OFFICIAL TRANSLATION

363-N/16.12.2008/EN/I-17.01.2020/15.12.2023

"TRANSLATION CENTRE OF THE MINISTRY OF JUSTICE
OF THE REPUBLIC OF ARMENIA"
STATE NON-COMMERCIAL ORGANISATION

EMILIA ADUMYAN

DIRECTOR

15 DECEMBER 2023

"Registered"

by the Ministry of Justice
of the Republic of Armenia
29 December 2008
State registration No 05008408

BOARD OF THE CENTRAL BANK

OF THE REPUBLIC OF ARMENIA

16 December 2008 No 363-N

DECISION

ON APPROVING REGULATION 8/01 "EXPLANATIONS AND EXAMPLES FOR CALCULATION OF THE ACTUAL ANNUAL INTEREST RATE"

Taking as a basis part 4 of Article 14 of the Law of the Republic of Armenia "On consumer crediting" and guided by Article 20 of the Law of the Republic of Armenia "On the Central Bank of the Republic of Armenia", the Board of the Central Bank of the Republic of Armenia decides:

1. To approve Regulation 8/01 "Explanations and examples for calculation of the actual annual interest rate", pursuant to the Annex (attached).
2. This Decision shall enter into force on 24 January 2009.

Governor of the Central Bank
of the Republic of Armenia **A. Javadyan**

23 December 2008
city of Yerevan

Annex

To Decision of the Board

of the Central Bank

of the Republic of Armenia

No 363-N of 16 December 2008

(heading edited by No 2-N of 17 January 2020)

REGULATION 8/01

EXPLANATIONS AND EXAMPLES FOR CALCULATION OF THE ACTUAL ANNUAL INTEREST RATE

CHAPTER 1

GENERAL PROVISIONS

1. This Regulation shall define explanations and examples for calculation of the actual annual interest rate to be included in the crediting contract, advertisement, announcement, proposal, offer or invitation to make an offer by banks, branches of foreign banks, credit organisations and pawnshops operating in the territory of the Republic of Armenia in the cases prescribed by the Law of the Republic of Armenia "On consumer crediting" (hereinafter referred to as "the Law") and the Law of the Republic of Armenia "On home mortgage crediting".

2. This Regulation shall not extend to the loans provided by banks, the cards issued for which may provide an opportunity to enjoy "luxury" privileges that are not

financial operations (for example, providing compensation in case of loss of luggage and flight delay, medical compensation, purchase insurance (loss, damage of purchased goods, etc.), luggage insurance, concierge service, car towing service, pass card service (Priority Pass), access to business lounges (Lounge Key), airport escort (SpeedPass service), visa assistance, skip-the-line service, etc.). Provision of goods in the field of retail sales and services in the field of service not listed in this point (for example, discounts offered, bonuses, cashback when paying by card, etc.) shall not be considered as "luxury" privileges provided for by this point.

CHAPTER 2

CONCEPTS

3. The main concepts used in this Regulation shall be the following:

(1) **"Credit repayments"** — all payments made by the consumer for crediting when receiving the credit and/or during the effect thereof — the principal amount of the credit and fees included in the total cost of crediting (interest amounts and **other payments**).

(2) **"Other payments"** — elements included in other payments defined by point 5 of this Regulation.

(3) **"Total cost of crediting"** — all interest amounts and other payments that the consumer is obliged to pay (make) for crediting (when receiving the credit and during the effect thereof);

(4) **"Actual annual interest rate"** — the total cost of consumer's crediting expressed in annual interest rate of the provided credit and calculated based on the formula indicated in Article 4 of this Regulation.

(5) **"Creditor"** — in accordance with the meaning prescribed by the Law of the Republic of Armenia "On consumer crediting".

(6) **"Credit"** — in accordance with the meaning prescribed by the Law of the Republic of Armenia "On consumer crediting".

CHAPTER 3

FORMULA FOR CALCULATION OF THE ACTUAL ANNUAL INTEREST RATE

EXPLANATIONS AND EXAMPLES

4. Banks, branches of foreign banks, credit organisations and pawnshops shall calculate the actual annual interest rate for credits provided or to be provided thereby, based on the formula for calculating the actual annual interest rate provided by Article 13 of the Law:

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

where:

i — is the actual annual interest rate which, pursuant to parts 5 and 7 Article 2 of the Law, is the **total cost** of consumer's crediting, expressed by the annual interest for the credit provided, and which includes all interests and **other payments** that the consumer is obliged to pay when receiving the credit and during the whole period of effect thereof.

A — is the initial amount of credit provided to the consumer.

Where the credit contract does not set a maximum credit limit, the maximum limit of the provided credit shall be one million drams.

n — is the reference number of the credit repayment (credit principal amount, interest amounts and/or **other payment** amounts) by the consumer (including the payment made at the moment of receiving the credit). Moreover, making the payments of the credit principal amount, interest amounts and/or **other payments** within one day shall be considered as one payment.

N — is the number of the last credit repayment (credit principal amount, interest amounts and/or **other payment** amounts) (including the payment made at the moment of receiving the credit), after which the obligations assumed by the consumer under the credit contract shall be considered as repaid. For example: the credit has been provided for 12 months, on condition of concurrent monthly payments of the principal amounts and interest amounts of the credit and **other payments** envisaged at the moment of providing the credit; therefore, N=13, as one payment is made at the moment of providing the credit and 12 more payments — according to the conditions of the credit contract.

Kn — is the amount of the nth payment (principal amount, interest amounts and/or **other payment** amounts) made by the consumer until the moment of receiving the credit, at the moment of receiving the credit and/or during the effect thereof.

In case the credit contract allows for changes in the amount or size of interests and/or **other fees** included in the total cost of consumer's crediting and the changes thereto may not be expressed in monetary terms, the actual annual interest rate must be calculated assuming that the interests and/or other fees included in the total cost of consumer's crediting will remain stable and will be applied until the end of the effect of the crediting contract.

Dn — is the number that shows how many days have passed from the day of receiving the credit until the subsequent nth day of repayment of the credit amount, inclusive.

For example, the credit was provided on 15 September, other payments are envisaged for the provision of the credit at the moment of receiving the credit, and the first partial repayment of the credit will take place on 15 October of the same year. In this case, D1=0, as other payments will be made on the day of receiving the credit, D2=30, as the number of days from the provision of the credit to the subsequent repayment is 30, and the number of the days from D3 to Dn is calculated according to the same principle.

Where the crediting contract provides that the consumer may receive the credit amount in portions or may choose the time of receiving the credit amount, the day of concluding the crediting contract shall be considered as the day of receiving the credit.

5. Other fees included in the calculation of the total cost of crediting and, therefore, the actual annual interest rate shall include the following mandatory fees (if any) paid by the consumer for crediting:

   (1) credit extension fee;

   (2) in case of having overdue repayments of a previously received credit, the fee for extending a new credit from the given creditor;

   (3) fee for preparation of crediting documents;

   (4) credit servicing fee;

   (5) fee for pledging;

   (6) fees for membership or subscription to organisations, unions and other groups, if the creditor is the founder or participant of those organisations, unions or other groups, and the credit terms depend on such subscription or membership:

For example: the bank announces privileged conditions for concluding a credit contract for persons that will become members of the union founded thereby. An annual membership fee shall be required for membership. The amount of the membership fee(s) to be paid by the consumer during the credit term must be included in the calculation of the actual annual interest rate;

(7) fees for insurance, valuation and other supporting services, if the use of such supporting services is a pre-condition for concluding a crediting contract or receiving the advertised annual interest rate, and the creditor is the beneficiary of those services, or the creditor establishes the scope of persons with whom the consumer has the right to conclude a contract on provision of supporting services; Examples:

a. The bank, as a pre-condition for concluding the crediting contract, requires insurance of the pledged property, being the beneficiary of the insurance contract to be concluded;

b. The bank, as a pre-condition for concluding the crediting contract, requires insurance of the pledged property, as well defines the scope of persons with whom the consumer has the right to conclude an insurance contract;

c. The bank, as a pre-condition for receiving the advertised actual annual interest rate, requires insurance of the pledged property, being the beneficiary of the insurance contract to be concluded;

d. The bank, as a pre-condition for receiving the advertised actual annual interest rate, requires insurance of the pledged property, as well defines the scope of persons with whom the consumer has the right to conclude an insurance contract;

e. The bank, as a pre-condition for concluding the crediting contract, requires insurance of the pledged property, being the beneficiary of the insurance contract to be concluded, as well defines the scope of persons with whom the consumer has the right to conclude an insurance contract;

f. The bank, as a pre-condition for receiving the advertised actual annual interest rate, requires insurance of the pledged property, being the beneficiary of the insurance contract to be concluded, as well defines the scope of persons with whom the consumer has the right to conclude an insurance contract;

(8) all types of fees associated with a payment card when the consumer has no reasonable alternative in receiving the credit:

For example, a bank provides the credit only through a new payment card provided thereby, in which case the consumer has no reasonable alternative — an opportunity to transfer to another valid payment card belonging thereto. Moreover, the payment card shall be considered as valid, if it has been provided to the consumer before submitting the application for crediting, and transactions (deposits, credits) were carried out by the consumer with the payment card before submitting the application for crediting;

(9) The commission charged for credit withdrawal, assuming that the consumer will withdraw the credit in full from the ATM of the creditor, if he or she has no reasonable alternative to use the credit amount (e.g. in person receipt from the cash register of the bank). Moreover, if mandatory replenishments are envisaged during the use of the credit, commissions for current cash withdrawals made after the mandatory replenishments shall not be included in the calculation of the actual annual interest rate;

(10) other fees related to crediting, which the consumer is **obliged** to pay for crediting, except for the fees not included in the total cost of consumer's crediting prescribed by part 1 of Article 15 of the Law.

6. The size of the actual annual interest rate calculated by the formula indicated in point 4 of this Regulation must be rounded at least to one hundredth and multiplied by 100 in order to get the percentage value.

7. In case a credit repayment schedule is not defined by the crediting contract or repayment terms are not defined by the provisions of the crediting contract, the credit repayment period in the calculation of the actual annual interest rate shall be considered to be one year. In case the crediting contract defines more than one credit repayment period, the credit repayment period shall be considered to be the earlier period defined in the contract, unless otherwise provided for by the crediting contract.

8. During the calculation of the actual annual interest rate of credits provided in foreign currency, the credit amount shall be converted into AMD, and the exchange rate published on the official website of the Central Bank of the Republic of Armenia shall be taken as a basis for the conversion rate. Moreover, in the crediting contract, in the individual lists of the essential conditions of consumer credits, the basis for calculating the actual interest rate shall be the latest foreign currency exchange rate published on the official website of the Central Bank of the Republic of Armenia, and in the remaining cases, including in information bulletins and any advertisement, the foreign currency exchange rate published on the official website of the Central Bank of the Republic of Armenia as of the date of their preparation. The exchange rate taken as basis during the actual repayments of the loan may differ from the exchange rate taken as a basis during the calculation of the actual interest rate.

9. If the crediting contract allows the consumer to make repayments on a free schedule, it is assumed that the entire amount of the credit shall be repaid at the end of the period and in full.

10. If the credit envisages different forms of repayments, with different mandatory fees or interest rates, which may not be given a monetary expression and the amount of the actual annual interest rate may not be calculated in a reasonable way, it is assumed that the entire amount of the credit shall be repaid in the most common repayment form used by the financial organisation for the given/similar credits, with mandatory fees and interest rates.

11. If the crediting contract envisages different forms of repayments for different time periods, with different mandatory fees or interest rates, which are known in advance for each time period, the mandatory fees and interest rates shall be included in the amount determined for the given time period in the calculation of the actual annual interest rate.

12. In case of a credit line (overdraft), it is assumed that:

    (1) the credit will be used in full by the consumer starting from the day of concluding the crediting contract;

    (2) on the day following the subsequent repayment of the revolving credit line, the consumer will again use the credit line in full in the amount of the unused portion;

    (3) the credit line will be repaid in full at the end of the repayment day of the crediting contract;

    (4) the grace period (if any) is not taken into account in the calculation of the actual annual interest rate.

13.

Example 1: Simple loan — Equal repayment	
13.1. Loan conditions	**Amount:** AMD 500 000 **Nominal interest rate:** 10% **Repayment:** monthly, equal **Maturity:** 1 year

13.2. Repayment Schedule

Repayment frequency — n	Number of days from receiving the credit to the subsequent repayment — Dn	Interest amounts repaid	Repayments of the principal amount	Subsequent total repayment amount — Kn
1	31	4,246.58	39,708.87	43,955.44
2	62	3,909.32	40,046.12	43,955.44
3	90	3,223.80	40,731.65	43,955.44
4	121	3,223.26	40,732.18	43,955.44
5	151	2,784.50	41,170.94	43,955.44
6	182	2,527.65	41,427.79	43,955.44
7	212	2,105.61	41,849.83	43,955.44
8	243	1,820.36	42,135.08	43,955.44
9	274	1,462.50	42,492.94	43,955.44
10	304	1,066.07	42,889.38	43,955.44
11	335	737.33	43,218.11	43,955.44
12	365	358.33	43,597.11	43,955.44
Total		27,465.31	500,000.00	527,465.31

13.3. Calculation	$500{,}000 = \frac{43{,}955.44}{(1+i)^{\frac{31}{365}}} + \frac{43{,}955.44}{(1+i)^{\frac{62}{365}}} + \cdots + \frac{43{,}955.44}{(1+i)^{\frac{335}{365}}} + \frac{43{,}955.44}{(1+i)^{\frac{365}{365}}}$ N=12 i=10.47 (AAIR=0.1047*100=10.47%)

14.

Example 2: Simple loan - Non-equal repayment	
14.1. Loan conditions	**Amount:** AMD 500 000 **Nominal interest rate:** 10% **Repayment:** the principal amount is equal, but the interests are non-equal **Maturity:** 1 year

14.2. Repayment Schedule

Repayment frequency — n	Number of days from receiving the credit to the subsequent repayment — Dn	Interest amounts repaid	Repayments of the principal amount	Subsequent total repayment amount — Kn
1	31	4,246.58	41,666.67	45,913.24
2	62	3,892.69	41,666.67	45,559.36
3	90	3,196.35	41,666.67	44,863.01
4	121	3,184.93	41,666.67	44,851.60
5	151	2,739.73	41,666.67	44,406.39
6	182	2,477.17	41,666.67	44,143.84
7	212	2,054.79	41,666.67	43,721.46
8	243	1,769.41	41,666.67	43,436.07
9	274	1,415.53	41,666.67	43,082.19
10	304	1,027.40	41,666.67	42,694.06
11	335	707.76	41,666.67	42,374.43
12	365	342.47	41,666.67	42,009.13
Total		27,054.79	500,000	527,054.79

14.3. Calculation	$500{,}000 = \frac{45{,}913.24}{(1+i)^{\frac{31}{365}}} + \frac{45{,}559.36}{(1+i)^{\frac{62}{365}}} + \cdots + \frac{42{,}374.43}{(1+i)^{\frac{335}{365}}} + \frac{42{,}009.13}{(1+i)^{\frac{365}{365}}}$ N=12 i=10.47 (AAIR=0.1047*100=10.47%)

15.

Example 3: Simple loan — Equal quarterly repayment	
15.1. Loan conditions	**Amount:** AMD 500 000 **Nominal interest rate:** 10% **Repayment:** quarterly, equal **Maturity:** 1 year

15.2. Repayment Schedule

Repayment frequency— n	Number of days from receiving the credit to the subsequent repayment — Dn	Interest amounts repaid	Repayments of the principal amount	Subsequent total repayment amount — Kn
1	92	12,602.74	120,293.02	132,895.76
2	181	9,258.61	123,637.16	132,895.76
3	273	6,454.36	126,441.40	132,895.76
4	365	3,267.35	129,628.42	132,895.76
Total		31,583.06	500,000	531,583.06

15.3. Calculation	$500{,}000 = \frac{132{,}895.76}{(1+i)^{\frac{92}{365}}} + \frac{132{,}895.76}{(1+i)^{\frac{181}{365}}} + \frac{132{,}895.76}{(1+i)^{\frac{273}{365}}} + \frac{132{,}895.76}{(1+i)^{\frac{365}{365}}}$ N=4 i=10.38 (AAIR=0.1038*100=10.38%)

16.

Example 4: Simple loan — Non-equal quarterly repayment	
16.1. Loan conditions	**Amount:** AMD 500 000 **Nominal interest rate:** 10% **Repayment:** quarterly, non-equal **Maturity:** 1 year

16.2. Repayment Schedule

Repayment frequency — n	Number of days from receiving the credit to the subsequent repayment — Dn	Interest amounts repaid	Repayments of the principal amount	Subsequent total repayment amount — Kn
1	92	12,602.74	125,000	137,602.74
2	181	9,143.84	125,000	134,143.84
3	273	6,301.37	125,000	131,301.37
4	365	3,150.68	125,000	128,150.68
Total		31,198.63	500,000	531,198.63

16.3. Calculation	$500{,}000 = \frac{137{,}602.74}{(1+i)^{\frac{92}{365}}} + \frac{134{,}143.84}{(1+i)^{\frac{181}{365}}} + \frac{131{,}301.37}{(1+i)^{\frac{273}{365}}} + \frac{128{,}150.68}{(1+i)^{\frac{365}{365}}}$ N=4 i=10.38 (AAIR=0.1038*100=10.38%)

17.

Example 5: Simple loan – Lump-sum payment of the interest amount	
17.1. Loan conditions	**Amount:** AMD 500 000 **Nominal interest rate:** 10% **Repayment:** the interest amount is paid in full with the first payment of the principal amount for loan repayment **Maturity:** 1 year

17.2. Repayment Schedule

Repayment frequency — n	Number of days from receiving the credit to the subsequent repayment — Dn	Interest amounts repaid	Repayments of the principal amount	Subsequent total repayment amount — Kn
1	30	26,997.72	41,666.67	68,664.38
2	61		41,666.67	41,666.67
3	92		41,666.67	41,666.67
4	120		41,666.67	41,666.67
5	151		41,666.67	41,666.67

Repayment frequency — n	Number of days from receiving the credit to the subsequent repayment — Dn	Interest amounts repaid	Repayments of the principal amount	Subsequent total repayment amount — Kn
6	181		41,666.67	41,666.67
7	212		41,666.67	41,666.67
8	242		41,666.67	41,666.67
9	273		41,666.67	41,666.67
10	304		41,666.67	41,666.67
11	334		41,666.67	41,666.67
12	**365**		41,666.67	41,666.67
Total		26,997.72	500,000	526,997.72

17.3. Calculation	N=12 $500{,}000 = \frac{68{,}664.38}{(1+i)^{\frac{30}{365}}} + \frac{41666{,}67}{(1+i)^{\frac{61}{365}}} + \cdots + \frac{41666{,}67}{(1+i)^{\frac{365}{365}}}$ i=10.82 (AAIR=0.1082*100=10.82%)

18.

Example 6: Loan with other lump-sum payments at the moment of receiving the loan	
18.1. Loan conditions	**Amount:** AMD 500 000 **Nominal interest rate:** 10% **Repayment:** equal monthly repayments (the principal amount and the interests together are the same amount each month) **Maturity:** 1 year **Other payments (on the day of receiving the loan)** Lump-sum fee for preparation of documents — AMD 5 000 Lump-sum fee for loan servicing — AMD 1 000.

18.2. Calculation	➔ N=13, of which one payment is the payment at the moment of receiving the credit and the other 12 are the payments of the principal amount and interests. ➔ Other payments made at the moment of receiving the credit (K1) turn out to be: K1 =5000+1000=6000

	$500{,}000 = \frac{6{,}000}{(1+i)^{\frac{0}{365}}} + \frac{43{,}950.49}{(1+i)^{\frac{30}{365}}} + \frac{43{,}950.49}{(1+i)^{\frac{61}{365}}} + \cdots + \frac{43{,}950.49}{(1+i)^{\frac{365}{365}}}$ i=13.01% (AAIR=0.1301*100=13.01%)

18.3. Repayment Schedule

Repayment frequency — n	Number of days from receiving the credit to the subsequent repayment — Dn	Other fees	Interest amounts repaid	Repayments of the principal amount	Subsequent total repayment amount — Kn
1	0	6000			6000
2	30		4,109.59	39,840.90	43,950.49
3	61		3,908.20	40,042.29	43,950.49
4	92		3,568.12	40,382.37	43,950.49
5	120		2,913.03	41,037.46	43,950.49
6	151		2,876.60	41,073.88	43,950.49
7	181		2,446.22	41,504.27	43,950.49
8	212		2,175.26	41,775.23	43,950.49
9	242		1,761.73	42,188.76	43,950.49
10	273		1,462.14	42,488.35	43,950.49
11	304		1,101.28	42,849.21	43,950.49
12	334		713.57	43,236.92	43,950.49
13	**365**		370.13	43,580.35	43,950.49
Total		6000	27,405.86	500,000	533,405.86

19.

Example 7: Loan during loan servicing with other variable payments	
19.1. Loan conditions	**Amount:** AMD 3 000 000 **Nominal interest rate:** 10% **Repayment:** equal monthly repayments (the principal amount and the interests together are the same amount each month) **Maturity:** 2 years **Other payments:** ➔ Lump-sum appraisal fee at the moment of receiving the loan — AMD 15 000

	➔ Lump-sum fee for servicing at the moment of receiving the loan — AMD 3000 ➔ Lump-sum fee for preparation of documents at the moment of receiving the loan — AMD 5000 ➔ Monthly loan servicing fee — AMD 1000 (total AMD 24,000) ➔ Annual insurance fee in the amount of 2.5% of the value of the property, of which one payment (3,000,000 * 0.025 = AMD 75,000) is made on the day of receiving the loan, and the other payment (the value taking into account the depreciation of the vehicle: AMD 2,700,000 AMD * 0.025 = AMD 67,500) is made next year, on the 10th day following the n=13th repayment.

19.2. Repayment Schedule

Repayment frequency — n	Number of days from receiving the credit to the subsequent repayment — Dn	Other fees	Interest amounts repaid	Repayments of the principal amount	Subsequent total repayment amount — Kn
1	0	**98,000**			98000
2	31	1000	25,479.45	112,925.24	139,404.69
3	59	1000	22,147.42	116,257.27	139,404.69
4	90	1000	23,532.97	114,871.72	139,404.69
5	120	1000	21,829.69	116,575.00	139,404.69
6	151	1000	21,567.26	116,837.43	139,404.69
7	181	1000	19,911.23	118,493.46	139,404.69
8	212	1000	19,568.56	118,836.13	139,404.69
9	243	1000	18,559.26	119,845.43	139,404.69
10	273	1000	16,975.55	121,429.14	139,404.69
11	304	1000	16,510.08	121,894.61	139,404.69
12	334	1000	14,975.63	123,429.07	139,404.69
13	365	1000	14,426.51	123,978.18	139,404.69
14	375	**67,500**			67,500.00
15	396	1000	13,373.55	125,031.15	139,404.69
16	424	1000	11,120.19	127,284.50	139,404.69
17	455	1000	11,230.59	127,174.10	139,404.69
18	485	1000	9,823.05	128,581.64	139,404.69
19	516	1000	9,058.42	129,346.27	139,404.69
20	546	1000	7,703.09	130,701.60	139,404.69

Repayment frequency — n	Number of days from receiving the credit to the subsequent repayment — Dn	Other fees	Interest amounts repaid	Repayments of the principal amount	Subsequent total repayment amount — Kn
21	577	1000	6,849.79	131,554.90	139,404.69
22	608	1000	5,732.48	132,672.21	139,404.69
23	638	1000	4,457.10	133,947.59	139,404.69
24	669	1000	3,468.04	134,936.66	139,404.69
25	699	1000	2,247.10	136,157.60	139,404.69
26	730	1000	1,165.59	137,239.10	139,404.69
Total		189,500	321,712.61	3,000,000	3,511,212.61

19.3. Calculation	➔ N=26, of which one payment is the payment at the moment of receiving the credit, one is the insurance premium for the second year, and the remaining 24 are the payment of the principal amount, interests and other payments made during the loan servicing, which are scheduled to be made simultaneously every month. ➔ Other payments made at the moment of receiving the credit (K1) turn out to be: K1 =15,000+3,000+5,000+75,000=98,000 $3{,}000{,}000 = \frac{98{,}000}{(1+i)^{\frac{0}{365}}} + \frac{139{,}404.69}{(1+i)^{\frac{31}{365}}} + \frac{139{,}404.69}{(1+i)^{\frac{59}{365}}} + \cdots + \frac{139{,}404.69}{(1+i)^{\frac{730}{365}}}$ i=17.37% (AAIR=0.1737*100=17.37%)

20.

Example 8: Short-term loan	
20.1. Loan conditions	Amount: AMD 800 000 Nominal interest rate: 10%, if the consumer is a member of any union founded by the creditor, and 25%, if the consumer is not a member of that union Repayment: equal quarterly repayments (the principal amount and the interests together are the same amount each month) Maturity: 9 months Other payments: ➔ Lump-sum fee — AMD 3,000 ➔ Servicing fee — AMD 2,000 each quarter ➔ Lump-sum fee for membership of the union — 20,000*9/12= AMD 15,000

20.2. Calculation	➔ The creditor is a member of the union ➔ N=4, of which one payment is the payment at the moment of receiving the credit and the other 3 are the monthly payments of the principal amount and interests ➔ Other payments made at the moment of receiving the credit (K1) turn out to be: K1 =3,000+15,000=18,000 $800{,}000 = \frac{18{,}000}{(1+i)^{\frac{0}{365}}} + \frac{282{,}073.18}{(1+i)^{\frac{89}{365}}} + \frac{282{,}073.18}{(1+i)^{\frac{181}{365}}} + \cdots + \frac{282{,}073.18}{(1+i)^{\frac{273}{365}}}$ i=17.27%: (AAIR=0.1727*100=17.27%)

20.3. Repayment Schedule

Repayment frequency — n	Number of days from receiving the credit to the subsequent repayment — Dn	Other fees	Interest amounts repaid	Repayments of the principal amount	Subsequent total repayment amount — Kn
1	0	18,000	0	18,000	18,000
2	92	2,000.00	20,164.38	259,908.80	282,073.18
3	181	2,000.00	13,169.35	266,903.84	282,073.18
4	273	2,000.00	6,885.82	273,187.36	282,073.18
Total		24,000	40,219.55	800,000.00	846,219.55

21.

Example 9: Credit line (Overdraft)	
21.1. Loan conditions	**Type:** revolving **Amount:** AMD 1 500 000 **Nominal interest rate:** 20% **Repayment:** repayment of the principal amount and interest amounts in full at the end of the term **Maturity:** 12 months **Grace period** — not envisaged **Minimum monthly repayment/replenishment limit (or movement)** — 10% of the loan **Servicing fee** — AMD 5000 per year **Withdrawal commission at bank ATMs** — 3%.

21.2. Calculation	➔ In case of withdrawing the loan in full for the first time, the withdrawal amount will be AMD 45,000 (1,500,000*0.03) ➔ As the credit line is revolving, it is assumed that the amount deposited with the minimum monthly repayment limit (1,500,000*0.1 = AMD 150,000) will be used again in full. Additional withdrawals are not considered as a factor in calculating the actual annual interest rate ➔ Thus, other payments made at the moment of receiving the credit (K1) turn out to be: Ki = 5,000+45,000=AMD 50,000 $1{,}500{,}000 = \frac{50{,}000}{(1+i)^{\frac{0}{365}}} + \frac{1{,}800{,}000}{(1+i)^{\frac{365}{365}}}$ i=24.14% (AAIR=0.2414*100=24.14%)

21.3. Repayment Schedule

Repayment frequency— n	Number of days from receiving the credit to the subsequent repayment — Dn	Other fees	Interest amounts repaid	Repayments of the principal amount	Subsequent total repayment amount — Kn
1	0	50,000	0	0	50,000
2	31	0	0	0	0
3	59	0	0	0	0
4	90	0	0	0	0
5	120	0	0	0	0
6	151	0	0	0	0
7	181	0	0	0	0
8	212	0	0	0	0
9	243	0	0	0	0
10	273	0	0	0	0
11	304	0	0	0	0
12	334	0	0	0	0
13	365	0	300,000	1,500,000	1,800,000
Total			300,000	1,500,000	1,850,000

22.

Example 12: Revolving credit line with monthly payments of the used portion and interest amounts	
22.1. Loan conditions	**Amount:** AMD 750 000 **Nominal interest rate:** 15% **Repayment** — with monthly payments of 10% of the used portion and interest amounts **Cash withdrawal:** 1% **Other payments:** ➔ lump-sum fee for provision of the loan in the amount of 1,5% of the principal amount (at the moment of conclusion — AMD 11250) ➔ monthly fee for loan servicing — AMD 5000

22.2. Calculation	➔ Taking into consideration the peculiarities of the loan, in this case the actual annual interest rate of the loan must be calculated assuming that the borrower withdraws the loan amount at once and in full, the period used for the purpose of calculation is 1 year (will be repaid within 1 year), the amount deposited at the minimum monthly repayment limit will be used again in full, additional withdrawals are not considered as a factor in calculating the actual annual interest rate. As a result, we will get the following indicators: Fee for credit line withdrawal — AMD 7500. $750{,}000 = \frac{11250+5000+7500}{(1+i)^{\frac{0}{365}}} + \frac{9{,}554.79}{(1+i)^{\frac{31}{365}}} + \cdots + \frac{759{,}554.79}{(1+i)^{\frac{365}{365}}}$ i=20.14% (AAIR=0.2014*100=20.14%)

22.3. Repayment Schedule

Repayment frequency — n	Number of days from receiving the credit to the subsequent repayment — Dn	Other fees	Interest amounts repaid	Repayments of the principal amount	Subsequent total repayment amount — Kn
1	0	23,750	0	0	23,750.00
2	31	0	9,554.79		9,554.79
3	59	0	8,630.14		8,630.14
4	90	0	9,554.79		9,554.79
5	120	0	9,246.58		9,246.58
6	151	0	9,554.79		9,554.79

Repayment frequency — n	Number of days from receiving the credit to the subsequent repayment — Dn	Other fees	Interest amounts repaid	Repayments of the principal amount	Subsequent total repayment amount — Kn
7	181	0	9,246.58		9,246.58
8	212	0	9,554.79		9,554.79
9	243	0	9,554.79		9,554.79
10	273	0	9,246.58		9,246.58
11	304	0	9,554.79		9,554.79
12	334	0	9,246.58		9,246.58
13	365	0	9,554.79	750,000	759,554.79
Total		23,750	112,500	750,000	886,250

23.

Example 10: Agricultural loan in foreign currency	
23.1. Loan conditions	**Amount:** USD 2000 **Nominal interest rate:** 11% **Repayment:** monthly, equal **Maturity:** 18 months **Other payments:** ➔ Fee for processing the loan request — AMD 5000 ➔ lump-sum fee for provision of the loan in the amount of 4% of the principal amount (at the moment of conclusion) ➔ monthly fee for loan servicing: AMD 2000 The Central Bank settlement exchange rate of the USD is AMD 475

23.2. Calculation	➔ Taking into account the conditions of the loan, as well as the fact that the values expressed in foreign currency are converted at the settlement rate of the Central Bank on the day of providing (extending) the loan, we will get the following indicators: Amount of loan provided — 2000*475=AMD 950,000 Lump-sum fee for providing the loan — 2000*4/100*475= AMD 38,000 $950{,}000 = \frac{5000+38{,}000}{(1+i)^{\frac{0}{365}}} + \frac{59{,}477.14}{(1+i)^{\frac{31}{365}}} + \frac{59{,}477.14}{(1+i)^{\frac{59}{365}}} + \cdots + \frac{59{,}477.14}{(1+i)^{\frac{546}{365}}}$ i=24.06% (AAIR=0.2406*100=24.06%)

23.3

Repayment frequency — n	Number of days from receiving the credit to the subsequent repayment — Dn	Other fees	Interest amounts repaid	Repayments of the principal amount	Subsequent total repayment amount — Kn
1	0	43,000	0	0	43,000.00
2	31	2000	8,875.34	48,601.80	59,477.14
3	59	2000	7,606.32	49,870.83	59,477.14
4	90	2000	7,955.37	49,521.78	59,477.14
5	120	2000	7,251.01	50,226.13	59,477.14
6	151	2000	7,023.47	50,453.67	59,477.14
7	181	2000	6,340.75	51,136.39	59,477.14
8	212	2000	6,074.37	51,402.77	59,477.14
9	243	2000	5,594.14	51,883.00	59,477.14
10	273	2000	4,944.61	52,532.54	59,477.14
11	304	2000	4,618.64	52,858.50	59,477.14
12	334	2000	3,991.76	53,485.39	59,477.14
13	365	2000	3,625.13	53,852.01	59,477.14
14	396	2000	3,122.02	54,355.12	59,477.14
15	424	2000	2,361.22	55,115.92	59,477.14
16	455	2000	2,099.29	55,377.85	59,477.14
17	485	2000	1,530.90	55,946.25	59,477.14
18	516	2000	1,059.25	56,417.90	59,477.14
19	546	2000	515.00	56,962.14	59,477.14
Total		79,000	84,588.60	950,000	1,113,588.60

24.

Example 11: Phased loan for agricultural purposes	
24.1. Loan conditions	**Amount:** USD 2000 **Nominal interest rate:** 10% **Repayment:** the principal amount is paid at the end of the maturity, and the interest amounts and fess for monthly loan servicing are paid equally every month **Maturity:** 24 months **Other payments:**

	➔ Fee for processing the loan request — AMD 5000 ➔ lump-sum fee for provision of the loan in the amount of 4% of the principal amount (at the moment of conclusion) ➔ monthly fee for loan servicing: AMD 2000 The sum shall be provided to the borrower in stages: USD 1000 will be available thereto in the 1st year, and another USD 1000 will be available thereto in the 2nd year. The Central Bank settlement exchange rate of the USD is AMD 475

24.2. Calculation	➔ Taking into account the conditions of the loan, as well as the fact that the values expressed in foreign currency are converted at the settlement rate of the Central Bank on the day of providing (extending) the loan, we will get the following indicators: Amount of loan provided — 2000*475=AMD 950000 Lump-sum fee for providing the loan — 2000*4/100*475= AMD 38000 ➔ Taking into account the peculiarities of the loan (grace period), in this case the actual annual interest rate of the loan must be calculated assuming that the borrower immediately withdraws the credit line from the moment of its availability: USD 1000 at the time of concluding the contract and USD 1000 on the same date the following year. $950{,}000 = \frac{5000+38{,}000}{(1+i)^{\frac{0}{365}}} + \frac{6{,}034.25}{(1+i)^{\frac{31}{365}}} + \frac{5{,}643.84}{(1+i)^{\frac{59}{365}}} + \cdots + \frac{960{,}068.49}{(1+i)^{\frac{730}{365}}}$ i=12.94% (AAIR=0.1294*100=12.94%)

24.3. Repayment Schedule

Repayment frequency — n	Number of days from receiving the credit to the subsequent repayment — Dn	Other fees	Interest amounts repaid	Repayments of the principal amount	Subsequent total repayment amount — Kn
1	0	43000	0	0	43,000.00
2	31	2000	4,034.25	0	6,034.25
3	59	2000	3,643.84	0	5,643.84
4	90	2000	4,034.25	0	6,034.25
5	120	2000	3,904.11	0	5,904.11
6	151	2000	4,034.25	0	6,034.25
7	181	2000	3,904.11	0	5,904.11
8	212	2000	4,034.25	0	6,034.25
9	243	2000	4,034.25	0	6,034.25

Repayment frequency — n	Number of days from receiving the credit to the subsequent repayment — Dn	Other fees	Interest amounts repaid	Repayments of the principal amount	Subsequent total repayment amount — Kn
10	273	2000	3,904.11	0	5,904.11
11	304	2000	4,034.25	0	6,034.25
12	334	2000	3,904.11	0	5,904.11
13	365	2000	4,034.25	0	6,034.25
14	396	2000	4,034.25	0	6,034.25
15	424	2000	7,287.67	0	9,287.67
16	455	2000	8,068.49	0	10,068.49
17	485	2000	7,808.22	0	9,808.22
18	516	2000	8,068.49	0	10,068.49
19	546	2000	7,808.22	0	9,808.22
20	577	2000	8,068.49	0	10,068.49
21	608	2000	8,068.49	0	10,068.49
22	638	2000	7,808.22	0	9,808.22
23	669	2000	8,068.49	0	10,068.49
24	699	2000	7,808.22	0	9,808.22
25	730	2000	8,068.49	950,000	960,068.49
Total		91,000	138,465.75	950,000	1,179,465.75

25.

Example 11: Agricultural loan with quarterly repayment	
25.1. Loan conditions	**Amount:** USD 2000 **Nominal interest rate:** 10% **Repayment:** quarterly, equal **Maturity:** 18 months **Other payments:** ➔ Fee for processing the loan request — AMD 5000 ➔ lump-sum fee for provision of the loan in the amount of 4% of the principal amount (at the moment of conclusion) ➔ monthly fee for loan servicing: AMD 2000 The Central Bank settlement exchange rate of the USD is AMD 475

25.2. Calculation	➔ Taking into account the conditions of the loan, as well as the fact that the values expressed in foreign currency are converted at the settlement rate of the Central Bank on the day of providing (extending) the loan, we will get the following indicators: Amount of loan provided — 2000*475=AMD 950000 Lump-sum fee for providing the loan — 2000*4/100*475= AMD 38000 $950{,}000 = \frac{5000+38{,}000}{(1+i)^{\frac{0}{365}}} + \frac{174{,}424.40}{(1+i)^{\frac{90}{365}}} + \cdots + \frac{174{,}424.40}{(1+i)^{\frac{546}{365}}}$ i=18.18% (AAIR=0.1818*100=18.18%)

25.3. Repayment Schedule

Repayment frequency — n	Number of days from receiving the credit to the subsequent repayment — Dn	Other fees	Interest amounts repaid	Repayments of the principal amount	Subsequent total repayment amount — Kn
0	0	43,000	0	0	43,000.00
1	90	2000	23,424.66	148,999.75	174,424.40
2	181	2000	19,970.14	152,454.26	174,424.40
3	273	2000	16,346.91	156,077.49	174,424.40
4	365	2000	12,412.90	160,011.50	174,424.40
5	455	2000	8,197.57	164,226.83	174,424.40
6	546	2000	4,194.23	168,230.17	174,424.40
Total		55,000	84,546.42	950,000	1,089,546.42

26.

Example 13: Mortgage loan in dram, with fixed interest rate	
26.1. Loan conditions	**Amount:** AMD 15,000,000 **Nominal interest rate:** 12% **Repayment:** monthly, equal **Maturity:** 120 months **Other payments:** ➔ Fee for processing the request — AMD 10,000 ➔ pledge appraisal fee — AMD 20,000 ➔ cadastre statement fee — AMD 10,000 ➔ fee for notarial services — AMD 15,000

	➔ lump-sum fee for providing the loan —75,000 ➔ insurance — AMD 45,000 per year

26.2. Calculation	N=121, of which one payment is the payment at the moment of receiving the loan and the other 120 are the payments of the principal amount and interests. The fees that are payable by the consumer, regardless of whether the property is acquired with or without loan (for example, cadastre fee or notary fee) shall not be included in the AAIR calculation. Other payments made at the moment of receiving the credit (K1) turn out to be: K1 =10,000+20,000+75,000+45,000=AMD 150,000 $$15{,}000{,}000 = \frac{150{,}000}{(1+i)^{\frac{0}{365}}} + \frac{218{,}531.12}{(1+i)^{\frac{30}{365}}} + \frac{218{,}531.12}{(1+i)^{\frac{61}{365}}} + \cdots + \frac{218{,}531.12}{(1+i)^{\frac{3652}{365}}}$$ i=13.39% (AAIR=0.1339*100=13.39%)

26.3. Repayment Schedule

Repayment frequency — n	Number of days from receiving the credit to the subsequent repayment — Dn	Other fees	Interest amounts repaid	Repayments of the principal amount	Subsequent total repayment amount — Kn
1	0	150,000	0	0	150,000
2	30	0	147,945.21	70,618.65	218,563.86
3	61	0	152,156.98	66,406.87	218,563.86
4	92	0	151,480.18	67,083.68	218,563.86
5	120	0	136,203.27	82,360.59	218,563.86
6	151	0	149,957.07	68,606.78	218,563.86
7	181	0	144,443.08	74,120.78	218,563.86
8	212	0	148,502.43	70,061.43	218,563.86
9	242	0	143,021.01	75,542.85	218,563.86
10	273	0	147,018.46	71,545.40	218,563.86
11	304	0	146,289.29	72,274.57	218,563.86
12	334	0	140,857.43	77,706.43	218,563.86
13	365	45,000	144,760.71	28,803.15	218,563.86
14	395	0	139,806.93	78,756.93	218,563.86
15	426	0	143,664.48	74,899.37	218,563.86

Repayment frequency — n	Number of days from receiving the credit to the subsequent repayment — Dn	Other fees	Interest amounts repaid	Repayments of the principal amount	Subsequent total repayment amount — Kn
16	457	0	142,901.12	75,662.73	218,563.86
17	485	0	128,375.47	90,188.38	218,563.86
18	516	0	141,210.81	77,353.05	218,563.86
19	546	0	135,892.69	82,671.17	218,563.86
...					218,563.86
119	3591	0	6,550.14	212,013.72	218,563.86
120	3621	0	4,247.75	214,316.10	218,563.86
121	3652	0	2,205.08	216,358.78	218,563.86
Total		555,000	10,822,663	15,000,000	26,377,663

27.

Example 14: Mortgage loan in dram, non-equal	
27.1. Loan conditions	**Amount:** AMD 15,000,000 **Nominal interest rate:** 12% **Repayment:** the principal amount is equal, but the interests are non-equal. **Maturity:** 120 months **Other payments:** ➔ Fee for processing the request — AMD 10,000 ➔ pledge appraisal fee — AMD 20,000 ➔ lump-sum fee for providing the loan —75,000 ➔ cadastre statement fee — AMD 10,000 ➔ fee for notarial services — AMD 15,000 ➔ insurance — AMD 45,000 per year

27.2. Calculation	N=121, of which one payment is the payment at the moment of receiving the loan and the other 120 are the payments of the principal amount and interests. The fees that are payable by the consumer, regardless of whether the property is acquired with or without loan (for example, cadastre fee or notary fee) shall not be included in the AAIR calculation. Other payments made at the moment of receiving the credit (K1) turn out to be: K1 =10,000+20,000+75,000+45,000=AMD 150,000

	$15{,}000{,}000 = \frac{150{,}000}{(1+i)^{\frac{0}{365}}} + \frac{272{,}945.21}{(1+i)^{\frac{30}{365}}} + \frac{276{,}602.74}{(1+i)^{\frac{61}{365}}} + \cdots + \frac{126{,}273.97}{(1+i)^{\frac{3652}{365}}}$ i=13.50% (AAIR=0.1350*100=13.50%)

27.3. Repayment Schedule

Repayment frequency — n	Number of days from receiving the credit to the subsequent repayment — Dn	Other fees	Interest amounts repaid	Repayments of the principal amount	Subsequent total repayment amount — Kn
1	0	150,000	0	0	150,000
2	30	0	147,945.21	125,000.00	272,945.21
3	61	0	151,602.74	125,000.00	276,602.74
4	92	0	150,328.77	125,000.00	275,328.77
5	120	0	134,630.14	125,000.00	259,630.14
6	151	0	147,780.82	125,000.00	272,780.82
7	181	0	141,780.82	125,000.00	266,780.82
8	212	0	145,232.88	125,000.00	270,232.88
9	242	0	139,315.07	125,000.00	264,315.07
10	273	0	142,684.93	125,000.00	267,684.93
11	304	0	141,410.96	125,000.00	266,410.96
12	334	0	135,616.44	125,000.00	260,616.44
13	365	45,000	138,863.01	125,000.00	308,863.01
14	395	0	133,150.68	125,000.00	258,150.68
15	426	0	136,315.07	125,000.00	261,315.07
16	457	0	135,041.10	125,000.00	260,041.10
17	485	0	120,821.92	125,000.00	245,821.92
18	516	0	132,493.15	125,000.00	257,493.15
19	546	0	126,986.30	125,000.00	251,986.30
...					
119	3591	0	3,821.92	125,000.00	128,821.92
120	3621	0	2,465.75	125,000.00	127,465.75
121	3652	0	1,273.97	125,000.00	126,273.97
Total		555,000	9,076,603	15,000,000	24,631,603

28.

Example 15: Mortgage loan in foreign currency, with fixed interest rate	
28.1. Loan conditions	**Amount:** USD 40,000 **Nominal interest rate:** 9% **Repayment:** monthly, equal **Maturity:** 120 months **Other payments:** ➔ Fee for processing the request — AMD 10,000 ➔ pledge appraisal fee — AMD 20,000 ➔ lump-sum fee for provision of the loan in the amount of 1% of the principal amount (at the moment of conclusion) ➔ cadastre statement fee — AMD 10,000 ➔ fee for notarial services — AMD 15,000 ➔ insurance — AMD 45,000 per year The Central Bank settlement exchange rate of the USD is AMD 475

28.2. Calculation	Taking into account the conditions of the loan, as well as the fact that the values expressed in foreign currency are converted at the settlement rate of the Central Bank on the day of providing (extending) the loan, we will get the following indicators: Amount of loan provided — 40,000*475=AMD 19,000,000 Lump-sum fee for providing the loan — 40,000*1/100*475= AMD 190,000 The fees that are payable by the consumer, regardless of whether the property is acquired with or without loan (for example, cadastre fee or notary fee) shall not be included in the AAIR calculation. Other payments made at the moment of receiving the credit (K1) turn out to be: K1 =10,000+20,000+190,000+45,000=AMD 265,000 $19{,}000{,}000 = \frac{265{,}000}{(1+i)^{\frac{0}{365}}} + \frac{224{,}218.82}{(1+i)^{\frac{30}{365}}} + \frac{224{,}218.82}{(1+i)^{\frac{61}{365}}} + \cdots + \frac{224{,}218.82}{(1+i)^{\frac{3652}{365}}}$ i=10,1% (AAIR=0.101*100=10.1%)

28.3. Repayment Schedule

Repayment frequency — n	Number of days from receiving the credit to the subsequent repayment — Dn	Other fees	Interest amounts repaid	Repayments of the principal amount	Subsequent total repayment amount — Kn
1	0	265,000	0	0	265,000
2	30	0	140,547.95	103,508.92	244,056.86
3	61	0	144,441.67	99,615.19	244,056.86
4	92	0	143,680.23	100,376.63	244,056.86
5	120	0	129,082.68	114,974.18	244,056.86
6	151	0	142,034.12	102,022.74	244,056.86
7	181	0	136,697.69	107,359.17	244,056.86
8	212	0	140,433.64	103,623.22	244,056.86
9	242	0	135,137.00	108,919.86	244,056.86
10	273	0	138,809.00	105,247.86	244,056.86
11	304	0	138,004.50	106,052.36	244,056.86
12	334	0	132,768.25	111,288.62	244,056.86
13	365	45,000	136,343.18	62,713.68	244,056.86
14	395	0	131,481.11	112,575.76	244,056.86
...					244,056.86
119	3591	0	5,513.01	238,543.85	244,056.86
120	3621	0	3,570.60	240,486.26	244,056.86
121	3652	0	1,851.38	242,205.48	244,056.86
Total		670,000	9,881,823	19,000,000	29,551,823

29.

Example 16: Mortgage loan in foreign currency, with floating interest rate	
29.1. Loan conditions	**Amount:** USD 40,000 **Nominal interest rate:** 7% + 1 year LIBOR interest rate which is 3% at the moment of provision **Repayment:** monthly, equal **Maturity:** 120 months **Other payments:** ➔ Fee for processing the request — AMD 10,000 ➔ pledge appraisal fee — AMD 20,000

	➔ lump-sum fee for provision of the loan in the amount of 1% of the principal amount (at the moment of conclusion) ➔ cadastre statement fee — AMD 10,000 ➔ insurance — AMD 45,000 per year The Central Bank settlement exchange rate of the USD is AMD 475

29.2. Calculation	➔ Taking into account the conditions of the loan, as well as the fact that the values expressed in foreign currency are converted at the settlement rate of the Central Bank on the day of providing (extending) the loan, we will get the following indicators: Amount of loan provided— 40,000*475=AMD 19,000,000; Lump-sum fee for providing the loan — 40,000*1/100*475= AMD190,000. The fees that are payable by the consumer, regardless of whether the property is acquired with or without loan (for example, cadastre fee or notary fee) shall not be included in the AAIR calculation. ➔ Other payments made at the moment of receiving the credit (K1) turn out to be: K1 =10,000+20,000+190,000+45,000=AMD 265,000 $$19{,}000{,}000 = \frac{265000}{(1+i)^{\frac{0}{365}}} + \frac{257{,}455.42}{(1+i)^{\frac{30}{365}}} + \frac{257{,}455.42}{(1+i)^{\frac{61}{365}}} + \cdots + \frac{257{,}455.42}{(1+i)^{\frac{3652}{365}}}$$ i=11,19% (AAIR=0.1119*100=11.19%) ➔ Suppose the interest rate has changed as follows: • 10% for months 1-60 • 13% for months 61-120 If the creditor requests to calculate and provide thereto a new AAIR in the 110th month, it will be 11.86%. $$19{,}000{,}000 = \frac{265{,}000}{(1+i)^{\frac{0}{365}}} + \frac{254{,}455.42}{(1+i)^{\frac{30}{365}}} + \frac{254{,}455.42}{(1+i)^{\frac{61}{365}}} \cdots + \frac{272{,}269.44}{(1+i)^{\frac{3652}{365}}}$$

29.3. Repayment Schedule

Repayment frequency — n	Number of days from receiving the credit to the subsequent repayment — Dn	Other fees	Interest amounts repaid	Repayments of the principal amount	Subsequent total repayment amount — Kn
1	0	265,000	0	0	265,000
2	30	0	156,164.38	98,291.04	254,455.42
3	61	0	160,535.06	93,920.36	254,455.42
4	92	0	159,737.38	94,718.04	254,455.42
5	120	0	143,552.32	110,903.10	254,455.42
6	151	0	157,991.01	96,464.41	254,455.42
7	181	0	152,101.67	102,353.75	254,455.42
8	212	0	156,302.42	98,153.00	254,455.42
9	242	0	150,453.67	104,001.75	254,455.42
10	273	0	154,585.49	99,869.93	254,455.42
11	304	0	153,737.28	100,718.14	254,455.42
12	334	0	147,950.19	106,505.23	254,455.42
13	365	45,000	151,977.30	57,478.12	254,455.42
14	395		146,602.38	107,853.04	254,455.42
...					
119	3591	0	8,824.98	263,444.47	272,269.44
120	3621	0	5,725.42	266,544.03	272,269.44
121	3652	0	2,973.32	269,296.12	272,269.44
Total		670,000	12,198,492	19,000,000	31,868,492

30.

Example 13: Programme mortgage loan in dram, with fixed interest rate	
30.1. Loan conditions	**Amount:** AMD 15,000,000 **Nominal interest rate:** 12%, of which 4% is subsidised **Repayment:** monthly, equal **Maturity:** 120 months **Other payments:** ➔ Fee for processing the request — AMD 10,000 ➔ pledge appraisal fee — AMD 20,000

	➔ cadastre statement fee — AMD 10,000 ➔ fee for notarial services — AMD 15,000 ➔ lump-sum fee for providing the loan —75,000 ➔ insurance — AMD 45,000 per year

30.2. Calculation	N=121, of which one payment is the payment at the moment of receiving the credit and the other 120 are the payments of the principal amount and interests. 8% is taken as the annual nominal interest rate of the credit in the calculation of the AAIR, as 4% of the 12% is subsidised. The fees that are payable by the consumer, regardless of whether the property is acquired with or without loan (for example, cadastre fee or notary fee) shall not be included in the AAIR calculation. Other payments made at the moment of receiving the credit (K1) turn out to be: K1 =10,000+20,000+75,000+45,000=AMD 150,000 $15{,}000{,}000 = \frac{150{,}000}{(1+i)^{\frac{0}{365}}} + \frac{185{,}365.71}{(1+i)^{\frac{30}{365}}} + \frac{185{,}365.71}{(1+i)^{\frac{61}{365}}} + \cdots + \frac{185{,}365.71}{(1+i)^{\frac{3652}{365}}}$ i=9.01% (AAIR=0.0901*100=9.01%)

30.3. Repayment Schedule

Repayment frequency — n	Number of days from receiving the credit to the subsequent repayment — Dn	Other fees	Interest amounts repaid	Repayments of the principal amount	Subsequent total repayment amount — Kn
1	0	150,000	0	0	150,000
2	30	0	98,630.14	86,735.58	185,365.71
3	61	0	101,328.48	84,037.23	185,365.71
4	92	0	100,757.49	84,608.22	185,365.71
5	120	0	90,487.52	94,878.19	185,365.71
6	151	0	99,537.96	85,827.75	185,365.71
7	181	0	95,762.72	89,603.00	185,365.71
8	212	0	98,346.00	87,019.72	185,365.71
9	242	0	94,601.36	90,764.35	185,365.71
10	273	0	97,138.04	88,227.67	185,365.71
11	304	0	96,538.57	88,827.14	185,365.71

Repayment frequency — n	Number of days from receiving the credit to the subsequent repayment — Dn	Other fees	Interest amounts repaid	Repayments of the principal amount	Subsequent total repayment amount — Kn
12	334	0	92,840.36	92,525.35	185,365.71
13	365	45,000	95,306.37	45,059.34	185,365.71
14	395	0	91,935.69	93,430.02	185,365.71
15	426	0	94,365.40	91,000.31	185,365.71
16	457	0	93,747.10	91,618.61	185,365.71
17	485	0	84,112.54	101,253.18	185,365.71
18	516	0	92,436.63	92,929.09	185,365.71
19	546	0	88,843.76	96,521.95	185,365.71
...					185,365.71
119	3591	0	3,728.18	181,637.53	185,365.71
120	3621	0	2,413.59	182,952.12	185,365.71
121	3652	0	1,250.97	184,114.74	185,365.71
Total		555,000	6,838,886	15,000,000	22,393,886

(Annex edited by No 2-N of 17 January 2020)

Կազմված է տասնութ թերթից:
Comprises eighteen sheets.