

**MAIN TERMS AND CONDITIONS**

<b>Loan currency</b>	AMD	
<b>Loan amount</b>	1 500 001 – 2 500 000	2 500 001 – 5 000 000
<b>Loan maturity</b>	12 - 48 month	12 - 60 month
<b>Loan annual interest rate<sup>2</sup></b>	14.9%	
<b>Loan annual percentage rate<sup>2</sup></b>	29.1% – 70.3%	24.7% – 67.5%
<b>Loan service fee [monthly]<sup>3</sup></b>	0.3%	0.25%
<b>Loan disbursement fee [one-off]<sup>3</sup></b>	2.5%	2.0%
<b>Loan disbursement method</b>	Cash, non cash	
<b>Loan purpose</b>	Improvement of living conditions, other consumer purposes	

**CUSTOMER REQUIREMENTS**

- Individuals registered in RA, whose place of business is within FINCA's service area.
- Age: 21-70: the sum of the client's age at the time of applying and the expected loan period should not exceed 70 years.
- Stable income during at least the previous 6 months.
- Borrower should act on their behalf and for their benefit; taking a loan on behalf of a third person is prohibited.
- Overdue payments of no more than 30 days in total during the previous 6 months. Moreover, in the absence of registered income, each delay is not more than 15 days.

**MINIMUM REQUIREMENTS FOR LOAN SECURITY<sup>4</sup>**

1 500 001 – 2 500 000 AMD	2 500 001 – 5 000 000 AMD
<b>12-36 months</b> - one guarantor <sup>4</sup> and liquid asset collateral of at least 50% of the loan amount <sup>5</sup>	One guarantor <sup>4</sup> and liquid asset collateral of at least 100% of the loan amount <sup>5</sup>
<b>37-48 months</b> - one guarantor <sup>4</sup> and liquid asset collateral of at least 100% of the loan amount <sup>5</sup>	

**LOAN REPAYMENT**

The loan is repaid in equal monthly repayments consisting of the principal, interest and service fee. A grace period<sup>6</sup> of up to 3 months per year is available.

**The borrower can repay the loan earlier than stipulated by the payment schedule without incurring penalties.**

Upon early repayment, together with the reduction of the principal, the borrower's total credit expenses (interest, other fees) are reduced proportionally, except for the cases when the payer submits a different written order. Penalties and other fees incurred as a result of failure to properly fulfill obligations stipulated by the RA legislation and the loan contract, as well as the fees defined by the article 15 of the RA Law on Consumer Credit are not reduced. Upon full early repayment of the loan the borrower pays the service fees and other charges, interest and principal amounts calculated as of the payment date.

Payments for the future months can be made in advance by submitting a written order. Repayments for each upcoming month are made in the following order: 1) service fees and other charges, 2) interest, 3) principal.

**WARNINGS AND PENALTIES**

- **In case the borrower breaches the contractual obligations, FINCA may change the interest rate of the loan following the order provided by the contract and the terms constituting an integral part of the contract.**
- In case of failure to fulfill the contractual obligations according to the payment schedule, the borrower is obligated to pay a **PENALTY** for each overdue day in the amount of: 1) **0.13%** of the overdue principal, 2) **0.13%** of the overdue interest
- If the borrower fails to repay the principal on time, application of the contractual interest rate towards the overdue amount is terminated and a **24% annual interest rate** is applied from the day of breaching the schedule till the loan repayment date. If the amount paid is not sufficient to cover all overdue obligations, the creditor's expenses incurred in efforts to receive the due payments from the borrower are paid first, followed by the service fees, penalties, interest and principal. This order may change per the creditor's decision based on the borrower's written request.
- In case of failing to fulfill your loan obligations, this information is sent to the credit bureau where your credit history is formed. Bad credit history can prevent you from receiving a new loan in the future.
- In case of not fulfilling your loan obligations on time, your property may be confiscated in accordance with the law.
- If the collateral is insufficient to cover loan obligations when repaying them at the expense of the collateral, payments are made at the expense of your other property.
- **This type of loan has a high annual actual interest rate. Therefore, consider other similar services available in the market in advance and evaluate your loan repayment opportunities.**

**OTHER TERMS AND CONDITIONS**

<b>Disbursement in tranches (part by part)</b>	Not applicable
<b>Parallel loans</b>	The maximum amount of the sum of parallel loan liabilities is AMD 5,000,000, the maximum number is 3.

**LOAN APPLICATION AND DISBURSEMENT**

<b>Required documents and information</b>	<ul style="list-style-type: none"> <li>• Identity document of the borrower, guarantor (if available)</li> <li>• Social Security card number of the borrower and guarantor (if available) if not, (reference of not receiving the social security card)</li> <li>• Other documents upon request</li> </ul>	
<b>Factors on which the loan decision depends.</b>	<b>Positive factors</b> <ul style="list-style-type: none"> <li>• Good credit history</li> <li>• Sufficient level of creditworthiness</li> <li>• Stable income</li> </ul>	<b>Negative factors</b> <ul style="list-style-type: none"> <li>• Bad credit history</li> <li>• Insufficient level of creditworthiness</li> <li>• Absence of stable income</li> <li>• Providing false or unreliable information</li> <li>• Other negative factors</li> </ul>
<b>Decision making and provision timing</b>	<ul style="list-style-type: none"> <li>• Making a decision with respect to the loan application: up to 3 business days</li> <li>• Providing the applicant a notification on the decision: up to 1 business day</li> <li>• Disbursing the loan: up to 9 business days after the submission of the application</li> </ul>	
<b>Other details</b>	The borrower can apply for the loan in all FINCA branches. <b>Before signing the contract you will receive an individual sheet which will show your individual loan terms.</b>	

**NOTES**

1. The loan interest is calculated with respect to the outstanding amount, based on the annual interest rate. Whereas, the annual percentage rate shows the cost of the loan if the interest and all other required fees are duly paid according to the repayment schedule. The annual percentage rate calculation is described below.
2. Calculated with respect to the principal.
3. The credit committee can require additional loan security: guarantee or collateral.
4. Guarantors can be **internal**- family members, or **external**- other people. **In case there are only external guarantors**, a members of the borrower's family- if the borrower is married, then their spouse- should be registered as an affiliated person.
5. **Liquid asset collateral** — state registered agricultural machinery, a vehicle, real estate. There is no need to insure the collateral.
6. **Grace period**- a period, during which no loan interest (other payments) and principal is paid or only interest (other payments) is paid.

**ANNUAL PERCENTAGE RATE CALCULATION**

The annual percentage rate calculation is based on the following formula.

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

Where:

A –the initial loan amount

n –the sequence number of the installment for loan repayment

N –the sequence number of the last installment for loan repayment

$K_n$  –the amount of the  $n^{\text{th}}$  installment of loan repayment

$D_n$  –the number of days between the loan disbursement date and the date of the  $n^{\text{th}}$  installment of loan repayment

i –the annual percentage rate

Loan amount	3 000 000 AMD
Loan maturity	36 months
Annual interest rate	14.9%
Service fee	0.25%
Disbursement fee	2%
Loan repayment	33 months` equal monthly repayments 3 months of grace period
Registration of the pledge rights with respect to vehicle	5000 AMD
Disbursement day	6 November, 2020
First repayment date	7 December, 2020
<b>Annual percentage rate</b>	<b>26,9%</b>

**GENERAL TERMS AND INFORMATION REGARDING ALL TYPES OF BORROWERS**

- In the cases and according to the order provided by the contract and the terms constituting an integral part of the contract, FINCA has a right to unilaterally change the interest rate of the loan by up to +5 percentage points but not more than twice the bank reference rate set by the Central Bank of Armenia. The borrower should be notified about the change 7 business days prior to its entry into force.
- Statements on credit liabilities are provided at regular intervals defined by the legislation of RA. Other information is provided in any FINCA in up to 10 business days upon request.
- Tariffs for the provision of extracts and other information are set by the relevant domestic legal acts of FINCA.
- You can communicate with FINCA by using the channel of your preference: either postal services or electronic communication. It is more convenient to obtain information electronically as it is free of losing information on paper.
- To compare the loan types offered to individuals and to choose the most suitable option, you can visit the electronic platform *Your Financial Directory* at [www.fininfo.am](http://www.fininfo.am).
- When pledging property as collateral for a loan, a need to use third party services arises. The prices of those services and the respective service providers are presented below:

Services	State agencies and cooperating organizations providing the services	Service fees
Ratification of the pledge agreement	Notary Offices of the RA	AMD 3,000 – 20,000
Registration of pledge rights with respect to real estate	Cadastre Committee of the RA	AMD 3,000 – 30,000
Provision of a unified certificate on the real estate unit	Cadastre Committee of the RA	AMD 500 – 10 000
Registration of pledge rights with respect to agricultural machinery	The Ministry of Justice of the RA	AMD 2,000

Registration of pledge rights with respect to vehicles	Records and Examinations Divisions of the Road Police Service of the RA Police	AMD 2,000
Provision of a certificate on limitations with respect to vehicle alienation	Records and Examinations Divisions of the Road Police Service of the RA Police	AMD 3,000
Bank transfer (transfer of service fees)	RA banks	AMD 300 per transfer
Independent appraisal of real estate pledged as collateral	Cost Consult LLC Oliver Group LLC A.G. Borsa LLC VM-RP LLC Gardi LLC Finlaw LLC	Depending on the type and size of the property, minimum AMD 5,000

**NOTE: FINCA UCO IS REGULATED BY THE CENTRAL BANK OF ARMENIA**