

ABB - AGRO

Loans under “Subsidization of interest rates on loans for the implementation of drip irrigation systems” program

1 Terms & Conditions		
1.1	Currency	Armenian drams (AMD)
1.2	Nominal annual interest rate	12%, up to 10% out of which is subsidized by the state /Interest rates on loans granted to economic entities of borderline communities included in the list approved by RA Government Decree No. 1444-N dated December 18, 2014, and agro-cooperatives to implement at least 3ha of anti-hail protection networks are fully subsidized by government/
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 40%, • In case of cash flows – not more than 50% of average monthly net credit turnover on bank accounts for the last 12 months. 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	1-3 years
1.5	Grace period	Maximum 6 months per year
1.6	Manner of repayment	Monthly repayment of interests and the principal
1.7	Amount	<ol style="list-style-type: none"> 1. Where the works (drawing up a scheme, capital expenditures, investment works) are carried out through the Contractor: AMD 1,000,000- 150,000,000; moreover, maximum amount of loan provided for 1 acre of land is: AMD 2.2 mln – for drip irrigation systems, AMD 2.7 mln – for spray irrigation system 2. Where the works (delivery pipe, head-end, distribution net) are carried out without the Contractor: AMD 1,000,000- 110,000,000; moreover, maximum amount of loan provided for 1 acre of land is: AMD 1.6 mln – for drip irrigation systems, AMD 1.9 mln – for spray irrigation system
1.8	Fine, penalty for early repayment	N/A

1.9	Coverage area	Armenia
1.10	Purpose of financing	Investments on areas planted with agricultural seedlings (except warmhouses and greenhouses)
1.11	Additional term	Drip irrigation system must be implemented by Contractors included in the list published by the Ministry of Agriculture of Armenia
2	Bank fees	
2.1	Fee for application review	AMD 0
2.2	Fee for loan maintenance	AMD 0
2.3	Fee for 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: 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	✓ 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, individuals
5.2	Credit history	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

	requirements	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