

**The real annual interest rate is calculated on the basis of the following formula:**

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

where

$i$  – annual percentage rate, which represents the total borrowing expenses of the client, expressed as the annual rate of extended credit, including all interest and other payments, that the client is obliged to perform for the receipt of the loan, as well as during its whole tenor,

$A$  - initial amount of the loan, extended to the client,

$n$  – sequential number of payments, performed by the client for the redemption of the credit (principal, interest and/or other payments, including the payments, performed at the receipt of the credit). All principal, interest and other payments in one day are considered to be one payment,

$N$  – the last number of payments, performed by the client for the redemption of the credit (principal, interest and/or other payments, including the payments, performed at the receipt of the credit), after which all obligations under the credit agreement are considered to be extinguished by the client,

$K_n$  –  $n^{\text{th}}$  sequential payment (principal, interest and/or other payments), performed at the receipt and/or during the tenor of the credit,

$D_n$  – the number of days from the receipt of the credit till the day of  $n^{\text{th}}$  sequential payment inclusive.