

TERMS OF FINANCE LEASE¹

#	Terms	
1.	Requirements to the leased item	The leased item can be acquired in the RA and abroad both from primary and secondary markets.
2.	Requirements to the lessee	The company should be a business running for at least: <ul style="list-style-type: none"> • the most recent 6 months before application date (for companies engaged in trade and/or service) • the most recent 12 months before application date (for companies engaged in manufacturing)
3.	Repayment of principal amount before due date ²	Lump-sum fee of 0.5% if the principal is repaid before due date during the first 6 (six) months after provision of finance lease.
4.	Late payment or improper payment fee for principal and/or interest	Fine in the amount of 0.13% of overdue principal and/or interest for each day of delay (breach of the due dates of liabilities)
5.	Repayments	on a monthly or quarterly basis or negotiable
6.	Disbursement fee	Lump-sum 0,5%-1% of the amount of finance, maximum AMD 500,000
7.	Advance payment	Minimum 15%
8.	Advance payment vs the amount of finance ³	15/85%
9.	Security	<ul style="list-style-type: none"> • Guarantee issued by the lessee's director/founder/other person • Pledge of property/right upon request
10.	Lease tenure for movable property ⁴	6 months to 5 years
11.	Lease tenure for real estate ⁴	1-10 years
12.	Grace period ⁴	Negotiable
13.	Lease interest rate ⁴	AMD: from 11% USD: from 8% EUR: from 6%
14.	Insurance	Required: for the full value of leased item during the first year and for at least outstanding principal amount of finance in each subsequent year
15.	Lease restructuring fee ⁵	AMD 500,000

¹ These terms do not apply to finance lease under the RA Law on Consumer Lending.

² In case of actual application of fines and/or penalties, their annual rate and/or the total sum of fines and penalties shall be regulated by applicable limits defined under the legislation of Armenia.

³ If finance is provided for acquisition of real estate and if the property is purchased from a company cooperating with the Bank, the Bank finances up to 85% of the purchase value of the property; in other cases the Bank finances up to 85% of either the liquid value of the property appraised by an appraiser cooperating with the Bank or the purchase price of the property, whichever is smaller.

⁴ The rate and tenure depend on the level of risk associated with the deal, type of property to be purchased and the specifics of business. The lease rate depends also on lease tenure.

⁵ The lease restructuring fee shall be payable by client, if the restructuring application initiated and submitted by the client is satisfied based on analysis conducted by relevant department of the Bank. In other cases of lease restructuring, charging of the fee shall be normally subject to decision of the Large Credit Committee.