

ABB – SME Purchase Order Financing

Terms and tariffs of loans provided to legal entities and sole entrepreneurs

1 Terms & Conditions		
1.1	Currency	Armenian dram (AMD), US dollar (USD)
1.2	Nominal annual interest rate	AMD –16-20%, USD – 14 - 18%
1.3	Period	30-90 days
1.4	Grace period	Max. 90 days
1.5	Manner of repayment	Interests are payable monthly; Principle amount is payable at maturity
1.6	Amount	AMD 1,000,000 to AMD 40,000,000 or equivalent amount in foreign currency
1.7	Fee for early repayment	In case of early repayment of loan /non-revolving credit line by half of the period (except when the repayment is made at the request of the Bank) - in the amount of 1,5% of the prepaid principal amount
1.8	Prepayment	Min. 20%
2 Bank fees		
2.1	Fee for application review	AMD 10,000
2.2	Fee for loan maintenance	0.5% of contracted amount, min AMD 15,000
2.3	Cashing out loan sums	As per Bank tariffs applicable for cashing out funds from account
3 Security		
3.1	Collateral	<ol style="list-style-type: none"> 1. In case of legal entities - personal warranty of the director and/or one of the owners holding 10% or more shares 2. In case of sole entrepreneurs - personal warranty of one of the members¹ of his/her family or of any other person 3. Other security
4 Requirements to borrower		
4.1	Borrower	A resident or non- resident legal entity and private entrepreneur
4.2	Requirements to borrower	<ol style="list-style-type: none"> a) At least 2 years' business activity; b) The revenues received from business over the previous year or annual net credit turnover must not exceed 1.500.000.000 (one billion five hundred million) drams, c) carrying value of the assets as at the end of the previous year must not be over AMD 1 bln, d) Payroll number of employees must not be over 250 people, e) Total number of days outstanding on credit commitments during the past 12 months must not exceed 24 days, f) the issued maximum amount should not exceed 25% of the net credit turnover of the Bank customer for the last 12 months g) There should not be any overdue liabilities as of the date of decision-making
4.3	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	Legal entity, private entrepreneur, natural person, who are registered in Armenia or NKR

¹ Family members are: father, mother, spouses, children, parents of spouses, grandmother, grandfather, sister, brother, brother/sister-in-law, niece, nephew

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 24 days (including for issued guarantees), (if the term of the Guarantor’s activity is less than 1 year, then the number of days outstanding on credit commitments should not exceed 2 days for each month from the date of actual activity, on a cumulative basis);
6	Additional terms	
6.1	Interest rate on overdue amount	Twofold amount of the settlement rate of the bank interest set by the Central Bank of RA
6.2	Penalty on overdue interest	0,13% per day