

ABB - BUSINESS

Terms of loans, credit lines and overdrafts provided to legal entities and sole entrepreneurs

1	Terms & Conditions	Loan	Credit lines	Overdrafts
1.1	Currency	AMD, USD, EUR, RUB		
1.2	Nominal annual interest rate (except loans, credit lines, overdrafts under primary collateral)	<ul style="list-style-type: none"> ▪ AMD - 11% ▪ USD - 8% ▪ EUR, RUB – as per agreement 	<ul style="list-style-type: none"> ▪ AMD - from 12% ▪ USD - from 8.5% ▪ EUR, RUB – as per agreement 	<ul style="list-style-type: none"> ▪ AMD - from 12.5% ▪ USD - from 10% ▪ EUR, RUB – as per agreement
	Nominal annual interest rate (loans, credit lines, overdrafts under primary collateral)	In case of primary security (funds on deposit and bank accounts, unallocated metal accounts and government bonds), the rate for attracting own funds as security (including the yield on bond) + 3% In the same currency - the rate of attraction of own funds as means of security + 4%, In different currencies – as per contract		
1.3	Annual interest rate applicable to unused part	-	0-2%	-
1.4	Liability/collateral value	<ul style="list-style-type: none"> ▪ Up to 100% of funds, government bonds, available on deposit and bank accounts; in addition, in case of funds, government bonds in the same currency - up to 100%, in case of funds different currencies - up to 95%, ▪ In case of unallocated metal accounts - up to 100%, ▪ 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 30%, ▪ 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%. ▪ 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. 		Maximum of up to 50% of average monthly net credit turnover 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.
1.5	Period	1- 120 months	1-60 months	1-12 months
1.6	Manner of repayment	Monthly payment of interests; Repayment of the principal – subject to the traits of business		Accrued interests are paid monthly, Overdraft is repayable on condition of monthly zeroing
1.7	Amount	AMD 500,000- 500,000,000 or the equivalent in foreign currency		
1.8	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.		

		In case of a revolving credit line and overdraft - not applicable In case of loan, credit line and overdraft under primary collateral – not applicable.	
1.9	Additional term	The terms of granting a loan, credit line and overdraft to non-resident legal entities and private entrepreneurs are determined on a contractual basis	
2	Bank fees		
2.1	Fee for application review	AMD 10,000 (not applicable in case of primary security)	
2.2	Fee for loan maintenance	0,5% of contracted amount (not applicable in case of primary security)	1% of overdraft(not applicable in case of primary security)
2.3	Cashing out loan sums	As per Bank tariffs applicable for cashing out funds from account	Not permitted
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.	Funds (right of claim on funds), Where necessary, 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.	As requested
4.2	Insurance	As requested	
5	Requirements to borrower		
5.1	Borrower	Resident and non-resident legal entities or private entrepreneurs	
5.2	Credit history	a) A legal person or private entrepreneur with at least 6 months of uninterrupted	

	requirements	<p>activity, and natural person aged 21-63,</p> <p>b) Total number of days outstanding on credit commitments during the past 12 months must not exceed 30 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 2 days for each month from the date of actual activity, on a cumulative basis);</p> <p>c) In the case of a business loan secured by the right of claim on funds - a minimum net credit turnover in the Bank during the last 3 months prior to the date of consideration of the issue of granting the facility, in the amount acceptable by the Bank, moreover:</p> <ul style="list-style-type: none"> ✓ for strategic clients – at least AMD 100,000,000, ✓ for medium-size business clients – at least AMD 50,000,000, ✓ for small business clients – at least AMD 10,000,000. <p>At the same time, if there exists a Basic Agreement for the provision of financing instruments and/or a Master Agreement for the execution of loan operations between the Corporate Client and the Bank, and the Borrower meets the other criteria, then the business loan under security of the right to claim funds can also be issued even if the requirements of paragraph (c) above are not satisfied; however, in this case, a prerequisite is the availability of an appropriate amount of loan provided under the Basic Agreement for the Provision of Financing Instruments and/or Master Agreement for the execution of loan operations.</p>
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	<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 30 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 2 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