

ABB- BUSINESS +
Loans and non-revolving credit lines issued under loan program financed by the
European Investment Bank

1	Terms & Conditions	Loans	Credit lines
1.1	Currency	Armenian drams (AMD)	
1.2	Nominal annual interest rate	10.4%	
1.3	Annual interest rate charged to unused amount of credit line	-	0-2%
1.4	Loan/collateral value	<ul style="list-style-type: none"> ▪ 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%, ▪ 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%. <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>	
1.5	Period	24-90 months	
1.6	Grace period	Maximum 2 years	
1.7	Manner of repayment	Monthly payment of interests; Repayment of the principal – subject to the traits of business;	
1.8	Amount	AMD 10,000,000 to 500,000,000	
1.9	Fine, penalty for early repayment	N/A	
2	Bank fees		
2.1	Fee for application review	AMD 0	
2.2	Fee for loan maintenance	AMD 0	
2.3	Fee for cashing out loan sums	As per Bank tariffs for cashing out funds from the account	
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), working capital, 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</p>	

		<p>may not exceed 50% of appraised liquid value of collateral or</p> <p>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 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);</p> <p>✓ 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>
4	Assessment and insurance of collateral	
4.1	Assessment of collateral	<p>Independent evaluating companies that cooperate with the Bank carry out assessment of immovable and movable property and PPE.</p> <p>Independent evaluating companies that cooperate with the Bank, carry out assessment of securities, other property and rights acceptable by the Bank as requested.</p>
4.2	Insurance	As requested
5	Requirements to borrower	
5.1	Borrower	Legal entities or sole entrepreneurs that are registered in Armenia and expand business in agriculture, agro-processing and tourism
5.2	Credit history requirements	<p>1. Stable cash flows</p> <p>2. 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>
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