credit turnover for the last six months , but not more than AMD 50,000,000 Every six months the Bank does recounts, and as a result of which overdraft limits can be unilaterally reviewed.
Maximum term of maturity (year)	7	2	10 year, Based on the results of financial monitoring or circulation of the previous six months of the client’s bank, the Bank may unilaterally override the current overdraft limit, up to the full closure of the limit.
Nominal interest rate			
Own funds			
AMD	15-17%	15-18%	16-18%
USD	9.5-11%	10-11%	10-12%
EUR	7.5-9%	8-10%	9-11%
SME DNC (Small & Medium Enterprises Development National Program) Program, AMD	15%		
Interest calculation methodology	Calculated against the diminishing balance of the loan on a 365 day per year basis		

¹ Export companies are provided with additional discounts and benefits (in AMD, in foreign currency)

Interest on the unused amount of the Loan	-	0-2%
Lending method	Cash, non-cash	Cash, non-cash
Payment method	By monthly annuity payments with a possibility of up to 6 months grace period	Monthly interest payments
Collateral	Real estate, fixed assets, personal guarantees of third parties	
Maximum loan/collateral ratio	60%	
Loan commission fee The minimum fee is paid at the time of Submitting the loan application. In case of approval, the remaining amount is paid up and in case of refusal the paid amount is returned without any charges	0.5%, min. 50,000 AMD	0.5%, min.100,000 AMD
Loan servicing fee	0.2% annually, is charged 2 times yearly, is calculated on the amount of loan balance. This fee is not for the customers, who provide the Bank information required for the financial monitoring.	
Collateral insurance requirement	At the Bank's request, at least for the amount of the loan's	-
Collateral assessment	Required	-
Daily penalty against % of the repayable amount	0.1%	
Daily penalty against overdue interest amounts	0.1%	
Interest rate overdue loan amount	According to the requirements of the 411 article of RA Civil Code	

Penalty in case of prepayment calculated on the prepaid amount (in case of a line of credit the penalty is calculated against the limit of the loan)	5% until 1/2 of the contract term of the loan 1% after 1/2 of the contract term. There can be no prepayment penalties, but in that case the interest rate can be increased with 1 percentage point.	2% There can be no pre-payment penalties, but in that case the interest rate can be increased with 1 percentage point.	-
Penalty for hindering loan monitoring activities	AMD 100,000		
Penalty for using the loan or part of the loan for purposes other than those stipulated	10% of the amount used for purposes other than those stipulated		
Review of approved/not yet granted loan terms	AMD 50,000		
Notifying the client about the approval decision	2 business days		
Actual transfer of the loan amount	Within 3 business days after the client submits all the documents required for processing the loan		
Changes/Review of the present contract (loan, Collateral, bank guarantee, etc.)	AMD 50,000		

*- Loan applications that do not match the above mentioned criteria can be refused by the Bank or approved with a 1-2 percentage point higher interest rate.

** - Project financing refers to such startups (new business, new markets, etc.) and long term projects where the Bank makes at least 25% of the investments required for the realization of the project.

*** - The following cases are considered as (but not limited to) changes in the present contract if the Credit Committee of the Bank doesn't make resolutions for other specific cases:

- Revision of the payment schedule defined in the loan agreement if a prepayment fee is not specified.
- Revision of other terms of the loan agreement (interest rate, purpose of the loan, lending method, etc.) according to the client's application.
- Revision of the terms of the security, including the main terms of the collateral or guarantee agreements, complete or partial redemption of the collateral before maturity according to the client's application, etc.
- The fee is not applicable when changes in contracts are made as a consequence of changes in other contracts.

Trade Finance Loans ²

Terms *	Import promotion loans	Order financing loans	Export promotion loans	Pre export and post export financing with EIA (Export Insurance Agency of Armenia)**** ³
Purpose of the Loan	Import of working capital and equipment	Supply of goods/provision of services stipulated by the contract / competitive tender	Funding the purchase of goods/services stipulated by the export contract	
Lending method	Cash/Non cash			
Maximum amount	700,000,000 AMD or equivalent foreign currency	60% of the contract amount, but not more than AMD 300,000,000 or equivalent foreign currency	70% of the contract amount, but not more than AMD 300,000,000 or equivalent foreign currency	Depending on the conditions of the insurance limit of EIA
Currency	USD, EUR	AMD, USD, EUR	AMD, USD, EUR	AMD, USD, EUR
Maximum term	For the duration of the given product's business cycle but no longer than 24 months	Reasonable term according to the contract but no longer than 12 months		In case of pre-export financing for the duration of the product' business cycle but no longer than 18 months, in case of post export financing - according to the differed payment terms defined in the supply contract
Grace Period		Up to 11 months		According to the differed payment terms defined in the supply contract

² Export companies are provided with additional discounts and benefits (in AMD, in foreign currency)

³ Supplemental discounts are provided for loans secured by the EIA insurance policy.

Payment schedule	Annuity or equal payments of the loan or lump sum payment at maturity	Onetime payment: from the earnings amount as defined by the contract	One-time or according to the graphic of planned revenues defined in supply contract
Interest rate	AMD 15-16% USD 8.5-10% EUR 7.5-9%	AMD14-15% USD 8-9% EUR 7-8%	At the moment, the declared "Export Promotion Credits" (see side table) is 1 percentage point lower than the annual interest rate
Overdraft commission fee	-		0.25% of the limit amount, min AMD 25,000, max AMD 250,000
Loan commission fee	0.5% onetime payment, minimum AMD 50,000		In case of pre export financing according to the terms of EIA insurance limit, in case of post export financing starting from 0.1% calculated on the invoice amount, depending on the maturity of the loan
Types of collateral	Fixed assets (including real assets and movable assets), guarantees of third parties	Guarantees of the supplier companies' shareholders, members of the executive body and other individuals acceptable to the Bank. Contract performance of other insurance	Guarantees of the supplier company's shareholders, members of the executive body and other physical entities acceptable by the Bank. Insurance of loan repayment and non-payment of the buyer from EIA. Collateral of the rights on receiving the payment from
Collateral assessment	Required	-	

Insurance:	At the bank's request, at least the amount of the loan balance	cargo insurance	loan repayment and non-payment risk insurance by EIA
Terms of financing		Financing is made when contracts with buyers acceptable for the Bank, letters of credit and guarantees are present	
		The supplier should not have overdue liabilities including overdue tax liabilities	
		The supplier should use the amount received only for the payments of the goods/services ordered by the buyer.	In case of pre export financing the client must use the loan amount for purchasing raw materials and on other expenses (packing, transportation and others) for the implementation of the export contract, in case of post export financing there are restrictions in the case of post-withdrawal financing.
		The Bank can define other terms of financing based on the specifics of the given transaction.	
Daily penalty against % of the repayable amount		0.1%	
Daily penalty against overdue interest amounts		0.1%	
Interest rate overdue loan amount	According to the requirements of the 411 article of RA Civil Code		
Penalty in case of prepayment calculated on the prepayed amount (in case of a line of credit the penalty is calculated against the limit of the loan)	1%	-	
Penalty for hindering loan monitoring activities	AMD 100,000		In case of pre export financing according to the terms of EIA insurance limit
Penalty for using the loan or part of the loan for purposes other than those stipulated	10% of the amount used for purposes other than those stipulated		In case of pre export financing according to the terms of EIA insurance limit
Changes/Review of the present contract (loan, collateral, bank guarantee, etc.)	AMD 50,000		

Loan approval decision	Within 10 business days after the client submits all the required documents to the Bank
Notifying the client about the approval decision	2 business days
Actual transfer of the loan amount	Within 3 business days after the client submits all the documents required for processing the loan
Review of terms of the approved but not yet granted loan	AMD 50,000, but no more than the commission fee charged for the previous decision
<p>*- Loan applications that do not match the above mentioned criteria can be refused by the Bank or approved with a 1-2 percentage point higher interest rate.</p> <p>** - The following cases are considered as (but not limited to) changes in the present contract if the Credit Committee of the Bank doesn't make resolutions for other specific cases:</p> <ul style="list-style-type: none"> • Revision of the payment schedule defined in the loan agreement if a prepayment fee is not specified. • Revision of other terms of the loan agreement (interest rate, purpose of the loan, lending method, etc.) according to the client's application. • Revision of the terms of the security, including the main terms of the collateral or guarantee agreements, complete or partial redemption of the collateral before maturity according to the client's application, etc. 	

Project Financing Loans* 4

Terms *	Loan
Maximum amount (AMD)	1,000,000,000
Maximum term of maturity (year)	10-12
Maximum term of preferential (year)	2
Maximum nominal percentage	10-12%
GAF RE, AMD	8.5%-9.5%
GAF RE, USD	5.5%
Interest calculation methodology	Calculated against the diminishing balance of the loan on a 365 day per year basis
Interest on the unused amount of the Loan	-
Lending method	Cash
Payment method	By monthly annuity payments with a possibility of up to 6 months grace period
Collateral	Real estate, fixed assets, personal guarantees of third parties
Maximum loan/collateral ratio	70%
Loan commission fee The minimum fee is paid at the time of Submitting the loan application. In case of approval, the remaining amount is paid up and in case of refusal the paid amount is returned without any charges	<ul style="list-style-type: none"> • 1%, min 300,000 AMD • GAF, RE 0.5%, min 100,000 AMD, max 1,000,000 AMD
Loan servicing fee	0.2% annually, is charged 2 times yearly, is calculated on the amount of loan balance. This fee is not for the customers, who provide the Bank information required for the financial monitoring.

⁴ Export companies are provided with additional discounts and benefits (in AMD, in foreign currency)

Collateral insurance requirement	At the Bank's request, at least for the amount of the loan's
Collateral assessment	Required
Daily penalty against % of the repayable amount	
Daily penalty against overdue interest amounts	
Interest rate applied for overdue amounts (principal, interest)	According to the requirements of the 411 article of RA Civil Code
Penalty in case of prepayment calculated on the prepaid amount (in case of a line of credit the penalty is calculated against the limit of the loan)	<ul style="list-style-type: none"> • 5% until 1/2 of the contract term of the loan 1% after 1/2 of the contract term. • There can be no prepayment penalties, but in that case the interest rate can be increased with 1 percentage point. • GAF, RE 0%
Penalty for hindering loan monitoring activities	AMD 100,000
Penalty for using the loan or part of the loan for purposes other than those stipulated	10% of the amount used for purposes other than those stipulated
Changes/Review of the present contract (loan,	AMD 50,000
Collateral, bank guarantee, etc.) Notifying the client about the approval decision	2 business days
Actual transfer of the loan amount	Within 3 business days after the client submits all the documents required for processing the loan
Review of approved/not yet granted loan terms	AMD 50,000 but no more than the commission fee charged/to be charged for the previous decision

- The project is considered as a new (new business, new direction, new markets, etc.) and long-term projects in which the bank finances at least 25% of the investment required for the project.

**Loans with deviations from these conditions may be rejected by the bank or approved at a high interest rate of 1-2 percentage points above the mentioned interest rate.

*** An amendment to an operating contract shall be deemed to be at least the following cases, unless otherwise decided by the Bank's Credit Committee:

- a revision of the repayment schedule set out in the credit covenants, if the penalty for early repayment is not provided for,
- change of other terms of the loan agreement (interest rate, purpose of credit, delivery method, etc.) according to customer's application,
- alteration of the basic terms of the security, including the collateral or guarantee contract, full or partial early release of the collateral or guarantee, in accordance with customer's application, etc.
- The tariff does not extend to the change of the contract whose alteration is the consequence of another contract.

Agricultural and entrepreneurial subsidized loans

Terms	For the introduction of anti-hail networks		Intensive orchard gardens		Agricultural Raw Materials for Agro-Processing Industry	Implementation of drip irrigation systems
	For Vineyards	For orchards	For orchards	For berries		
Maximum amount (AMD)	AMD 100,000,000		AMD 270,000,000	AMD 500,000,000	AMD 1,000,000,000	AMD 150,000,000
Maximum term of maturity (year)	Up to 7		Up to 7		1	Up to 3
Nominal percentage	12%, interest rates subject to subsidy - 10% (annual interest rate actually paid by the borrower - 2%)		12%, interest rates subject to subsidy - 7% (annual interest rate actually paid by the borrower - 5%)		12%, interest rates subject to subsidization - 9% (annual interest rate actually paid by the borrower - 3%)	12%, interest rates subject to subsidy - 10% (annual interest rate actually paid by the borrower - 2%)
Interest calculation methodology	Calculated against the diminishing balance of the loan on a 365 day per year basis					
Lending method	Non-cash					
Payment method	grace period 1 year, repayment period 6 months, monthly payments by equal payment method		Periodicity of maturity: 6 months		Grace period - at least 2 months, maximum 3 months	The principal amount may be a grace period, maximum 6 months per annum
Collateral	Real estate, fixed assets, personal guarantees of third parties					
Daily penalty against % of the repayable amount	0.1%					
Daily penalty against overdue interest amounts	0.1%					
Interest rate overdue loan amount	According to the requirements of the 411 article of RA Civil Code					
Collateral assessment	Required					
Penalty in case of prepayment calculated on the prepaid amount (in case of a line of credit the penalty is calculated against the limit of the loan)	Not defined					

Penalty for hindering loan monitoring activities	AMD 100,000			
Cessation of interest rate subsidy provision	<ul style="list-style-type: none"> • If there are overdue liabilities over a period of one year in respect of a loan for a borrower over a period of sixty days, • When the default requirements are not met or the terms of the loan are not met <p>When the Rural Finance Facility of the Governmental Office for Rural Areas Economic Implementation Office has detected a violation of the provisions of the present Program as a result of the monitoring.</p>	<ul style="list-style-type: none"> • there are overdue liabilities over the past twelve months of the borrower over a given loan, • According to objective criteria, the loan is not classified by a standard class, • the loan was used in accordance with non-targeted and / or subsidized terms, • as a basis for the acquisition of a loan agreement with the borrower on the basis of the loan or the right to use the borrower or the part of the landowner or his / her family members (parent, spouse, child). 	<ul style="list-style-type: none"> • in the case of non-targeted use • if any, overdue more than sixty days of outstanding debt repayments • early settlement of the contract between the borrower and the financial institution • fraud detection in the information provided by the borrower 	
Return of the subsidized sums of money back				
Review of approved/not yet granted loan terms	AMD 50,000			
Period for making a loan provision decision	within 20 working days of submitting all the documents required by the customer to the bank			
Notifying the client about the approval decision	2 business days			
Actual transfer of the loan amount	Within 3 business days after the client submits all the documents required for processing the loan			
Changes/Review of the present contract (loan, Collateral, bank guarantee, etc.)	AMD 50,000			
Other terms		Within the framework of the project, entrepreneurs can be provided loans of 1-10 hectares of	The preliminary conclusion issued by the Ministry of Agriculture is mandatory.	The credit investment per 1 hectare should not exceed 2.2 million AMD cubic meters regardless of the crop

		intensive fruit and 0.5-5 hectares of berth gardens.		
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