

## ABB - AGRO

### Loans issued under NKR Village and Agriculture Support Fund “Partial subsidization of interest rates on loans granted to the agricultural sector of NKR” program

1 Terms & Conditions		
1.1	Currency	Armenian drams (AMD)
1.2	Nominal annual interest rate	16%, out of which 9% is subsidized by Support Fund of Village and Agriculture of NKR
1.3	Liability/collateral value	<ul style="list-style-type: none"> <li>• 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%,</li> <li>• In case of immovable property - up to 70%,</li> <li>• In case of movable property - up to 50%,</li> <li>• 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%,</li> <li>• 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%.</li> </ul> <p>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.</p>
1.4	Period	For the acquisition of fixed assets – 12-60 months, provided that circulating assets should not exceed 30% of loan amount For the replenishment of circulating assets - 12-24 months
1.5	Grace period	1-12 months In case of planting orchards and vineyards - 1-36 months
1.6	Manner of repayment	Monthly payment of interests; Repayment of principal – monthly uniform or annuity payments
1.7	Amount	For grain cultivation – AMD 1,000,000 - 7 000 000 For financing of other branches of agriculture – AMD 1,000,000 - 15 000 000 For creating centers for the purveyance and processing of agricultural products - AMD 1,000,000 - 50 000 000
1.8	Fine, penalty for early repayment	N/A
1.9	Coverage area	NKR
1.10	Purpose of financing	<ol style="list-style-type: none"> <li>1. Cattle breeding           <ul style="list-style-type: none"> <li>• Acquisition and breeding of large and small cattle</li> <li>• Pig farming</li> <li>• Fish breeding</li> <li>• Aviculture</li> <li>• Beekeeping</li> </ul> </li> <li>2. Plant cultivation</li> </ol>

		<ul style="list-style-type: none"> <li>• Creation and repairing of greenhouses</li> <li>• Growing of cereals and other grain crops</li> <li>• Creation of orchards</li> <li>• Viticulture</li> <li>• Wine-making</li> <li>• Production of mushrooms</li> </ul> <p>3. Creation of refrigerating industry                  4. Construction of irrigation systems                  5. Procurement or processing of agricultural products                  6. Establishment of centers for the procurement of agricultural products                  7. Acquisition of agricultural machinery (agricultural equipment must be manufactured not more than 5 years ago)                  8. Acquisition of agricultural tools</p>
<b>2</b>	<b>Bank fees</b>	
2.1	Fee for application review	AMD 10,000
2.2	Fee for loan maintenance	0,5% of contract amount, min. AMD 15,000
2.3	Fee for cashing out loan sums	As per Bank tariffs for funds cash out
<b>3</b>	<b>Security</b>	
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> <p>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> <p>* This sub-clause is not applicable if upon submission of a Loan application the donor is dead</p>
3.3	Mandatory term	<p>✓ 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.</p>
<b>4</b>	<b>Assessment and insurance of collateral</b>	
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
<b>5</b>	<b>Requirements to borrower</b>	
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
<b>6</b>	<b>Requirements to Guarantor</b>	
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"> <li>• A legal person, private entrepreneur with not less than 6 months of uninterrupted activity and natural person aged 21-63,</li> <li>• There should not be any overdue liabilities (including for issued guarantees),</li> <li>• 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);</li> </ul>
<b>7</b>	<b>Additional terms</b>	
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