

Approved by
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Chairman of the Executive Board
----- A. Arakelyan

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**INFORMATION BULLETIN
OF CONSUMER LOANS FOR PURCHASING PASSENGER CARS FROM PRIMARY AND
SECONDARY MARKETS AND CONSUMER LOANS WITH CAR MORTGAGES**

YEREVAN 2024

AUTO LOAN (PRIMARY MARKET)

Loan type	Consumer																		
Loan purpose	Purchase of a car from the primary market (except for those produced by national producers of RF)																		
Loan currency	AMD																		
Amount of the loan	Minimum – AMD 1,000,000 Maximum – AMD 15,000,000/or equivalent foreign currency/																		
Annual interest rate depending on the size of the prepayment and the term of loan	15- 16.5 % Actual interest rate- 18.15%-20.75%																		
	<table border="1" style="width: 100%; text-align: center;"> <thead> <tr> <th>Prepayment</th> <th>Annual interest rate</th> <th>Term (months)</th> </tr> </thead> <tbody> <tr> <td rowspan="2">10-19%</td> <td>16%</td> <td>12-30</td> </tr> <tr> <td>16.5%</td> <td>31-48</td> </tr> <tr> <td rowspan="2">20-29%</td> <td>15.5%</td> <td>12-30</td> </tr> <tr> <td>16%</td> <td>31-48</td> </tr> <tr> <td rowspan="2">30 and more</td> <td>15%</td> <td>12-30</td> </tr> <tr> <td>15.5%</td> <td>31-48</td> </tr> </tbody> </table>	Prepayment	Annual interest rate	Term (months)	10-19%	16%	12-30	16.5%	31-48	20-29%	15.5%	12-30	16%	31-48	30 and more	15%	12-30	15.5%	31-48
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16%		31-48																	
30 and more	15%	12-30																	
	15.5%	31-48																	
Loan term	12-48 months																		
Minimum prepayment	10%																		
Frequency of redemptions	Monthly																		
Loan redemption procedure	Equally (annuitant), or non-equally (differential)																		
Security	Acquired car and the guarantee of at least one individual and/ or/ co-borrower /. Based on the internal criteria for the customers' classification set forth by the Bank's internal legal acts, the guarantee of an individual/co-borrower/ may not be required.																		
Loan to pledge value ratio	Maximum 90% of the price of the purchased car																		
Way of providing	Non-cash																		
Loan formation is carried out	By ARMECONOMBANK OJSC branches. With the exception of Silachi, Nairi MC, Rossia-1 and Araratyan branches.																		
Decision and provision period	Loan decision period-up to 25 working days after submitting the loan application. Loan provision period-up to 30 calendar days from the date of making a positive loan decision.																		
Requirements to borrower	<ul style="list-style-type: none"> • Resident individual over 18 years • Registered and living in the Republic of Armenia • Has a constant income source acceptable to the Bank. 																		
Fines	Against the amounts (loan, interests, other payments) not paid within the term(s) set forth by the agreement, a fine in the amount of 0.13% (daily) of the outstanding amount is imposed for each overdue day.																		
Commission fee	<ul style="list-style-type: none"> • AMD 5000 for the study of the loan application which is subject to proportional reduction only in case of loan provision and early repayment. • If the insurance is made in the amount of car acquisition or total market price, a lump commission fee is defined at 0.5%. 																		
Security	Minimum in the contractual amount of loan for the whole period of loan. The insurance is provided by the insurance company licensed by the Central Bank of Armenia at the tariff set by the latter in the amount of 2.5% of the contractual amount of the loan. Is not subject to reduction in case of early repayment of the loan.																		
Appraisal	In case of loans provided for car acquisition from primary market, the application given maximum 30 days prior by partner companies carrying out the sale of cars in the primary market shall be taken into account for the appraisal of car value. Is not subject to reduction in case of early repayment of the loan.																		
Collateral arrangement	The borrower shall bear all the expenses related to the collateral arrangement																		

expenses	(notarization, registration) <ul style="list-style-type: none"> • Notary fee - AMD 12.000 • RA police fee (bar and movable real estate pledge)- lump sum in the amount of AMD 5000 <p>In case of loans with a contractual amount of up to AMD 3,000,000, solid pledge agreements are not subject to notarization, and in case of loans provided in excess of the above amount, the solid pledge agreements are subject to notarization.</p> <p><i>Is not subject to reduction in case of early repayment of the loan.</i></p>
Basis of a positive decision	<ul style="list-style-type: none"> • Positive loan history (if any) • Reliability of submitted documents • Stable and sufficient source of income • Availability of sufficient collateral.
Basis of a negative decision	<ul style="list-style-type: none"> • Negative assessment on the customer's financial condition • Non-credibility of the presented documents • Customer's negative credit history • Other reasons which according to the Bank assessment will hamper the loan repayment
Statement provision	Free of charge
Documents to be provided by the individuals	<ol style="list-style-type: none"> 1. Application about the loan receipt 2. Passport copies 3. Marriage certificate and spouse's passport (if any) or announcement on being single 4. Income statement from the workplace, issued maximum 20 calendar days prior 5. Document containing public services number 6. Copy of the agreement on the purchase of the car on credit and the application form filed by the company realizing the sale which indicates the brand, price and quantity of the car (s) to be purchased 7. Certificate on restrictions on the car, issued by the state authorized body (after the loan decision is made) 8. Other documents upon the Bank's request if necessary

Attention. Early loan repayment is allowed, for which no fines and penalties are charged.

Attention. As an additional loan security means, the Bank may also require the guaranty(s) of one or more persons.

Attention. The solid pledge agreements provided for the car acquisition from primary market shall be certified by notary.

Attention. Due to various circumstances, additional documents and information may be required.

Attention. The consumer/borrower has a right to unilaterally terminate the credit agreement without any reason within 7 days following its conclusion, unless a longer period is provided by the credit agreement (thinking time). In such case the consumer undertakes to pay interests to the creditor for using the credit amount, which are calculated in accordance with the annual actual interest rate envisaged by the credit agreement. No other compensation may be required from the consumer in connection with the termination of the credit agreement.

Attention. Interests are calculated on the loan balance.

Attention. When applying for a loan, the Bank submits an individual leaflet on the essential terms of the consumer loan to be provided to you (For loans equivalent to up to AMD 15,000,000).

Attention. "Your Financial Informant" is an electronic system that searches, compares and facilitates the selection of the service offered by individuals. The most effective option for you is: <https://www.fininfo.am/avto-vark>

Attention. To get acquainted with the tariffs of additional services rendered within the implementation of loan operations please visit the link- https://www.aeb.am/uploads/varkayin_sakangneri_havelvac.pdf

Attention. To get acquainted with the terms, deadlines and tariffs of the provision of statements, their copies, references and other information during the validity period of the agreement, please visit the link: https://www.aeb.am/hy/bankayin_hashiv.

AUTO LOAN (SECONDARY MARKET)

Loan type	Consumer	
Loan purpose	Car acquisition from the secondary market and the pledge of vehicles (excluding those produced by national manufacturers of RF)	
Loan currency	AMD	
Loan amount	The minimum – AMD 1.000.000 The maximum – AMD 15.000.000/or equivalent foreign currency/	
Annual interest rate	17% Actual interest rate: 19.36-21.15%	
Term	Acquired or pledged car	Term (months)
	Cars of the production of 2004- 2012 years (inclusive)	24-36
	2013 and higher	24-48
Minimum prepayment	40%	
Loan redemption procedure and frequency	Monthly- equally (annuitant), or non-equally (differential).	
Security	Acquired or pledged car (Car marks: Audi, Bentley, BMW, Ford, Honda, Škoda, Suzuki, Toyota, Volkswagen, Volvo, Infiniti, Kia, Land Rover(Range Rover), Lexus, Mitsubishi, Nissan, Opel, Porsche, Mazda, Mercedes-Benz) and at least one several individual guarantor and/or co-borrower	
Loan to pledge value ratio (based on loan amount)	60%	
Way of provision	Non-cash	
Withdrawal fee	In case of encashment of money, a withdrawal fee is charged in accordance with the tariffs acting in the bank*	
Commission fee	<ul style="list-style-type: none"> • AMD 5000 for the study of the loan application <i>which is subject to proportional reduction only in case of loan provision and early repayment.</i> • If the insurance is carried out in the amount of the car acquisition or total market prices of the car, a lump sum is defined at 0.5%. 	
Loan formation is carried out	By ARMECONOMBANK OJSC branches. Except for Silachi, Nairi MC, Rossia-1 and Araratyan branches.	
Period of deciding and providing	Loan decision period-up to 25 working days after submitting the application. Loan provision period-up to 30 calendar days after reaching a positive loan decision	
Requirements to borrower	<ul style="list-style-type: none"> • Resident individual over 18 years • Registered and living in the Republic of Armenia • Has a constant source of income acceptable to the Bank. 	
Fines	Against the amounts (loan, interests, other payments) not paid within the term(s) set forth by the agreement, a fine in the amount of 0.13% (daily) of the outstanding amount is charged for each overdue day.	
Security	Minimum in the amount of contractual amount of loan for the whole period of loan. The insurance is carried out by insurance company licensed by RA CB at the tariff determined by the latter. The tariff makes 2.5% of the contractual loan amount. <i>Is not subject to reduction in case of early repayment of the loan.</i>	
Appraisal	Assessment is implemented by any assessment organization having a license designated by the RA legislation, at the tariff determined by the latter- AMD 15.000 per car. <i>Is not subject to reduction in case of early repayment of the loan.</i>	
Expenses related to collateral	The borrower shall bear all the expenses related to the collateral	

arrangement	arrangement (notarization, registration) <ul style="list-style-type: none"> • Notary fee - AMD 12.000 • RA police fee (barrage and movable real estate pledge)- AMD 5000 one-time fee In case of loans with a contractual amount of up to AMD 3.000.000, hard pledge agreements are not subject to notarization, and in case of loans with the amounts more than the aforementioned amount, the agreements are subject to notarization. <i>Is not subject to reduction in case of early repayment of the loan.</i>
Provision of statement	Free of charge
Positive decision grounds	<ul style="list-style-type: none"> • Positive loan history (if any) • Reliability of submitted documents • Source of stable and sufficient income • Availability of sufficient collateral
Negative decision grounds	<ul style="list-style-type: none"> • Negative assessment on the client's financial state • Non-credibility of submitted documents • Negative credit history of the client • Other reasons which according to the Bank assessment will hamper the loan repayment.
Documents to be presented by individuals	<ol style="list-style-type: none"> 1. Application about loan receipt 2. Passport copies 3. Marriage certificate and spouse's passport (if any) or declaration about being single 4. Income statement from the workplace, given maximum 20 calendar days prior 5. Document containing public services number 6. Car property certificate provided by the state authority and state registration certificate 7. Statement about limitations on the car, given by the state authority (after making the loan decision) 8. Other documents upon the Bank's request if necessary

Attention. Interests are calculated on the loan balance.

Attention. Early loan repayment is allowed, for which no fines and penalties are charged.

Attention. As an additional means for securing the loan, the Bank may also require the guaranty(s) of other person/people.

Attention. Due to various circumstances, additional documents and information may be required.

Attention. The consumer/borrower has a right to unilaterally terminate the credit agreement without any reason within 7 days following its conclusion, unless a longer period is provided by the credit agreement (thinking time). In such case the consumer undertakes to pay interests to the creditor for using the credit amount, which are calculated in accordance with the annual actual interest rate envisaged by the credit agreement. No other compensation may be required from the consumer in connection with the termination of the credit agreement.

Attention. The solid pledge agreements of loans provided for car acquisition and loans under the pledge of vehicles from secondary market shall be verified by notary.

Attention. When applying for a loan the Bank provides you with an individual leaflet on the essential terms of the consumer loan to be provided to you (In case of loans equivalent to up to AMD 15,000,000).

Attention. "Your Financial Informant" is an electronic system which searches and compares the services offered to individuals and facilitates the selection of the most effective option for you <https://www.fininfo.am/avto-vark>

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GENERAL INFORMATION

Collateral assessment is realized by any independent appraiser having a license according to the tariffs determined by the latter.

The assessment organizations are as follows:

Name	Address	Telephone
"ANT REALTY" LLC	Tigran Mets avenue, Bld. 49, Kentron adm. dis., Yerevan, RA	(096) 52 25 40 (077) 52 25 46
"ESTATE" LLC	49 Tigran Mets ave., Yerevan	041-77-41-00
RA CCI "ARMEPERTIZA" LLC	Garegin Nzhdeh St, 26 Bld., Yerevan, RA	010-44-34-36, 010-44-28-48
"VM-RP" LLC	Vardanants St. Blind Alley, 8 Building, Yerevan, RA	010-58-87-97, 099-58-87-97
"AMINTAS GROUP" LLC	Artsakhi Ave., 23/6 Building, Yerevan, RA	010-43-22-76, 096-43-22-76
RVM consult LLC	Nalbandyan St., 48/1 Building, 2nd Floor, Yerevan, RA	010-54-64-90, 098-94-44-49
"Oliver Group" LLC	215-216, Tumanyan 8, Yerevan	010 54 27 40, 010 54 27 50, 010 54 27 60, 077/091/055 54 27 50

The insurance is carried out in the amount of the loan amount or the market value of the property in insurance companies licensed by the RA CB, at rates set by the latter.

The insurance companies are as follows:

Name	Address	Telephone
"SIL INSURANCE" CJSC	3 and 5 Aram str, Yerevan, RA	(060) 54-00-00, (060) 50-55-44, (010) 58-00-00
"Ingo Armenia" CJSC	51, 53 Hanrapetutyanyan str., area 47, 48, 50, Yerevan, RA	(010) 59 21 21
"RESO" Insurance CJSC	Komitas avenue, 62 bld., Yerevan, RA	(060) 27 57 57, (098) 56 07 97

Attention. On the purpose of due diligence of the customer envisaged by RA law "On combating money laundering and terrorism financing", the Bank may request additional documents or other information from the consumer based on "Know your customer" principle, as well as ask the consumer additional questions during oral communication.

Attention. In compliance with the agreement signed with USA, to find out whether you are a US tax payer, the bank may collect additional information about the contracts, agreements, cooperation, membership signed by financial institutions, which may have a direct impact on the consumers (e.g. Foreign Account Tax Compliance Act (FATCA)).

Attention. In case of real estate loans exceeding AMD 15,000,000 if a preterm repayment is made in the amount exceeding 20% of the Principle balance as of the first day of each month (which does not include repayment of the part of the loan envisaged by the repayment schedule of the given month) without the Bank's written consent, a penalty in the amount of 5% of that amount is accrued.

Attention. When applying for a loan, the Bank provides you with an individual leaflet on essential terms of consumer loan, which defines individual terms of the loan to be provided to you (In case of loans equivalent to up to AMD 15,000,000).

Attention. As an additional means of loan security, the Bank may also require the guaranty(s) of one or more person/persons and/or a co-borrower.

Attention. In case of non-fulfillment or improper fulfillment of your obligations the lender sends your data to the Credit Bureau within 3 business days where your credit history is being formed. You are entitled with the right to get your credit history from the Credit Bureau free of charge once a year.(<https://acra.am/?lang=hy>):

Attention. Bad credit history may prevent you from receiving other loans in the future

Attention. Loan interests are calculated based on the nominal interest rate and the annual actual interest rate shows how much the loan will cost in case of fulfillment of loan obligations in defined terms and sizes. The annual actual interest rate calculation procedure can be found on the following link: <https://www.aeb.am/media/2019/06/2640.pdf>.

The fees payable by the consumer are subject to payment, irrespective of the fact that payments against the products, works and services have been made with or without a credit are not included in the calculation of the actual interest rate.

Attention. The nominal interest rate may be changed by the bank. The information on the changes of the nominal interest rate may be found on <https://www.aeb.am/media/2019/05/2631.pdf>.

1. You are eligible to communicate with financial institution by the means of communication you prefer – through postal services or electronically. The receipt of information electronically is the most convenient. It is available round-the-clock (24/7), is free of the risk of loss of paper information and ensures confidentiality.

2. The possible negative consequences, penalties/fines for the customer in case of non-fulfillment of obligations

- 0, 13%^a of the unpaid overdue amount per day

- 0, 13%^a of the unpaid overdue interest amount per day

3. If you have outstanding liabilities against the creditor, while fulfilling your obligations the loan repayments are made in the following sequence:

- Court costs (if any);

- Collateral sale costs (if any)
- Accrued penalty
- Accrued interest
- Insurance premiums /if any/
- Principal amount of the loan.

4. Property pledged by you may be confiscated by law in case you fail to perform your loan obligations on time.

5. In case of non- fulfillment of loan liabilities and in case the loan liabilities are covered by the collateral, and should the collateral be not enough to repay the borrower's liabilities it is possible to repay the liabilities on the account of another property of the borrower and/or guarantor(s)/co-borrower/s/.

6. Loan interests are calculated towards the loan balance.

For example if the customer is provided with a loan in the amount of AMD 1,200,000 with an annual interest rate of 24% ,with 12 months period (while calculating monthly accrued interests 30 days period has been taken as a basis as a number of days).

Months	Loan balance	Repayment from loan	Repayment from interest
1	1.200.000	100.000	23.671
2	1.100.000	100.000	21.699
3	1.000.000	100.000	19.726
4	900.000	100.000	17.753
5	800.000	100.000	15.781
6	700.000	100.000	13.808
7	600.000	100.000	11.836
8	500.000	100.000	9.863
9	400.000	100.000	7.890
10	300.000	100.000	5.918
11	200.000	100.000	3.945

12	100.000	100.000	1.973
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7. WE SHOULD REMIND THAT THE EXCHANGE RATE FLUCTUATIONS MAY HAVE AN IMPACT ON THE REPAYMENTS OF LOAN PROVIDED IN FOREIGN CURRENCY.

8. The Bank applies no limits to loan amount; it will be conditioned by and related to:

- Purpose of loan
- Customer's creditworthiness
- Loan security offered by the customer
- Loan risk assessment
- Requirements of prudential standards provided by the Central Bank of Armenia

9. ARMECONOMBANK OJSC can provide services to the customer under terms which may differ from those set forth in the Bank's overall policy taking into account any of the following conditions of the below-mentioned list:

- *Customer account balance;*
- *Customer account turnover;*
- *Strategic importance of the customer for the Bank;*
- *Number of employees in customer organization;*
- *Total number of cards issued for customer organization;*
- *Income brought to the bank;*
- *Volume of transfers;*
- *Size of deposits with the Bank;*
- *Being a significant borrower,*
- *Social considerations (educational institutions, medical organizations and etc.);*
- *Being the head of such organization;*
- *Other objective conditions.*

10. The borrower pays interest to the bank for using the loan amount, the interest of which is calculated on the loan balance from the date of loan provision for the calendar days of actual use of the loan based on a 365-day year. For loans under specific projects the interest calculation may be based on a 360-day year.

- *Loans are repaid within the terms indicated in the loan agreement.*
- *The periodicity of interest payments is determined in accordance with the loan agreement or repayment schedule.*
- *If the repayment date of loan or accrued interests falls on day off, the payment is made on the following working days without calculation of penalty for the days off.*

11. Repayment of loan obligations

- *Loans are repaid within the dates indicated in Loan Agreement.*
- *Loans are repaid in the currency in which they were given.*
- *In case of loans in foreign currency, exchange rate fluctuations may affect loan repayments*
- *In case of exchange rate fluctuations, the exchange rate risk related to loans in foreign currency will be borne by the borrower*

12. The Bank may terminate the Loan Agreement and request repayment of the loan amount, if

- *The borrower has failed to make any payment required under Loan Agreement.*
- *The borrower has breached any confirmation made by him/her and fails to correct such breach within 30 days following the occurrence thereof.*
- *It turns out that any presentation, warranty, document, or information provided by the borrower is materially incomplete.*

- *By reasonable opinion of the Bank, an essential negative change has occurred in financial state of the borrower, including court orders, outflow of assets, deterioration or termination of business, company re-organization.*
- *The borrower undergoes dissolution, or is subject to ongoing or pending bankruptcy proceedings.*
- *The borrower interferes with monitoring.*
- *In case of other objective reasons.*

13. The Bank may accept as collateral:

- *Real estate: lands, houses, buildings, apartments; detached houses*
- *Fixed assets;*
- *Circulating assets;*
- *Motor vehicles;*
- *Precious metals;*
- *Treasury bills, foreign currency, stocks;*
- *Property to be purchased in the future and ownership right;*
- *Cash.*

14. The appraisal value of movable and immovable real estate is based on the market value indicated in appraisal statement.

15. The loan or a part thereof, as well as the accrued interest is deemed overdue if not repaid within terms specified in the Agreement.

- In case of non-repayment of the amounts (the loan, interests, other payments) within the term(s) set by the Agreement, Borrower shall pay a penalty in the amount of 0.13% (zero point thirteen percent) of the overdue amount for each day of default. The total amount of the unpaid penalties calculated in accordance with this paragraph shall not exceed the existing debt balance of that time.

- In case of non-repayment of the loan or a part thereof within the term(s) set by the Agreement, the Borrower is obliged to pay interests to the Bank in the amount of double of the bank interest settlement rates set by the Central Bank of Armenia. The total sum of the unpaid interests calculated in accordance with this paragraph shall not exceed the existing debt balance of that time.

- Starting from the 91st day of consecutively overdue days, **21.5%** annual interest rate is applied to the balance of non-overdue loan (term loan). After the day following the full repayment of outstanding amounts, penalties and interests accrued, the interest rate set by the Loan Agreement against term loan is recovered.

16. The Bank shall not accept the following items as collateral:

- *Non-circulating property*
- *Separate parts of indivisible property*
- *Leasing right*
- *The property already pledged under another contract to urban, rural, and local communities*

17. 1. To satisfy the claims of CREDITOR-PLEDGEE, the pledged property may be confiscated in extrajudicial manner pursuant to paragraphs 2-4 of these Rules in case of non-fulfillment or improper fulfillment of the obligations by PLEDGER under Collateral Agreement and by BORROWER under Loan Agreement.

2. The property pledged in extrajudicial manner may be sold if under the Pledge Agreement PLEDGER has authorized CREDITOR-PLEDGEE to sell the pledged property upon emergence of the grounds for confiscation as stipulated in paragraph 1 of these Rules without applying to the court and so fully recover the claim covered by the collateral and has also agreed to transfer the ownership of the pledged property against the respective amount of main liability to CREDITOR-PLEDGEE or any person designated by the latter in the manner provided by RA legislation.

3. Upon emergence of the grounds for confiscation as stipulated in paragraph 1 of these Rules, CREDITOR-PLEDGEE shall duly notify PLEDGER in writing of confiscation of the pledged property (confiscation notice). In two months following the date of delivery of confiscation notice to PLEDGER, CREDITOR-PLEDGEE shall have the right, pursuant to Article 195 of RA Civil Code, to sell the pledged property directly or through public auctions pursuant to RA Law "on Public Bidding" on the behalf of the PLEDGER.

4. PLEDGER undertakes to transfer the pledged property to CREDITOR-PLEDGEE within two months following the date of delivery of confiscation notice to PLEDGER.

5. The duration of process of sale of pledged property may not become a ground for cessation of growth of BORROWER's liabilities to CREDITOR-PLEDGEE. Moreover, the proceeds from sale of collateral shall be utilized to fully cover CREDITOR-PLEDGEE's claims to BORROWER existing as of the date of sale of collateral and, and should the claim not be covered on the account of the collateral, the outstanding amounts may be confiscated from other property of BORROWER.

6. Confiscation of the property pledged to cover CREDITOR-PLEDGEE's claims may be executed by court order in the manner provided by RA legislation.

18. You can get acquainted with the tariffs on any service by visiting the following link: <https://www.aeb.am/en/sakagner/>

19. You can get acquainted with the terms, conditions and procedure of remote banking services by visiting the following link: https://www.aeb.am/hy/mobile_banking/

THE BANK IS SUPERVISED BY THE CENTRAL BANK OF ARMENIA