

The terms mentioned in the bulletin may have been amended.

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## INFORMATION BULLETIN ON BUSINESS ROCKET LOAN PROVIDED TO CORPORATE CLIENTS

1.	Loan purpose	For expansion and development of business activities
2.	Clients	RA resident individual entrepreneurs
3.	Currency	AMD
4.	Minimum loan amount	100,000
5.	Maximum loan amount	10,000,000
6.	Annual nominal interest rate (fixed)	19,9-21,7%
7.	Annual effective interest rate (fixed)	21.68% -24%
8.	Minimum loan term	12 months
9.	Maximum loan term	60 months
10.	Loan application review fee	not specified
11.	One-time loan disbursement fee <sup>1</sup>	not specified
12.	Monthly loan service fee	not specified
13.	Grace period	not specified
14.	Loan and interest repayment	Annuity: equal monthly repayments of the sum of the principal loan amount and interest
15.	Minimum term of business activity (uninterrupted)	6 months
16.	Opening and maintenance of bank account (in case of providing loan)	The bank account is opened free of charge and is maintained according to the applicable tariffs of the Bank, which are presented at the following link: <a href="#">Information Summary of Tariffs</a>
17.	Method of payment and use of the loan amount	The loan amount is provided in a non-cash form by making a transfer to the bank account. The withdrawal of the loan amount from the bank account is carried out according to the tariffs applicable by the Bank, which can be found at the following link: <a href="#">Information Summary of Tariffs</a>
18.	Borrower's age restrictions	The age of persons with the status of individual entrepreneurs should not be less than 21 years old on the date of granting the loan and not be more than 65 years old by the maturity
19.	Requirements to the borrower's credit history	Credit history acceptable by the Bank
20.	Security	<ul style="list-style-type: none"> <li>• Assessment of creditworthiness,</li> <li>• Cash flows</li> </ul>
21.	Loan to collateral ratio (assessed liquid value of collateral)	No property collateral is required
22.	Insurance of the subject of collateral	No property collateral is required
	Fine, penalty	penalty on overdue loan: 0.1% per day

<sup>1</sup> The procedure of collecting the commission fee is given in point 3 of the General Provisions

23.		penalty on overdue interest: 0.1% per day early repayment fee: not specified
24.	Place of acceptance of application and processing of the loan	In the Vardanants branch starting from 05.10.23 In all branches of the Bank starting from 16.11.23
25.	Positive factors for provision of the loan	1) Good credit history, 2) Stable cash flows, 3) Good reputation, 4) Other factors
26.	Loan rejection factors	1) Bad credit history, 2) insufficient financial situation, 3) Submission of false or unreliable information, 4) Submission of such information that doubts the repayment of the loan 5) Other factors
27.	Maximum decision-making term	5-10 minutes
28.	Term for notifying the client about the decision	Once the decision on providing the loan is made
29.	Decision validity term	10 calendar days The bank has the right to refuse providing the loan, if the conditions considered to be essential for making a positive decision on providing the loan have changed (for example, overdue obligations, imposing seizure/arrest of bank accounts, etc.)
30.	Term for re-approval of the decision	Without the right of re-approval (after the validity of the decision expires, it is necessary to submit a new application)
31.	Term of providing the loan	A maximum of 5 business days after making decision on providing the loan
32.	Required documents	Identity document Public service number (or a reference on absence thereof) Extract from the State Register of Legal Entities Agency of the Ministry of Justice of the Republic of Armenia on registration about the registration (copy)

### GENERAL PROVISIONS

1. In case of loans granted to small commercial organizations and individual entrepreneurs in the amount of up to 5.000.000 AMD (including 5.000.000 AMD) and (or) equivalent to them in foreign currency, established by the law "On State Support of Small and Medium-sized Enterprises The client is entitled to unilaterally terminate the loan agreement without any reason within 7 (seven) business days (time to think) following the conclusion of the latter by returning the received loan amount in full and paying interest accrued in accordance with the actual annual interest rate provided by the agreement. In case of early repayment, the payments forming the bank's income included in the total costs of lending to the borrower are proportionally reduced. The Client also has the right to fulfill (repay) his obligations under the loan agreement ahead of time, regardless of whether such a right is provided for by the loan agreement or not.
2. The assessment of the borrower's creditworthiness is carried out on the basis of the Borrower's income from business activities, both as a natural person and as an individual entrepreneur
3. In case of early repayment, the payments, generating the Bank's income, included in the total cost of crediting the borrower, shall be proportionally reduced.
4. Loan disbursement fee is charged on the day of actual disbursement of the loan. Loan interest is calculated based on the nominal interest rate. The loan interest is calculated on the actual loan balance.
5. The client is entitled to fulfil (repay) his/her contractual obligations ahead of time irrespective of the fact of such right being prescribed by the loan agreement or not.
6. Loan interest amounts shall be calculated based on the nominal interest rate. Loan interest amount shall be calculated against actual loan balance.
7. The effective annual interest rate indicates the cost of the loan for the client given all the interest amounts and fees are repaid in the defined terms and amounts.
8. The order of effective annual interest rate calculation is presented at the following link: [Guideline on effective annual interest rate calculation.](#)
9. The lender has the right to unilaterally change the essential terms of the loan, including the interest rate of the loan, by giving the borrower 7 (seven) working days prior notice, or to request early partial or full repayment of the existing obligation, if:

- 1) in case of fluctuation of the US dollar exchange rate published by the CBA by more than 5 (five) percent compared to the time of signing the loan agreement and/or in case of a fluctuation of more than 3 (three) percent in the pawnshop repo rate published by the CBA compared to the time of signing this agreement,
  - 2) in case of fluctuation of the public base interest rate used as the basis of the floating interest rate published by the bank by more than 2 (two) percentage points within a year (in the case of a floating interest rate),
  - 3) in case of fluctuation of the Russian ruble exchange rate published by the Central Bank of Armenia by more than 10 (ten) percent compared to the time of signing the loan agreement,
  - 4) in case of a more than 20 (twenty) percent fluctuation in the published prices of oil (BRENT) and gold on the international market compared to the time of signing the loan agreement,
  - 5) In case of publication of negative GDP of RA,
  - 6) In case of revocation of the license of any commercial bank of the Republic of Armenia by the CBA,
  - 7) In case of an increase of more than 10 (ten) percent of the published RA unemployment index,
  - 8) In case of a decrease of more than 10 (ten) percent in the published index of remittances from abroad to RA,
  - 9) In case of declaration of war or war operations in RA or neighboring country/territories,
  - 10) In case of declaring a state of emergency in RA,
  - 11) In case of appointment of extraordinary parliamentary elections in RA,
  - 12) in case of submission of an application (mandatory or voluntary) to declare the borrower or its founder bankrupt
  - 13) in case of involvement of the borrower or the latter's founder as a suspect or accused in any criminal case or in case of initiation of a criminal prosecution against any of them,
  - 14) in case of satisfaction of the request for confiscation of the amount exceeding AMD 1 million against the borrower or the latter's founder,
  - 15) in case where a decision is made by the court on the imprisonment of the borrower's founder, founding guilty under criminal or civil code of the Republic of Armenia, the claim as a result of which exceeds AMD 1 million or there will be an imprisonment sentence
  - 16) In case of carrying out transactions with money laundering typologies or appearing on money laundering lists.
  - 17) Termination of activity of a legal entity (individual entrepreneur) according to the State registry,
  - 18) Termination /temporary suspension of the activity of a legal entity (individual entrepreneur) in accordance with SRC,
  - 19) in the event of a 20% or more increase in the customer's credit burden after the date of signing the loan agreement, except for loans provided by the Bank,
  - 20) in case of 30 or more overdue days in terms of obligations to the Bank during the last year,
  - 21) in case of being classified in another financial institution,
  - 22) in the case of a loss recorded by the borrower organization in the previous period with profit tax and/or audit report,
  - 23) reduction of the equity capital of the borrower organization compared to the previous accounting period, according to the income tax and/or audit report,
  - 24) in case of non-fulfillment and/or untimely fulfillment of tax obligations by the borrower,
  - 25) in case of non-fulfillment/deficiency of the customer's obligations defined by the loan agreement, including violation of the covenants,
  - 26) in the event that the borrower assumes new obligations without the written consent of the Bank, as a result of which the obligations to be paid monthly by the Borrower exceed 20 (twenty) percent of the Borrower's monthly repayments as of the date of signing the loan agreement,
  - 27) in case of a decrease in the annual net profit of the borrower compared to the net profit of the previous period according to the income tax report,
  - 28) if the borrower's average monthly turnover of the last 12 months is less than the average monthly turnover at the time of considering the loan application,
  - 29) In the case of providing guarantees and warranties in the amount of more than 20% of the current liabilities of the borrower without the Bank's written consent.
10. The Bank has the right to require the borrower to return the Loan before the maturity term, accrued interests and other amounts payable to the Bank under the loan agreement, as well as to unilaterally revise the essential conditions of the loan agreement and the Loan (principal amount, repayment period, annual interest rate, Loan currency, etc.) if any of the following circumstances defined in the public terms/information summary of the loan provided under this agreement exists:
- 1) The borrower has violated the requirements stipulated in the loan agreement,
  - 2) It was found out that the borrower has submitted unreliable documents of legal significance and documents serving as a basis for provision and monitoring of the Loan, and it was also found that the assurances and guarantees given by the Borrower under the loan agreement were incorrect, unreliable or misleading,
  - 3) there are circumstances or documents factually justifying the insolvency (bankruptcy) of the borrower, including (but not limited to):

- there are grounds for balance sheet insolvency according to the RA Law "On Bankruptcy",
  - there is a situation of actual insolvency according to the RA Law "On Bankruptcy",
  - The borrower filed an application for the risk of bankruptcy to the court in accordance with the RA Law "On Bankruptcy",
  - if the Borrower is a bank or a credit organization and there are grounds for insolvency provided by the Law of the Republic of Armenia "On Bankruptcy of Banks and Credit Organizations".
- 4) The borrower has overdue obligations towards the bank, other banks, credit or other organizations, or the state budget or any third parties,
  - 5) the bank accounts of the borrower have been blocked or arrested,
  - 6) security of the performance of the borrower's obligation under the loan agreement were lost or damaged or devalued in any other way, the conditions of their storage has deteriorated, or the right of ownership towards them was terminated in accordance with the procedure established by law, and they were not been restored replaced by adequate security measures within 10 (ten) days from the moment the Bank submitted a claim,
  - 7) other conditions provided for in the security agreement for the performance of the loan agreement were violated,
  - 8) the security contracts, guarantees or insurance certificates (policies), which are a means of ensuring the performance of the loan agreement, have for any reason lost their validity, including those that have been declared invalid, or which, according to the Bank, can no longer be considered as a full means of security of the performance of the loan agreement (bankruptcy of the guarantor, warrantor or insurance company, non-fulfillment of monetary obligations by the latter to other creditors, etc.),
  - 9) lawsuits have been filed against the borrower, the amount of which is more than 25% of the balance sheet value of the borrower's total assets (in the case of an individual entrepreneur borrower, more than 25% of the loan),
  - 10) the borrower has reduced the amount of his authorized capital, terminated its activity, or significantly changed the nature of the activity it was carrying out at the time of signing the loan agreement (*in the case of individual entrepreneur borrowers, this clause applies to the extent that it is applicable to an individual entrepreneur*),
  - 11) the borrower's activities were hindered due to the loss of ownership rights to any property owned by it,
  - 12) any license, patent or other permission granted to the borrower (hereinafter referred to as the "License") has become invalid or the activity carried out on the basis of that License has been limited in any way, or the License granted to the borrower has undergone such changes that do not allow the borrower to continue its activities under the same conditions and in the same scope,
  - 13) A highly charged political situation has arisen in the Republic of Armenia, the Republic of Armenia has entered into a declared or undeclared war, large-scale military operations, uprisings or other political disturbances have occurred, except where such situation does not have a significant impact on the borrower's proper performance of its obligations under the loan agreement,
  - 14) a decision on reorganization, liquidation or insolvency has been made by the borrower's relevant management authority, or such events have occurred which, according to the current legislation, may cause such consequences,
  - 15) changes in the composition of the borrower's participants (shareholders, members), changes in their share ratio, any contracts concluded with third parties or other circumstances, as a result of which persons, other than those who had decision-making rights at the time of signing the loan agreement will receive decision-making rights in the Borrower's management bodies,
  - 16) The bank has reliable information that indicates the possible occurrence of such cases, which can significantly worsen the borrower's financial situation or make it impossible for the borrower to fulfill its obligations under the loan agreement,
  - 17) the borrower takes measures to resolve (dispute) any contract concluded with the Bank, including by court order,
  - 18) the performance of any obligation imposed on the borrower on the basis of the loan agreement, as well as any other agreement concluded for the purpose of ensuring the fulfillment of the obligations defined therein, becomes impossible due to its illegality,
  - 19) the loan agreement or any other agreement concluded for the purpose of ensuring the fulfillment of the obligations defined therein is recognized as invalid or is unsigned,
  - 20) the borrower has terminated its business activities,
  - 21) the borrower's auditors have issued a qualified audit opinion on any of the borrower's financial statements,
  - 22) the mortgaged property insurance contract, which secures the fulfillment of obligations under the loan agreement has not been concluded, or the term of the mortgaged property insurance contract has not been extended, or the beneficiary was changed by the insurer under the insurance contract (in case of a mortgaged property insurance claim),
  - 23) the borrower has obstructed the Bank's unconditional rights to verify the intended use of the Loan provided for by the loan agreement, moreover, in the terms of the loan agreement, obstruction means any prohibition, violation, omission, failure to provide information or provision of unreliable information, etc. by the borrower, so that the Bank is unable to use its rights.
11. In case of failure to perform interest and loan repayments on time the pledged property and/or monetary funds can be confiscated in an order prescribed by law, and the Bank shall send the information on the client to the credit bureau within a maximum of three business days, where the client's credit history is being shaped. The client has the right to receive his/her credit history free of charge once a year from the credit bureau.
12. A bad credit history can prevent a client from receiving loans in the future.

13. While performing overdue obligations, the repayments shall be implemented in the following order: cost of confiscation, including litigation expenses (if applicable), interest penalty, penalty for principal loan amount, interest, service fee and commissions /if applicable/ and principal loan amount. The Lender is entitled to unilaterally change the order of repayments mentioned in this provision at any time.
14. Disputes arising between the parties can be settled in a court proceeding or by the Financial system mediator (in the order prescribed by the RA law on "Financial system mediator"), located at 0010, Yerevan, 15 M. Khorenatsi St, "Elite Plaza" business center, 7th floor, e-mail – info@fsm.am, telephone – (+37460) 70-11-11, fax –(+37410) 58 24 21. Moreover, if the property claim does not exceed 250 000 (two hundred fifty thousand) AMD or equivalent in foreign currency, the decisions of the Financial System Mediator cannot be challenged by the Bank.
15. For the purpose of due diligence of the client as defined by RA law on "Combating money laundering and terrorism financing", the Bank may require additional documents or information based on "Know Your Client" principle.
16. According to the agreement with the USA based on the Foreign Account Tax Compliance Act (FATCA) the Bank may collect additional information for the purpose of identification of the fact of the client being a US taxpayer.
17. The Client has the right to communicate with the Bank through a preferred means of communication: e-mail or regular post. The electronic means of communication is the most comfortable. It is available 24/7 and is free of the risk of losing information in paper as well as ensures confidentiality.
18. The conditions of providing statements, their copies, references during the validity of the loan agreement can be found at the following link: [Information summary on tariffs.](#)
19. The list of branches and ATMs of the Bank, information on their locations and working hours can be found at the following link: [Branches and ATMs.](#)
20. Remote servicing by the Bank is provided through the IDBusiness system, the terms of service and tariffs of which can be found at the following link: [Information summary on tariffs.](#)

**ATTENTION! THE BANK IS CONTROLLED BY THE RA CENTRAL BANK**