

Calculation of annual actual interest rate

The annual actual interest rate is calculated by “ARMECONOMBANK” OJSC based on the following formula:

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

where:

i – is the annual actual interest rate, which is the total cost of lending of the consumer expressed by the nominal interest rate of the loan granted and which includes in it all the interests and other payments which the consumer is obliged to pay when receiving the loan, as well as during its entire period of activity,

A – is the contractual amount of the loan granted,

n – is the serial number of the fee (including the commission fee paid at the time of receiving the loan) directed towards the repayment of the loan by the consumer (principal amount of the loan, interest amounts and/or amounts of other payments),

N – is the number of the last payment directed towards the repayment of the loan (principal amount of the loan, interest amounts and/or amounts of other payments), also including the fee paid at the time of receiving the loan, after which the obligations are considered as repaid,

K_n – is the amount of the serial n payment made at the time of receiving the loan by the consumer and/or during the activity of the loan (principal amount, interest amounts and/or the sums of other payments)

D_n – is the number which shows how many days have passed from the date of receiving the loan till the regular n repayment day of the loan amount inclusive.