

ABB-ENERGO+

Loans, non-revolving credit lines issued under GAF “Energy Efficiency for SMEs” program

1	Terms & Conditions	Loan	Non-Revolving Credit line
1.1	Currency	Armenian drams (AMD)	
1.2	Nominal annual interest rate	10.5%	
1.3	Interest rate applicable to unused part	-	0-2%
1.4	Liability/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 in 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 the 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 shall 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 	
1.5	Term	12-60 months	
1.6	Manner of repayment	Monthly payment of interests; Repayment of the principal – subject to the specifics of the business.	
1.7	Amount	AMD 1,000,000- AMD 500,000,000	
1.8	Fine, penalty for early repayment	N/A	
1.9	Purpose of financing	<ol style="list-style-type: none"> 1. Replenishment of PPE meeting the criteria for established energy efficiency <ul style="list-style-type: none"> ✓ Heating, ventilation and air conditioning ✓ Lighting, Heating for production purposes ✓ Cooling for production purposes ✓ Thermal insulation of walls and roofs of a building ✓ Equipment for food processing ✓ Machinery for industrial production ✓ Transport ✓ IT- equipment ✓ Motors and pumps ✓ Agricultural machinery ✓ Solar energy ✓ Energy from biomass ✓ Hydropower ✓ Wind energy ✓ Geothermal energy ✓ Other energy-saving investments 2. Replenishment of circulating assets meeting the criteria for established energy efficiency 	

		3. Replenishment of fixed and/or circulating assets, which do not meet the criteria for established energy efficiency, if at least 70% of loan was used for replenishing fixed assets meeting the criteria for established energy efficiency. In addition, the acquired fixed and circulating assets in their nature should be directly related to this investment.
1.10	Additional term	Within the frame of the program, It is possible to replace old equipment with new energy-saving equipment, as well as to obtain additional equipment
2	Bank fees	
2.1	Fee for application review	AMD 0
2.2	Maintenance Fee	<ul style="list-style-type: none"> ✓ For a 12-23 months period 0.5% ✓ For a 24-35 months period 1% ✓ For a 36-47 months period 1.5% ✓ For a 48-60 months period 2%
2.3	Fee for Cashing out loan funds	As per Bank tariffs applicable for cashing out funds from account
3	Security	
3.1	Collateral	Funds on deposit and bank accounts, movable and immovable property, fixed assets, guarantees, warranties, collateralized securities, shares, stakes, stocks, and cash flows (legal claim on funds), current assets, 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 deed of gift and the property was transferred during five years preceding the submission of a Loan application:</p> <ol style="list-style-type: none"> 1. Additional collateral (donor's guarantee) 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. <p>* This sub-clause is not applicable if upon submission of a Loan application the donor is dead.</p>
3.3	Mandatory requirement	<ul style="list-style-type: none"> ✓ 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	<p>Assessment of immovable and movable property, PPE, current assets is carried out by independent evaluating companies cooperating with the Bank.</p> <p>Assessment of securities, other property and rights acceptable by the Bank is carried out by independent evaluating companies cooperating with the Bank, as deemed necessary.</p>
4.2	Insurance	As required
5	Requirements to borrower	
5.1	Borrower	RA resident legal entity and private entrepreneur
5.2	Requirements to borrower	<ul style="list-style-type: none"> ✓ The average number of employees on the payroll must be up to 250 people, while the revenues from the activity of the previous year or carrying value of the assets as at the end of the previous year must not exceed AMD 1,500,000,000 and AMD 1,000,000,000 respectively;

		<ul style="list-style-type: none"> ✓ At least 6 months' business experience; ✓ 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 per month from the date of actual activity, on a cumulative basis); ✓ In case of a business loan secured only under 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;
5.3	Additional term	Financial indicators obtained as a result of analysis of the Borrower's financial reports should 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 entity, private entrepreneur with at least 6 months' 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 Guarantor's activity is less than 1 year, then the number of days outstanding on credit commitments should not exceed 2 days per 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