



## Calculation of interest amount and interest rate

Loan interest amount is being calculated based on the nominal rate, whereas the annual percentage rate indicates how much would loan cost to borrower in case of repayment of interest amount and other payments under the defined timeline and terms.

Interest amount is calculated on a daily basis by using the following formula:

$I = R \cdot L / 365$ , where

I = one day interest amount

R = current interest rate

L = outstanding amount of loan

**Annual percentage rate value** depends on loan terms (amount, length, regular payment amount and number of repayments).

Annual percentage rate is calculated by using the following formula:

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

Where,

i is the annual percentage rate, which shows the total expenditure of the loan expressed in annual rate of provided loan, which includes all the interests and payments which should be made by borrower while obtaining the loan as well as during the whole term of the loan.

A is the initial amount of provided loan

n is the consecutive number of the loan repayment

N is the number of repayments

$CF_n$  the payment received upon the receipt of the loan and/or regular n-th payment received during the operation of the loan.

$D_n$  is the number that indicates how many days are passed from the moment the loan has been granted till the loan n-th payment date (inclusive).

## Annual Percentage Rate and Interest Amount calculation examples

### Personal assistance loan terms

- Loan amount - AMD 1,500,000
- Fixed nominal interest rate – 16%
- Repayment term – 24 months or 730 days
- Loan repayment option - principle is repaid in equal monthly instalments, while interest amount decreases with the repayment of a principal. Therefore, monthly repayments will decrease over the loan tenor.

- Loan account one-off service fee - AMD 20,000
- Loan provision date – 01/11/2017
- First payment date – 01/12/2017
- Loan full repayment date - 01/11/2019
- Monthly repayments
  - Repayment for the first month – AMD 82,226.03 (out of which - interest amount AMD 19,726.03)
  - Repayment for the second month - AMD 82,034.25 (out of which - interest amount AMD 19,534.25)
  - Repayment for the last month - AMD 63,349.32 (out of which - interest amount AMD 849.32)

**Interest amount for the whole period of loan is AMD 249,671.23**

**Annual percentage rate – 18,78%**

### **Car loan terms**

- Loan amount - AMD 4,500,000
- Floating nominal interest rate – 14% p.a.
- Repayment term – 48 months or 1,460 days
- Loan repayment option - principle is repaid in equal monthly instalments, while interest amount decreases with the repayment of a principal. Therefore, monthly repayments will decrease over the loan tenor.
- Loan account one-off service fee - AMD 50,000
- Insurance fee – AMD 187,500 (car value is equal AMD 7,500,000)
- Car valuation cost – AMD 8,000
- Certificate regarding rights and restrictions over the property provided by RP – AMD 3,300
- Property ownership rights registration fee – AMD 23,900
- Notary service fee (including notary verification state duty) – AMD 13,000
- Property pledging state registration fee – AMD 2,200
- Loan provision date – 01/12/2017
- First payment date – 01/01/2018
- Loan full repayment date - 01/12/2021
- Monthly repayments
  - Repayment for the first month – AMD 147,256.85 (out of which - interest amount AMD 53,506.85)
  - Repayment for the second month - AMD 146,142.12 (out of which - interest amount AMD 52,392.12)
  - Repayment for the last month - AMD 94,828.77 (out of which - interest amount AMD 1,078.77)

**Interest amount for the whole period of loan is AMD 1,286,933.22**

**Annual percentage rate – 23.03%**

## Secured loans terms

- Loan amount – AMD 2,000,000
- Floating nominal interest rate – 13% p.a.
- Repayment term – 60 months or 1825 days
- Loan repayment option - repayments are calculated on annuity basis
- Loan account one-off service fee – AMD 50,000
- Property insurance fee calculated on loan amount – AMD 5,000
- Property evaluation fee – on average AMD 17,500
- Notary and state agency fees for property pledging - AMD 52,000
- Loan provision date – 01/12/2017
- First payment date – 01/01/2018
- Loan full repayment date - 01/12/2022
- Monthly repayment amount in equal instalments is AMD 45,506.15, out of which
  - Interest amount for the first month - AMD 22,082.19
  - Interest amount for the second month - AMD 21,823.57
  - Interest amount for the last month - AMD 486.95

Interest amount for the whole period of loan is AMD 730,922.79

Annual percentage rate – 17.35%

## Overdraft Terms

- Overdraft limit - AMD 500,000
- Overdraft annual nominal interest rate – 15%
- Calculation period - 12 months, or 365 days
- Overdraft monthly service fee – not applied
- Monthly repayment – at least once a month minimum 10% of utilised amount (including accrued interest)
- Loan provision date – 01/11/2017
- First payment date – 01/12/2017

Annual percentage rate – 16,08%

## Credit Card Terms and Conditions

- Card type - MasterCard Standard
- Credit limit – AMD 1,000,000
- Annual nominal interest rate - 18%
- Calculation period - 12 months, or 365 days
- Monthly repayment – minimum once a month, with at least 10% (or minimum AMD 10,000) of utilized credit amount (including accrued interest)<sup>1</sup>

- Card account monthly service fee – AMD 1,000
- Credit card provision date – 01/11/2017
- First payment/instalment date – 01/12/2017

**Annual Percentage Rate in case of non-cash utilisation of credit limit - 21,01%**

**Annual Percentage Rate in case of cash utilisation of credit limit - 21,01%**

<sup>1</sup>Interest is calculated on utilized credit limit in case if full repayment is not done by the first Payment Due Date. Interest will be calculated on initial amount utilized starting from the second month till the full repayment of initial amount from the point when utilization of given amount occurred.