

ABB – Export Financing

Terms of financing provided to legal entities and sole entrepreneurs

		Pre-export Financing	Financing Under Export Insurance
1	Terms and Conditions		
1.1	Currency	AMD, USD, EUR, RUB	
1.2	Nominal annual interest rate	AMD - 16% USD - 12% EUR - 11% RUB – as per agreement	
1.3	Period of loan	1-18 months	
1.4	Grace period	Maximum 18 months	
1.5	Manner of repayment	Payment of accrued interests - monthly, Repayment of principal – at maturity	
1.6	Amount	5,000,000-500,000,000 AMD or foreign currency equivalent (85% of the value of export agreement or separate export transactions, if financing is provided in the currency of export agreement, 75% of the value of export agreement or separate export transactions, if financing is provided in the currency other than the currency of export agreement)	5,000,000-500,000,000 AMD or foreign currency equivalent 75-95% of the value of export agreement or separate export transactions
1.7	Fine, penalty for early repayment	N/A	
1.8	Purpose of financing	Acquisition of circulating assets for the execution of Export agreement (including, acquisition of feedstock, materials) and/or for definite expenses (packing costs, giving the goods a marketable state, transportation, customs and other similar costs)	Financing under Export agreement
2	Bank fees		
2.1	Fee for application review	AMD 10,000	
2.2	Fee for loan maintenance	1%	
2.3	Fee for cashing out loan amounts	Not permitted	
3	Security		
3.1	Collateral	✓ Pledge of legal claim to	✓ Insurance certificate issued by

		<p>receivables under export agreement or assignment to the Bank of legal claim to accounts receivable under export agreement</p> <ul style="list-style-type: none"> ✓ Personal warranty of the director and/or one of the owners holding 10% or more shares ✓ Where required - other collateral acceptable by the Bank 	<p>Export Insurance Agency of Armenia</p> <ul style="list-style-type: none"> ✓ Pledge of legal claim to receivables under export agreement or assignment to the Bank of legal claim to receivables under export agreement ✓ Personal warranty of the director and/or one of the owners holding 10% or more shares
4	Insurance		
4.1	Insurance of export transaction	<p>Export Insurance Agency of Armenia insures the transaction from the following risks:</p> <ul style="list-style-type: none"> ✓ Borrower is recognized bankrupt in the manner prescribed by RA legislation <p>Failure by Borrower to make payment without legal basis</p>	<p>Financial risks incurred as a result of non-payment for goods and/or services by a foreign buyer or bank, which have a payment obligation on his/her name under agreement</p> <p>Export Insurance Agency of Armenia insures the transaction from the following risks:</p> <p>COMMERCIAL RISKS</p> <ul style="list-style-type: none"> ✓ Bankruptcy (insolvency) of buyer ✓ Failure by buyer to make payment without legal basis <p>POLITICAL RISKS</p> <ul style="list-style-type: none"> ✓ Administrative decisions, legal deeds, which made impossible the transfer of payments or exchange of currency ✓ Political events: war, revolution, etc., which brought to impossibility of payments, or restrictions ✓ Natural disasters: earthquake, flood, storm, etc., which brought to impossibility of payments, or restrictions <p>Insurance coverage - 95%</p>
5	Requirements to borrower		
5.1	Borrower	RA resident legal entities and private entrepreneurs (manufacturer and exporter)	
5.2	Requirements to Borrower	<ul style="list-style-type: none"> • At least 1-year business experience in the given field • Absence of outstanding liabilities as of application date (including for issued guarantees) • Stable cash flow 	

		<ul style="list-style-type: none"> • Total number of days outstanding on all credit commitments during the past 12 months must not exceed 30 • Absence of attachment on Account
5.3	Requirements to Guarantor	<ul style="list-style-type: none"> • There should not be any overdue liabilities as of the application date (including for issued guarantees) • Total number of days outstanding on all credit commitments during the past 12 months must not exceed 30 (including for issued guarantees) • In case of a Borrower being a sole entrepreneur, the guarantor may not be a family member of the sole entrepreneur
5.4	Additional term	Financial indicators obtained after the analysis of the Borrower’s financial reports must meet the requirements of the Bank
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