

ABB - AGRO
Loans under Agricultural Lending Project Implemented
by “Rural Financing Facility PIU” State Institution

1		Terms & Conditions
1.1	Currency	Armenian drams (AMD), US dollar (USD)
1.2	Nominal annual interest rate ¹	AMD – from 12%, AMD – from 10% ² , USD – from 9%
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	6- 84 months (working capital does not exceed 20% of credit facilities) 6- 24 months (working capital is in excess of 20% of credit facilities)
1.5	Grace period	1-18 months (working capital does not exceed 20% of credit facilities) 1- 6 months (working capital is in excess of 20% of credit facilities)
1.6	Manner of repayment	Monthly payment of interests; Monthly uniform repayment of the principal;
1.7	Amount	<u>Legal entities and S/E</u> Maximum USD 150,000 or equivalent amount in AMD Minimum USD 2000 or equivalent amount in AMD
1.8	Personal investment	Minimum 20% of total project price
1.9	Fine, penalty for early repayment	N/A
1.10	Coverage area	Armenia, except Yerevan
1.11	Purpose of financing	<u>The following are not subject to financing under the program:</u> <ul style="list-style-type: none"> ✓ Construction or repairing of apartments ✓ Repayment of debt due to third parties

¹ При кредитовании физических лиц годовая максимальная фактическая процентная ставка по кредиту составляет 24%

² Кредиты в драмах РА со льготной процентной ставкой предоставляются сельскохозяйственным кооперативам, лицам, развивающим деятельность в высокогорных районах, лицам, развивающим деятельность в приграничных зонах

		<ul style="list-style-type: none"> ✓ Production, processing and trade of tobacco and tobacco products ✓ Wholesale trade of imported goods nonrelated to agriculture or related spheres ✓ Retail trading business, which includes the sale of any product referred to in this paragraph ✓ Consumer loans ✓ Trade in metals ✓ Trade in oil products, including gas, diesel, petrol, and other trade ✓ Purchase and sale of pesticides ✓ Production, processing and sale of distilled (strong) drinks
2	Bank fees	
2.1	Fee for application review	AMD 15,000 (up to USD 50,000 or equivalent amount in AMD) AMD 30,000 (USD 50,001 and over or equivalent amount in AMD)
2.2	Fee for loan maintenance	0,5% of contract amount
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	<p>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:</p> <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. <p>* This sub-clause is not applicable if upon submission of a Loan application the donor is dead</p>
3.3	Mandatory term	<ul style="list-style-type: none"> ✓ In case of legal entity-customers – mandatory pledge of 100% shares, stakes, stocks of the owner(s); ✓ In case of legal entity-customers – mandatory pledge of the surety by the owner(s), holding 10% and more percent of shares, stakes, stocks.
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	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