**Effective of 21.04.2022**
**"ARMBUSINESSBANK" CJSC Executive Board**
**decision dated 11.04.2022**

# ABB-AGRO

## Loans under GAF "Support to RA Agricultural Sector" program

| 1 | Terms & Conditions | Investment loans | Loans to finance current activities | Mixed purpose loans |
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| 1.1 | Currency | Armenian drams (AMD) | | |
| 1.2 | Nominal annual interest rate [2] | From 9.75% | 8 -23 months – from 9.25%<br>24-60 months – from 9.75% | from 9.75% |
| 1.3 | Loan/collateral value | ▪ 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 in different currencies - up to 95%,<br>▪ In case of immovable property - up to 70%,<br>▪ In case of movable property - up to 50%,<br>▪ 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%,<br>▪ 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 may not exceed 80%.<br>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 | 24-60 months | 8-60 months | 24-60 months |
| 1.5 | Grace period | 3-24 months | 3-24 months | 3-24 months |
| 1.6 | Manner of repayment | Repayment of principal - subject to the traits of business; payment of accrued interests – monthly; | | |
| 1.7 | Amount [1] | AMD 1,000,000-160,000,000 | AMD 1,000,000-33,000,000 | AMD 1,000,000-160,000,000 |
| 1.8 | Fine, penalty for early repayment | N/A | | |
| 1.9 | Coverage area | Armenia | | |
| 1.10 | Purpose of financing | The loan can be provided for the purpose of financing of separate capital investments (Investment loans) and operating expenses (Loans for financing current activities) or combined financing of both (mixed loans) | | |
| 1.11 | Additional term | The share of financing of Current activities in the structure of mixed loans cannot exceed AMD 33 mln, and at least a 3-month grace period is provided for the repayment of the principal amount.<br>When financing production chain loans (for issuing loans to the Aggregator[4]), the total amount of the loan issued to the same Borrower can be maximum AMD 260 mln, while the amount provided for working capital cannot exceed AMD 100 mln, and the amount provided for investment or mixed purposes cannot exceed AMD 160 mln. Production chain credits can be provided for a period of at least 6 months, and there is no minimum grace period for the repayments of the principal. | | |
| 1.12 | | ✓ Growing of grain crops (including perennials and annuals and horticulture);<br>✓ Seed and plant propagation; | | |

[1] Mixed-purpose loans are provided to finance a combination of capital investment and operating costs
[2] In case of lending to individuals the actual maximum annual interest rate on the loan shall be 12,25%
[3] The total balance of loans granted to the same Borrower cannot exceed AMD 160,000,000
[4] Any legal entity or S/E operating subject to the legislation of the Republic of Armenia, which carries out agricultural activities and acts as a key player (either as a supplier of goods or a buyer or processor of crop / livestock products or a supplier or storekeeper of agricultural services), maintaining business relationships with a fixed or variable number of Agricultural Producers (any individual farmer, cooperative, S/E or legal entity, acting in accordance with the legislation of the Republic of Armenia, carrying out activities in the field of primary agricultural products (crops or livestock)

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| | Areas of financing | ✓ Grain crops fertilization, grafting, etc. before harvest;<br>✓ Activities after harvest (tidying, sterilization, tillage, etc.);<br>✓ Livestock farming (cattle, sheep, pigs, chickens, etc.);<br>✓ Supporting actions relating to livestock farming (veterinary care, vaccinations, artificial insemination, shearing, etc.);<br>✓ Fish breeding and other aquatic culture;<br>✓ Meat storage and processing (from raw materials of local production);<br>✓ Storage and processing of fish, crayfish and shellfish (locally produced;<br>✓ Storage and processing of fruits and vegetables (local production);<br>✓ Production of vegetable and animal fats, oils (from local raw materials);<br>✓ Production of dairy products, including cheese and ice cream (from local raw materials);<br>✓ Production of grain and starchy products (from local raw materials);<br>✓ Animal production (mainly of local production);<br>✓ Production of insecticides, pesticides, herbicides;<br>✓ Fertilizer production;<br>✓ Sale and rent of agricultural machinery (e.g. tractor, harvester, etc.) and agricultural capital investments (e.g. irrigation system);<br>✓ Sale of spare parts for agricultural machinery and agricultural capital investments;<br>✓ Agricultural machinery repairing and agricultural capital investments;<br>✓ Construction of buildings and warehouses related to agriculture, including equipmenst installed in them;<br>✓ Beekeeping, production of beekeeping products, production of beehives,<br>✓ Slaughterhouses<br>✓ Processing and/or drying and/or packaging of wild berries and herbs (for example, making traditional herbal teas);<br>✓ Manufacture of cosmetics and beauty products, mainly from local products or wild plants;<br>✓ Transportation of agricultural goods on special purpose vehicles, including, for example, grain trucks, milk trucks, vehicles for the transportation of livestock, live poultry, live fish, beekeeping transportation services (excluding the transportation of finished food products). |
| **2** | **Bank fees** | |
| 2.1 | One-time fee for application review | AMD 0 |
| 2.2 | One-time fee for loan maintenance | If the term is 8 -12 months –0.5%<br>If the term is 13-23 months – 1%<br>If the term is 24-35 months –1.5%<br>If the term is 36-60 months – 2% |
| 2.3 | Fee for cashing out loan sums | As per Bank tariffs for cashing out funds from account |
| **3** | **Security** | |
| 3.1 | Collateral | Funds on deposit and bank accounts, movable and immovable property, PPE, guarantees, sureties, collateralized securities, shares, stakes, stocks, cash flows (legal claim on funds), circulating assets, 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:<br><br>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<br>2. Additional collateral (third party surety) is required; inter alia, the amount of loan may not exceed 25% of appraised liquid value of collateral. |

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| | | * 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);<br>✓ 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<br><br>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 RA residents |
| 5.2 | Requirements to Borrower | 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 Artsakh |
| 6.2 | Requirements to Guarantor | • A legal person, private entrepreneur with not less than 6 months of uninterrupted activity and natural person aged 21-63,<br>• There should not be any overdue liabilities (including for issued guarantees),<br>• 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 |