

ABB - AGRO

Loans under GAF “Support to RA Agricultural Sector” program

1		Terms & Conditions	
1.1	Currency	Armenian drams (AMD)	
1.2	Nominal annual interest rate ¹	Starting from 10%	3-12 months - starting from 9% 13-60 months - starting from 10%
1.3	Loan/collateral value	<ul style="list-style-type: none"> • Up to 100% of funds available on deposit and bank accounts; in addition, in case of funds in the same currency - up to 100%, in case of funds different currencies - up to 95%, • In case of immovable property - up to 70%, • In case of movable property - up to 50%, • In case of inventory holdings - up to 30%, but the share of given type of collateral in the structure of offered collateral must not exceed 30%, • In case of cash flows – not more than 50% of average monthly net credit turnover on bank accounts for the last 12 months. The share of given type of collateral in the structure of offered collateral must not exceed 80%. Average monthly net credit turnover is calculated for the last 12 months, and for the last 6 months - if such party is Customer of the Bank for less than 12 months. 	
1.4	Period	In case of investment loans -24-60 months In case of production chain loans - 3-60 months	
1.5	Grace period	In case of investment loans - 3-24 months In case of production chain loans - subject to the traits of business	
1.6	Manner of repayment	Monthly payment of interests; Repayment of the principal - subject to the traits of business	
1.7	Amount	Minimum AMD 1 mln; Maximum AMD 160 mln;	Minimum AMD 10 mln; Maximum AMD 250 mln;
1.8	Fine, penalty for early repayment	N/A	
1.9	Coverage area	Armenia	
1.10	Additional term	In case of investment loans the part of working capital financing should not exceed 30% of the total loan amount	
1.11	Areas of financing	<ul style="list-style-type: none"> • Growing of grain crops (including perennials and annuals); • Seed and plant propagation; • Grain crops fertilization, grafting, etc. before harvest; • Activities after harvest (tidying, sterilization, tillage, etc.); • Livestock farming (cattle, sheep, pigs, chickens, etc.); • Supporting actions relating to livestock farming (veterinary care, vaccinations, artificial insemination, shearing, etc.); 	

¹ When lending to individuals, the annual maximum actual interest rate on loan is 24%

		<ul style="list-style-type: none"> • Fish breeding and other aquatic culture; • Meat storage and processing (from raw materials of local production); • Storage and processing of fish, crabs and shellfish (home-grown); • Storage and processing of fruits and vegetables (home-grown); • Production of vegetable, animal fat, oil (from raw materials of local production); • Production of dairy products, including cheese and ice cream (from raw materials of local production); • Production of grain and starchy food (from raw materials of local production); • Animal production (primarily home-grown); • Production of insecticides, pesticides, herbicides; • Production of fertilizers; • Sale and rent of agricultural machinery (i.e. tractors, combine-harvesters, etc.), and agricultural capital investments (i.e. irrigation system); • Sale of spare parts for agricultural machinery and agricultural capital investments; • Repairing of agricultural equipment and agricultural capital investments; • Construction of buildings and warehouses related to agriculture, including installed equipment. 	
2	Bank fees		
2.1	Fee for application review	AMD 10,000	
2.2	Fee for loan maintenance	If the terms is 24-36 months - 0.5% If the terms is 37-48 months -1% If the terms is 49-60 months - 2%	Not applicable if the terms is 3-12 months If the terms is 13-23 months - 0.5% If the terms is 24-35 months -1% If the terms is 36-47 months - 1.5% If the terms is 48-60 months -2%
2.3	Cashing out loan sums	AMD 0	
3	Security		
3.1	Collateral	Funds on deposit and bank accounts, movable and immovable property, guarantees, warranties, collateralized securities, shares, stakes, stocks, and cash flows (legal claim on funds), pledge of right, mixed and other collateral acceptable by the Bank.	
3.2	Additional term	While pledging residential real property the Mortgagor provides justification of property rights, and if they were transferred to the Mortgagor under transaction of gift and the property was transferred during five years preceding the submission of a Loan application: <ol style="list-style-type: none"> 1. Additional collateral (donor’s surety) is required; inter alia, the amount of loan may not exceed 50% of appraised liquid value of collateral or 2. Additional collateral (third party surety) is required; inter alia, the amount of loan may not exceed 25% of appraised liquid value of collateral. * This sub-clause is not applicable if upon submission of a Loan application the	

		donor is dead
3.3	Mandatory term	<p>✓ In case of legal entity-customers – mandatory pledge of 100% shares, stakes, stocks of the owner(s);</p> <p>✓ In case of legal entity-customers – mandatory pledge of the surety by the owner(s), holding 10% and more percent of shares, stakes, stocks.</p>
4	Assessment and insurance of collateral	
4.1	Assessment of collateral	Assessment of immovable and movable property and PPE is carried out by independent evaluating companies that cooperate with the Bank. Assessment of securities, other property and rights acceptable by the Bank is carried out by independent evaluating companies that cooperate with the Bank, as requested.
4.2	Insurance	As requested
5	Requirements to borrower	
5.1	Borrower	RA resident legal entities, private entrepreneurs
5.2	Credit history requirements	Total number of days outstanding on credit commitments during the past 12 months must not exceed 36 days (if the term of the Borrower’s activity is less than 1 year, then the number of days outstanding on credit commitments should not exceed 3 days for each month from the date of actual activity, on a cumulative basis);
5.3	Additional term	Financial indicators obtained after the analysis of the Borrower’s financial reports must meet the requirements of the Bank
6	Requirements to Guarantor	
6.1	Guarantor	A resident legal entity, private entrepreneur, natural person registered in Armenia or NKR
6.2	Requirements to Guarantor	<ul style="list-style-type: none"> • A legal person, private entrepreneur with not less than 6 months of uninterrupted activity, and natural person aged 21–63, • There should not be any overdue liabilities (including for issued guarantees), • Total number of days outstanding on credit commitments during the past 12 months must not exceed 36 days (if the term of the Borrower’s activity is less than 1 year, then the number of days outstanding on credit commitments should not exceed 3 days for each month from the date of actual activity, on a cumulative basis);
7	Additional terms	
7.1	Interest rate on overdue amount	Twofold amount of the settlement rate of the bank interest set by the Central Bank of RA
7.2	Penalty on overdue interest	0,13% per day