

**Retail Lending Terms and Conditions
(Home Mortgage Loan)¹**

Edition 60

Effective date: 17.07.2023

Approved by
Management Board resolution № 01/92/23 as of 10.07.2023
Acting Chairman of the Management Board - CEO Artak Hanesyan

Approved by Management Board Resolution # 08/1/01/14 as of February 4, 2014
Current edition approved by resolution # 01/92/23 as of April 10/07/2023, effective from the date specified above.

Home Purchase Loan (primary market)

1. Purpose	1.1. Purpose	1.1.1. (i) Purchase of residential property (including parking space) for residential, lease or investment purposes, or (ii) transfer of a loan for purchase of property for residential, lease or investment purposes from another bank/credit organization to Ameriabank CJSC		
2. Client's personal details	2.1. Eligible age of client/co-borrower/guarantor	2.1.1. 18-65 years old, provided that the borrower's age at the time of expiry of loan agreement will not have exceeded 65, otherwise a co-borrower or guarantor is required. The eligible age of co-borrower or guarantor is 18-65 provided that at the time of expiry of agreement it will not have exceeded 65. If involvement of a co-borrower or guarantor is a required condition under loan terms (except where co-borrowers or guarantors possess at least 70% of income included in OTI calculation), the eligible age is 18-65 provided that at the time of expiry of agreement it will not have exceeded 65.		
	2.2. Residency	2.2.1. For loans in AMD: citizens and non-citizens of Armenia who are resident in Armenia For loans in foreign currency: non-resident individuals		
loan terms	4.1. Currency	4.1.1. AMD	4.1.2. USD	4.1.2. EUR
	4.2. Minimum and maximum loan limit	4.2.1. AMD 3,000,000 - AMD 150,000,000	4.2.2. USD 5,000 - USD 300,000	4.2.3. EUR 5,000 - EUR 300,000
	4.3. Term (months)	4.3.1. 60		
	4.4. Nominal annual interest rate, property insurance included**	4.4.1. Fixed	4.4.2. Fixed	4.4.3. Fixed
		13.5%	11.0%	8.5%
	4.5. Annual percentage rate, property insurance included***	4.5.1. Fixed	4.5.2. Fixed	4.5.3. Fixed
		<u>14.39-15.76%</u>	<u>11.6-13.56%</u>	<u>8.86-10.71%</u>
	4.6. Term (months)	4.6.1. 61-240		
4.7. Nominal annual interest rate, property insurance included**	4.7.1. Adjustable fixed**** (rate can be changed starting from the 37th month)	4.7.2. Adjustable fixed**** (rate can be changed starting from the 37th month)	4.7.3. Adjustable fixed**** (rate can be changed starting from the 37th month)	
	Fixed component 5.0% + variable component (base rate)	Fixed component 8.5% + variable component (base rate)	Fixed component 7.5% + variable component (base rate)	
4.8. Annual percentage rate***, property insurance included	4.8.1. Adjustable fixed**** (rate can be changed starting from the 37th month)	4.8.2. Adjustable fixed**** (rate can be changed starting from the 37th month)	4.8.3. Adjustable fixed**** (rate can be changed starting from the 37th month)	

4. L	property insurance included	<u>14.37-15.74%</u>	<u>10.47-12.39%</u>	<u>8.3-10.12%</u>
	4.9. Other terms related to the interest rate	4.9.1. If repayment schedule is differentiated or mixed, the applicable interest rate is increased by 0.5%.		
		4.9.2. If the collateral related ratios (loan-to-value ratio) deviate from those approved by the internal regulations of the Bank, the applicable interest rate is increased by 0.25%.		
		4.9.3. If the collateral related ratio (loan-to-value ratio) is below the ratio approved by the internal regulations of the Bank by 5%, the interest rate is reduced by 0.25%; if the LTV ratio is below the approved one by 10%, the interest rate is reduced by 0.5%.		
		4.9.4. If the creditworthiness criteria deviate from those approved by the internal regulations of the Bank (any or several of the declared income related criteria, OTI and OSM), the applicable interest rate is increased by 0.25%.		
		4.9.5. If the client prefers a lending option without the early repayment fee, the applicable interest rate is increased by 0.5% (not applicable to loans secured by cash or bonds).		
		4.9.6. Where insurance is obtained by the client, the interest rate is decreased by 0.05%.		
	4.9.6. In case of other deviations, the applicable interest rate may be increased by 0.25%.			
	4.10. Lump sum disbursement fee	4.10.1. N/a		
4.11. Cashing of loan amount by the borrower or seller	4.11.1. AMD: Free Other currency: 0.5%			
4.12. Minimum down payment	4.12.1. At least 10% of purchase price of property			
5. Forms of loan repayment	5.1. Repayment	5.1.1. Annuity (equal monthly installments consisting of a portion of loan and a portion of interest)		
		5.1.2. Differentiated (monthly repayment of equal portions of principal amount while interest accrues to outstanding loan and decreases each month)		
		5.1.3. Mixed (client may choose an individual repayment schedule based on seasonality of cash flows, provided that at least 5% of contractual loan amount is repaid each year; interest payable on monthly basis)		
6. Security	6.1. Eligible collateral	6.1.1. 1. The loan is secured by the real estate being purchased. The Bank may consider as additional security pledge of other real estate to the reasonable satisfaction of the Bank, as well as cash in Ameriabank or bonds issued by Ameriabank. 2. If the borrower wishes to purchase property under construction without registered certificate of title, the loan will be secured by other Armenia-based real estate to the reasonable satisfaction of the Bank. 3. If the borrower wishes to purchase property abroad, the loan will be secured by Armenia-based real estate to the reasonable satisfaction of the Bank.		
	6.2. Loan-to-value (LTV) ratio	6.2.1. Maximum loan amount is: 1. For AMD loans: up to 90%** of the (i) lesser of the two: appraised market value of the property and purchase price, or (ii) value specified in the developer's**** reference provided to the client, unless otherwise determined by the Bank, 2. For foreign currency loans: up to 70%** of (i) the lesser of the two: appraised market value of the property and purchase price, or (ii) value specified in the developer's**** reference provided to the client, unless otherwise determined by the Bank, 3. up to 100% of the value of cash in Ameriabank or bonds issued by Ameriabank.		
	6.3. Location of real estate to be pledged	6.3.1. Yerevan, regional centers of Armenia, towns where Ameriabank has branches, as well as Jrvezh, Arinj, Dzoraghbyur, Kasakh, Tsaghkadzor, Masis and Yeghvard		
	6.4. Appraisal of the collateral	6.4.1. 1. No appraisal is required in case of acquisition of the right to purchase property from the developer. Pledge value is considered to be equal to the price specified in the developer's reference, unless otherwise determined by the Bank. 2. In case of acquisition of the title to the real estate from the developer, appraisal is performed by appraisal companies cooperating with the Bank.		
	6.5. Additional security	6.5.1. The Bank may request guarantees of individuals and/or companies as additional security.		

7. Insurance of the collateral	7.1. Insurance of the collateral	<p>7.1.1. The insurance of the pledged real estate is to be obtained only if the market value of the property is above AMD 100 million or the real estate being pledged is an apartment in Yerevan.</p> <p>Insurance for pledged real estate to be obtained on an annual basis throughout the loan term:</p> <ul style="list-style-type: none"> - If by the Bank: to the extent of outstanding loan - If by the client: at least to the extent of outstanding loan
8. Required documents	8.1. Required documents	<p style="text-align: center;">8.1.1. Required documents filed together with the loan application</p> <ul style="list-style-type: none"> • Loan application • ID [original] • Certificate of ownership/purchase right of real estate to be purchased/pledged [copy] • Other documents as the bank's specialist may request <p style="text-align: center;">8.1.2. Documents required after initial approval</p> <ul style="list-style-type: none"> • Proof of employment and/or other income • Marriage (divorce, spouse death), birth certificate (original) • Certificate of title to real estate to be pledged (original) • Other documents as the bank's specialist may request <p style="text-align: center;">8.1.3. Documents required after loan approval</p> <ul style="list-style-type: none"> • Copies of bases of title to real estate (to be submitted upon request) • IDs of owners of property to be purchased/pledged [originals] • Copies of marriage (divorce, spouse death) certificates of owners of property to be pledged • Statement from the State Committee of Real Estate Cadaster on encumbrance of real estate (unified statement) • Tax clearance certificate for the real estate • Real estate insurance policy • Documentary proof that the down payment was made in a non-cash manner (e.g.: original receipt, or, if paid electronically, a document showing that the electronic payment was confirmed). Such proof is not required if the payment was made from the accounts held with the Bank and the Bank specialist has exported the payment document from the system. • Other documents as the bank's specialist may request
9. Early repayment fee	9.1. Early repayment fee	<p style="text-align: center;">9.1.1.</p> <p>At any time during a contractual year the borrower can make an early repayment to the extent of outstanding principal amount of loan for that contractual year. A contractual year is each period of 12 months following the date of execution of credit agreement.</p> <p>Where the amount of early repayment exceeds the specified limit, the following fees are charged:</p> <ul style="list-style-type: none"> • Max 0.6% of early repayment, if made during the first year of agreement • Max 0.4% of early repayment, if made during the second year of agreement • Max 0.2% of early repayment, if made during the third year of agreement
10. Late payment fines and penalties	10.1. Late payment fines and penalties	<p>10.1.1. The interest rate specified in the loan agreement will continue to be applied to overdue loans.</p> <p>Fine in the amount of 0.13 % of overdue loan/interest for each day of delay.</p>

11. Other fees	11.1. Other fees payable by the client	<p style="text-align: center;">11.1.1.</p> <ul style="list-style-type: none"> • Fee for unified statement from the State Committee of Real Estate Cadaster of the Government of the Republic of Armenia • Fees for notarization of pledge (real estate) and filing of the bank's security interest under pledge agreement
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¹These terms have been previously known as Retail Lending Terms and Conditions under code 11RBD PL 72-03-01. Some of the Bank documents may contain references to these terms and conditions under the former name and code.

****Depending on the creditworthiness of the borrower, term of loan and LTV ratio, a higher or lower interest rate can be applied.**

***The annual percentage rate (APR) may differ from the above specified values if there is any or a few of the following factors:

- When the property insurance is obtained by the Bank at the customer's request
- When the borrower selects differentiated or mixed form of loan repayment
- If there are deviations from the creditworthiness criteria approved under the internal regulations of the Bank
- If additional property is pledged as collateral
- If there are other deviations

******Attention. The adjustable nominal interest rate may be revised no more than twice a year. Furthermore, depending on the change of the adjustable nominal interest rate, the threshold above or below which the nominal rate cannot change is $\pm 4\%$.**

***** The list of developers is determined by the Bank. If the developer is not included in the Bank's list, the terms of the loans for purchase of residential real estate from secondary market will apply.