

SME FINANCING

INFORMATION BULLETIN

+374 60 61 61 00
byblosbankarmenia.am

 **BYBLOS BANK**
ARMENIA

ATTENTION

Tariffs and conditions laid out in this information bulletin are subject to change.

In order to obtain additional up-to-date information about SME financing by Byblos Bank Armenia, please call us at +374 60 61 61 00, visit the Bank's official website at byblosbankarmenia.am or stop by one of our branches, which are located at the following addresses:

- Abovyan 6, Yerevan
- Amiryan 18/3, Yerevan
- Komitas 38/2, Yerevan
- Baghramyan 84/1, Yerevan

You may communicate with the Bank by post or email. The latter eliminates the risk of loss of information and ensures secrecy.

SME FINANCING

Byblos Bank Armenia provides SME financing and refinancing to help maintain business continuity and to encourage bolder projects.

- ✓ Working capital replenishment
- ✓ Business development
- ✓ Acquisition, renovation or construction of real estate
- ✓ Equipment acquisition
- ✓ Vehicle acquisition
- ✓ Transfer/consolidation of existing loans

When transferring a loan from another bank, no loan arrangement fees are applied, and all transfer costs are covered by Byblos Bank Armenia.

1

INTEREST RATE AND KEY CONDITIONS

PROPERTY SECURED LOANS

Up to 70% of the property's market value is financed. The loan disbursement fee is 1% of the loan amount, with a minimum of AMD 100,000 and a maximum of AMD 500,000.

CURRENCY	₴	\$	€
INTEREST RATE	12%	9%	7%
MIN. AMOUNT	5,000,001	13,000	13,000
MAX. AMOUNT	150,000,000	300,000	300,000
TENOR	from 12 to 180 months		

The annual nominal interest rate is:

- ₴ From 12%, fixed for the first 3 years
For the remaining years – Bank base rate * +5% annually reviewed
- \$ From 9%, fixed for the first 3 years
For the remaining years – Bank base rate * +5% annually reviewed
- € Against real estate collateral: From 7%, fixed for the first 3 years
For the remaining years – Bank base rate * +7% annually reviewed

*The base rate is determined by the Bank for different currencies and reflects the average weighted yield for the Bank's interest bearing liabilities.

UNSECURED LOAN

The loan disbursement fee is 1% of the loan amount, with a minimum of AMD 100,000 and a maximum of AMD 500,000.

CURRENCY	₴	\$	€
INTEREST RATE	14.5%	12.5%	10.5%
MIN. AMOUNT	5,000,001	13,000	13,000
MAX. AMOUNT	25,000,000	50,000	50,000
TENOR	from 12 to 36 months		

The annual nominal interest rate is:

- ₴ From 14.5%, fixed for the first year
For the remaining years – Bank base rate * +7% annually reviewed
- \$ From 12.5%, fixed for the first year
For the remaining years – Bank base rate * +7% annually reviewed
- € From 10.5%, fixed for the first year
For the remaining years – Bank base rate * +8% annually reviewed

*The base rate is determined by the Bank for different currencies and reflects the average weighted yield for the Bank's interest bearing liabilities.

OVERDRAFT

The loan disbursement fee is 1% of the loan amount, with a minimum of AMD 100,000 and a maximum of AMD 500,000.

CURRENCY	₴	\$	€
INTEREST RATE	14.5%	12.5%	10.5%
MIN. AMOUNT	5,000,001	13,000	13,000
MAX. AMOUNT	25,000,000	50,000	50,000
TENOR	from 12 to 36 months		

- ₴ 14.5%, fixed
- \$ 12.5%, fixed
- € 10.5%, fixed

AUTO LOAN

The loan disbursement fee is 1% of the loan amount, with a minimum of AMD 100,000 and a maximum of AMD 500,000.

CURRENCY	₴	\$	€
INTEREST RATE	12.5%	10.5%	8.5%
MIN. AMOUNT	5,000,001	13,000	13,000
MAX. AMOUNT	45,000,000	90,000	90,000
TENOR	from 12 to 72 months		

The annual nominal interest rate is:

- ₴ From 12.5%, fixed for the first 3 years
For the remaining years – Bank base rate * +6% annually reviewed
- \$ From 10.5%, fixed for the first 3 years
For the remaining years – Bank base rate * +6% annually reviewed
- € From 8.5%, fixed for the first 3 years
For the remaining years – Bank base rate * +7% annually reviewed

*The base rate is determined by the Bank for different currencies and reflects the average weighted yield for the Bank's interest bearing liabilities.

i

ATTENTION

The nominal interest rate of this loan may be changed by the Bank. If the loan is granted in USD and EUR, exchange rate fluctuations may have a certain influence on loan repayment.

2

NOTICE OF NON-FULFILLMENT OR EARLY REPAYMENT OF LOAN OBLIGATIONS

In case of non-fulfillment or improper fulfillment of credit obligations by the Borrower, the Bank shall be entitled to receive a reimbursement at the expense of security funds provided for in the credit agreement and other property of the Client, in accordance with the Armenian legislation. The Bank shall be entitled to foreclose the mortgaged property via in- and out-of-court proceedings. In case of payment delay, the Bank may update the Borrower's profile in Credit Register and Credit Bureaus of the Central Bank of Armenia, which can leave a negative impact on the Borrower's credit history.

In case of payment delay of the loan or part of it, as well as of accrued interests, the loan interest rate defined by the loan agreement shall not be applied on the overdue loan amount and the Bank will apply a 24% annual interest rate to the amount owed by the Customer for each due day. No other fees are charged for overdue amounts.

The Borrower has the right to repay the loan or a part of it prematurely.

In case of early repayment of the term loan (full or partial) during the interest fixed period, a 5% penalty on the early repaid amount will be applied.

3

THE APPLICANT'S CREDITWORTHINESS

The applicant must be a resident of Armenia, aged above 21, while an IE must be a resident of Armenia, aged 21-63 (during the validity of the loan agreement).

The applicant must provide real estate and/or public property (to increase working capital, acquire equipment, purchase, renovate or build commercial space,) or vehicle (vehicle acquisition) as collateral for the loan.

A Small Business Loan is provided to private entrepreneurs, limited liability, open and closed joint-stock companies, where the number of employees does not exceed 49.

The annual turnover should be between AMD 50 million (or \$50,000, or €50,000) and AMD 500 million (or \$1,000,000, or €1,000,000).

At the time of loan approval the business must be in operation for at least 2 accounting years (profitable for the past 1 year).

The loan to value ratio is calculated based on the lower of the real estate appraisal and acquisition values.

Unsecured loans are provided if turnover is transferred to Byblos Bank Armenia. The loan amount can be up to 10% of the annual turnover, but not more than \$50,000 (or AMD 50 million, or €50,000).

4

INTEREST CALCULATION

Interest will be calculated on the outstanding loan on the basis of a 360-day year.

Loan interests are accrued according to the nominal interest rate, while the Annual Percentage Rate (APR) shows how much the loan will cost you in case you make all payments in due time.

Depending on the Bank's risk assessment results, the loan application might be approved at a higher interest rate or with a larger down payment.

5

REQUIRED DOCUMENTS

The documents are brought in personally by the applicant or co-borrower within 15 days of submitting the application. Original documents are brought in, but copies are provided to the Bank.

Information about the applicant

- ✓ Passport and ID card of authorized signatories of the company, guarantor(s), as well as of pledgers (if any)
- ✓ Certificate from State Register
- ✓ Statement from the State Register
- ✓ Tax payer ID
- ✓ Charter of the company (including all changes)
- ✓ Proof of address (owned or rented or held through an enterprise contract management)
- ✓ In case of transferring a loan: acting loan agreement and mortgage agreement

Income data

- ✓ Financials for the last 2 years
- ✓ Balance sheet
- ✓ Income statement
- ✓ Tax statement (e.g. income tax, VAT, profit tax, etc.)
- ✓ Reference from the Tax Authorities about liabilities to govt. budget
- ✓ Breakdown of expenditures
- ✓ List of receivables and payables
- ✓ Bank statement for the last 12 months (if the company turnover is not at BBAM)
- ✓ Borrower's agreement (if available)
- ✓ Other documents (upon request)

Information about the pledged property

- ✓ Ownership certificate of the pledged area and the basis of ownership, if the loan is secured by real estate
- ✓ Appraisal report for the pledged real estate from an appraisal agency cooperating with the Bank
- ✓ In case of purchasing a car, reference from the vehicle obtained from the showroom (year, mileage, price, VIN code)

Additional documents may be required.

According to the law of the Republic of Armenia on Combating Money Laundering and Terrorism Financing and for the proper investigation of the client's profile, the Bank can obtain additional documents or other information as per the Know Your Customer principle, as well as ask additional questions during communication (if need be).

According to an agreement with the United States regarding the Foreign Account Tax Compliance Act (FATCA), the Bank may request or gather additional information in order to identify the Borrower's status as a USA taxpayer.

6

PROVISION AND REPAYMENT OF LOAN

- ✓ The loan is only processed at Byblos Bank Armenia branches.
- ✓ The loan is credited to the Client's bank account through a non-cash transfer.
- ✓ Loan disbursement is executed within a maximum period of 3 working days from the date of signing the loan contracts by the client at the branch if mandatory documents are provided.
- ✓ The repayment of the loan shall be done in equal monthly installments whereas interest accrued at the date of repayment shall be repaid first then the principal. In case there are penalties, those will be paid first.
- ✓ The main factors affecting the decision to approve or reject a loan are as follows:
 - a - credit history
 - b - valid justification for the loan purpose
 - c - accuracy of the information provided by the Borrower
 - d - solvency of the client (financial position)
 - e - creditworthiness of the client (personal qualities, absence of any legal impediment)
 - f - type of security

- ✓ Byblos Bank Armenia will review your loan application within 7 days after submitting all necessary documents. The Bank will inform you in writing about a positive or negative decision within 2 working days.

7

APPRAISAL AGENCIES WORKING WITH THE BANK

- Cost Consult LLC
- Amintas Group LLC
- Oliver Group LLC
- VM-RP LLC
- Gardi LLC
- RVM Consult LLC
- AltaVip LLC

8

TO GUARANTORS (upon such a requirement)

If the Borrower defaults on their loan, the Guarantor is liable for the outstanding obligation, which could damage the latter's credit history and expose them to the risk of losing the property.

The Guarantor will be provided with a copy of the loan and guaranty agreement and the repayment schedule.

Communication is carried out in a manner convenient for the Guarantor.

The Bank is obliged to notify the Guarantor about the change in the terms of the contract seven days in advance.

The Bank is obliged to remind the Guarantor about the existing obligation one day in advance and inform them about the delay in repayment of the loan no later than one day later.

The Guarantor may request information about the amount of the loan balance from the Bank at any time.

The Guarantor may get back from the Borrower the money they paid for the loan, as well as other losses incurred on behalf of the Borrower.

OTHER SERVICES

NAME	FEE (AMD)
Mortgage related consents*	5,000
Consent for secondary mortgage*	5,000
Consent for change of mortgage*	5,000
Consent for change of vehicle reg. certificate*	5,000
Consent for change of mortgage*	5,000
Consent for registration or de-registration of family members*	1,000
Release of a mortgage (not applicable in case of full premature repayment)*	5,000
Consent for the change of the property certificate*	5,000
Fee for obtaining an electronic statement on complete information about Legal entity from the registry of Legal entities*	5,000

*VAT included

Important Note: The fees are applicable for each item of collateral.

You can receive the statement of the loan in your chosen way. Statements and the certificate of loan account are provided as per tariffs below:

TITLE	FEE (AMD)
Provision of statement monthly	free of charge
Provision of statement duplicate up to 6 months**	3,000
Provision of statement duplicate over 6 months*	6,000
Certificate of balance related to loans*	3,000

*VAT included