The terms in the print version of the information bulletin may have been modified. In case of any differences between the terms in the print bulletin and the effective terms published on the website, it is recommended to turn to a branch or refer to the version available on the website. Full information about the terms can be accessed by following the link below.

SIMPLE GUARANTEES

Type	1. Bid participation guarantee 2. Prepayment guarantee 3. Post-performance quality guarantee 4. Guarantee for performing activities 5. Other	
Currency	AMD	subject to exchange rates published by the CBA
Maximum term	up to 48 months	
Minimum amount	not specified	
Maximum amount available to the Borrower under the following terms *	AMD 100.000.000 or foreign currency equivalent	
Application screening fee	AMD 6,000 (paid one-off at the time of application)	
Fee for review of guarantee terms	AMD 25,000 (for each case of review)	
Guarantee issuance fee*		
Guarantees for bid participation /other guarantees	1. Under cash funds: 0.75% per annum, min AMD 10,000 2. Under real estate: 3% per annum, min AMD 60,000	1. Under cash funds: 0.75% per annum, min AMD 10,000 2. Under real estate: 5.5% per annum, min AMD 60,000
*In case of early repayment of the guarantee, the commission fee is not a subject to refund		
Commission fees	1. One-off at the time of issuance; 2. Monthly, at the rate higher by 0.5%	
Collateral		
for bid participation guarantees	1. Cash funds in accounts serviced with the Bank subject to the bank account or deposit agreement (under restriction) or pledge of real estate; 2. For legal entities - surety by individual owners of 20% and more shares (shareholders); and in case of an individual owning 70% and more shares - only the given shareholder's surety; 3. Cash funds circulating in the client's accounts serviced with Bank and the right of claim pertaining thereto (without restriction).	
for other guarantees	1. Real estate pledge and for legal entities - surety by individual owners of 20% and more shares (shareholders); and in case of an individual owning 70% and more shares - only the given shareholder's surety or 2. Cash funds in accounts serviced with the Bank subject to the bank account or deposit agreement (under restriction);	

	3. Cash funds circulating in the client's accounts serviced with Bank and the right of claim pertaining thereto (without restriction).
Collateral registration fee	1. Collateral registration: AMD 26,000 2. Purchase and collateral registration: AMD 71,000 (each collateral (above 1) is subject to tariffs of the RA Cadastre Committee)
Other Fees Payable by The Client	
Real estate appraisal	Subject to the tariffs of independent appraisers collaborating with the Bank
Receipt of unified certificate on restrictions	Subject to the RA Cadastre Committee tariffs
Notarization of contracts	Subject to the notarization tariffs (depending on the number of documents)
State registration of the pledge right	State registration of the collateral/sale and purchase and right of pledge of the real estate
Requirements and Conditions for The Collateral	
Property address	The addresses in the 1st, 2nd and 3rd zones as classified in the zoning list, as well as the communities in the 4th zone pursuant to clause 19 and the land plots pursuant to clause
Collateral appraisal	The collateral must be appraised by one of the specialized companies collaborating with the Bank, except for cases specified in the Bank's internal legal acts
	For public and production premises, the application decisioning is also made under the preliminary appraisal report, provided that the client must submit a final appraisal report prior to loan issuance.
Pledgor	Individual borrower or his/her spouse (including SE); Founder of the company, or
	Any full-aged individual (including SE) without any restrictions to the pledged property, the right of ownership to which arose at least 3 months before the date of submission of the loan application*
Requirements to the collateral	1. A real estate unit of residential, public or production value, as well as an underdeveloped residential and public land plot may be a pledge; 2. The real estate shall have a stone, panel or reinforced concrete structure (apart from partition walls and interflow covers). The real estate shall be at least 80% complete. The maximum requirement is without interior design. Half-constructed, incomplete or half-destroyed properties may not be a subject of pledge; 3. The residential real estate may not be furnished with the necessary facilities (assembled waterline, electric wires), but their absence shall not affect the property's appeal; 4. The real estate shall not be a public housing or be located on the premises of any other facility, i.e. – a former dormitory or hotel any other public facility or administrative building; it shall not be a garage, a parking lot or a car unit; 5. Properties in multi apartment buildings may not be a subject of pledge provided the dismantling of the buildings and facilities forming part thereof will affect the property's appeal, and/or the real estate unit with makeshift (illegal) premises in the multi-apartment building surpasses 50% of the legal premises. Exceptions shall apply to cases when more than 1 property units is being pledged and the liquidation value of the pledge does not exceed 55% of the collateral pool. Property units without state registration of the ownership right may not be a subject of pledge; 6. The real estate shall not be in a building with level 3 or higher emergency or shall not be above level 3 emergency;

	7. Whenever the property being pledged has outstanding cadastral value, the sum total of the unpaid cadastral value and the loan shall not exceed more than 80% of the collateral liquidation value; 8. The construction value shall be minimum 15% in zone 1, minimum 25% in zone 2, minimum 30% in zone 3 and minimum 40% in zone 4 in the total collateral value; 9. If the real estate is owned by individuals under the right of common and/or shared ownership, all the shares shall simultaneously serve as a pledge, with all the co-owners acting as pledgers; 10. A residential real estate shall have an inter-floor construction not lower than 2.5 meters; 11. The residential real estate shall not be on a ground, basement, semi-basement, technical level or and attic floors. Residential houses with the surface area of each of the said units surpassing half of the total surface may not be a subject of pledge; 12. Properties sharing a common space with another property unit, a land plot pertaining to a residential house (or a part thereof) belonging to the owners under the right of pledge or gratuitous use or servitude may not be a subject of pledge; 13. Residential houses with two and more shared walls with other owners' property may not be a subject of pledge. Exceptions shall apply to newly built townhouses; 14. Real estate having a part handed over for gratuitous use under a court decision may not be a subject of pledge; 15. Whenever the real estate being pledged is a private residence, it shall be pledged in full. Whenever it is a land plot of a property unit being pledged, it shall be privately owned, as well as have a paid cadastral value. The land plot shall have an entrance detached from community lands. 16. The real estate shall not be on a territory declared a higher public interest. 17. Addresses of the land plots acceptable as a pledge to the Bank shall be the city of Yerevan (except as specified in clauses 1-18 of the Bank's zoning) and the following urban and rural communities: Vagharshapat, Masis, Artashat, Ashtarak, Abovyan, Tsaghkadzor, Yeghvard, Arinj, Dzoraghbyur, Jrvezh, Kasakh, Proshyan, Zovuni, Verin Ptghni, Nerkin Ptghni, Ayntap, Nor Kharberd, Kanakeravan; 18. The city of Yerevan, except as specified in clauses 1-18, as well as in the land plots of the urban and rural communities: Vagharshapat, Masis, Artashat, Ashtarak, Abovyan, Tsaghkadzor, Gyumri (except for the properties in zones 10-13 of Gyumri included in the territorial assessment zones of the Republic of Armenia under Armenian Government Decision 1023-N dated June 4, 2020); Vanadzor (except for the properties in zones 10-12 of Vanadzor included in the territorial assessment zones of the Republic of Armenia under Armenian Government Decision 1023-N dated June 4, 2020); Dilijan (except for "Rotonda" (framed by coordinates: 40.740218, 44.870844-40.739515, 44.872049-40.737235, 44.868397-40.734627, 44.867563-40.734233, 44.865617-40.737746, 44.864841-40.740218, 44.870844)); the upper part of "Kaghni Khach" district (framed by coordinates 40.748196, 44.886507-40.749033, 44.888828-40.747623, 44.890443-40.746229, 44.887918-40.748196, 44.886507)] and "Takhta Dzor" section (framed by coordinates 40.751559, 44.898396- 40.753051, 44.902820-40.751928, 44.902448-40.750994-44.899839-40.751559, 44.898396); Ijevan, Yeghegnadzor, Ajapnyak district in Jermuk, towns of Goris and Kapan, as well as Byureghavan, Argavand, Parakar-Tahirov, Geghanist, Balahovit, Getargel, Yeghvard, Arinj, Dzoraghbyur, Jrvezh, Kasakh, Proshyan, Zovuni, Verin Ptghni, Nerkin Ptghni, Ayntap, Nor Kharberd, Kanakeravan. 19. Communities in zone 4: Ararat region: village of Taperakan, village of Nor Kyank, Dimitrov, village of Masis, Azatavan, Marmarashen, Jrahovit, Arevabuyr, Mrgavet, Baghramyan (Artashat), Berkanush, Goravan, Dalar, Vostan, Vosketap, Aygavan, Nizami, Sayat-Nova, Dashtavan; Armavir region: village of Armavir, village of Voskehat, village of Tsaghkunk; Aragatsotn region: village of Kuchak, village of Voskevaz, Parpi, Ohanavan, Nor Yerznka;

	Kotayk region: village of Kotayk, village of Akunk, Getargel, Bjni, Alapars, Karenis; Shirak region: village of Vahramaberd, village of Mayisyan, village of Azatan; Syunik region: village of Syunik (Kapan), village of Halidzor (Goris), village of Shinuhayr (Goris); Vayots Dzor region: village of Areni, village of Aghavnadzor, village of Gladzor, village of Malishka; Lori region: village of Margahovit, village of Gyulagarak, Tumanyan, Dsegh, Debet, Arevashogh, Jrashen, Gargar; Tavush region: Noyemberyan, village of Koghb, village of Getahovit, Teghut; Gegharkunik region: village of Nerkin Getashen, Vardenik, village of Yeranos, Lichk.
Terms of subsequent pledge, including from financial institutions in case of refinancing	Pledged in the Bank subject to the rules of subsequent pledge.
Quantity of collaterals**	Unlimited
*The 3-month restriction of the right to ownership applies only to cases when the property was acquired through donation or based on sale and purchase transaction (except for community and state donation and sale or purchase transaction). **If the loan is issued for purchase of property under the present terms, it may also serve as a collateral. Moreover, the property being purchased may be used for entrepreneurial purposes, and the owner and pledgor (an individual in case of an SE and the owner of 50% and more shares - in case of a legal entity) shall, as a result of the transaction, be the borrower, as well as his/her spouse (if married) unless otherwise foreseen under the RA legislation and the legal relationship between the spouses. The liabilities prescribed by the RA Tax Code shall be performed by the borrower.	
The maximum limit per borrower based on the collateral location shall refer to all properties pledged in the given location.	
Financing/Pledge ratio	1. Maximum 100% if secured by cash funds (pursuant to Annex 8) 2. Maximum 100% if secured by real estate (pursuant to Annex 5)
Service of Guarantees	
Application and documents are accepted at	All branches across Armenia (for collaterals located in Armenia)
Charging of commission	1. One-off at the time of issuance; 2. Monthly, at the rate higher by 0.5%
Liability for Breach of Financial Discipline	
Receivables maturity	30 days
Interest rate accrued to receivables	12%
Interest rate accrued to overdue receivables	24%
Overdue interest	48% per annum
For payments made at the Beneficiary's	0.15% of the guarantee amount, min AMD 5 000

request under the guarantee issued by the Bank	
Decision-Making Deadlines and Factors	
Decision-making deadline	up to 3 business days after submitting the required documents
Notification period	1 business day
Factors for approval or rejection	Approval factors: 1. Compliance of the borrower/borrower's spouse/pledgor with the requirements; 2. Compliance of the borrower's activities and indicators with the requirements; 3. Compliance of the pledged property with the requirements set by the Bank. Rejection factors: 1. Incompliance with the above requirements set by the Bank.
Decision validity	30 business days
Guarantee issuance term	1 business day after notarization of the pledge contract and cadastral registration of the collateral
Other Requirements	
Bank account opening/service	Subject to the Bank's tariffs
Guarantees shall be issued and extended solely under the Bank's standard contracts. For guarantees secured by real estate, a master contract for financial transactions shall be concluded. Moreover, in case the client has an acting master contract with the Bank, a new contract shall be signed based on the client’s application. The liquidation value of the pledged real estate shall be established as the amount of the master contract, with the timeframe being set at the maximum term as prescribed hereunder.	
In case of issuing guarantees in favor of the beneficiary acting outside the Republic of Armenia, the commission of a foreign financial institution shall be paid by the client.	
The requirement for a maximum limit shall apply to all financial instruments (loan, credit line, guarantee) issued as part of these terms.	
The one-off fee for issuance shall be paid from the client’s own resources prior to issuance of the guarantee.	
For guarantees in foreign currencies (other than AMD), conversion shall be made at the sale exchange rate for non-cash transactions set by the Bank as of the given day.	
In case of a collaboration with the Bank under a joint (consortium) contract, incorporate the following clauses into the Guarantee Contracts: The Bank shall acquire the right to a retroactive claim based on the Guarantee in the amounts paid by the Bank to the Beneficiary in relation to the Customer for whom such amounts are processed as Receivables for the Bank regardless of whether the Beneficiary’s claim deals with a violation of the Principal Liability (grounds for issuing a credit) by the Customer or the organization(s) under a contract between the Customer and any other organization(s) (specify organization[s])	
*In case of early repayment, the guarantee issuance fee is not subject to refund. Annex 5	

Maximum "financing/pledge liquidation value" ratio based on the client's credit score (in case of financing solely based on the credit history and the collateral)				
Maximum financing/pledge ratio	Real estate		Land plot	Vehicle
	Republic of Armenia (in Yerevan)	Republic of Armenia (except for Yerevan)		
	85%	80%	70%	50%
Maximum financing amount (per currency and collateral location)	AMD 100.000.000 or a foreign currency equivalent		Republic of Armenia (in Yerevan)	
	AMD 70.000.000 or a foreign currency equivalent		Republic of Armenia (except for Yerevan)	
The Bank's Credit Committee may establish other requirements for "financing/collateral" ratio, but no more than 100%				
Application decisioning				
Factors for approval or rejection	Approval factors: 1. Compliance of the borrower/borrower's spouse/pledgor with the requirements; 2. Compliance of the pledged property with the requirements set by the Bank; 3. Compliance of the borrower's activities and indicators with the requirements.			
Decision validity	30 business days			
Financing issuance term	1 business day after notarization of the pledge contract and cadastral registration of the collateral			

Annex 6

Requirements to the Borrower

Borrower's status	A legal entity or a sole entrepreneur registered in the Republic of Armenia and engaging in an entrepreneurial, including agricultural activity, as well as individuals engaging in an entrepreneurial activity in the event of financing under the Agribusiness sub-clause or from their own resources for agricultural purposes.
Requirements under sub-clause "Women in Business"	1. At least 50% of the enterprise is owned by women, or 2. 60% of the pivotal enterprise leaders are women, or 3. Women account for 50% of the registered enterprise staff
Borrower's activity period	At least 3 months
Borrower's age	For individuals or SE, the borrower's age before the loan maturity shall not be above 70 (until 71 inclusive).
Past year profit	above 0
Restriction of the sphere of activity (listed companies)	http://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/sustainability-at-ifc/company-resources/ifcexclusionlist
Requirements to the credit history	
Pledgor	Absence of outstanding overdue loans and/or guarantees

Annex 8

Collateral	Maximum financing/pledge ratio	
Cash funds in the accounts serviced with the Bank under bank account or deposit agreements (under restriction)	Financing and collateral: of the same currency	100%
	Financing: AMD Collateral: foreign currency	94%
	Financing: foreign currency Collateral: AMD	80%
Requirements to the pledgor	Any individual of full age, SE and legal entity	

Important To Know

In the event of overdue liabilities, the repayments shall be made in the following sequence: receivables by the Bank on the part of the Borrower generated as part of loan agreements; the penalty accrued to (accumulated for) the overdue interest; the interest accrued to (accumulated for) the overdue Loan; accrued (accumulated) yet unpaid overdue interest; overdue Loan amount; Loan service fee; term interest accrued to (accumulated for) the used Loan; the Loan amount.

Appraisal of the real estate is performed exclusively by independent appraisers collaborating with the Bank. The full information is available on the Bank's official website (www.ardshinbank.am).

ATTENTION:

YOUR PROPERTY MAY BE CONFISCATED IN A MANNER PRESCRIBED BY LAW IN CASE OF FAILURE TO REDEEM THE INTEREST AND LOAN AMOUNT IN DUE TIME.

IN CASE OF NON-PERFORMANCE OR INCOMPLETE PERFORMANCE OF YOUR LIABILITIES, THE CREDITOR SHALL, AFTER 3 BUSINESS DAYS, SEND THE INFORMATION TO THE CREDIT BUREAU WHERE YOUR CREDIT REPORT IS CREATED. YOU ARE ENTITLED TO RECEIVE THE FREE COPY OF YOUR CREDIT REPORT FROM THE CREDIT BUREAU ONCE EVERY YEAR.

A POOR CREDIT HISTORY MAY LIMIT YOUR ACCESS TO FUTURE LOANS.

FINANCIAL ORGANIZATIONS IN THE REPUBLIC OF ARMENIA ARE SUPERVISED BY THE CENTRAL BANK OF ARMENIA.