

ABB-AGRO

Loans under GAF “Support to RA Agricultural Sector” program

1	Terms & Conditions	Investment loans	Loans to finance agricultural value chains	Organic Farming Financing Loans
1.1	Currency	Armenian drams (AMD)		
1.2	Nominal annual interest rate ¹	11.5%	10.5%	10.5%
1.3	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 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 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 may 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>		
1.4	Period	24-60 months	6-60 months	6-60 months
1.5	Grace period	3-24 months	Maximum 24 months	Maximum 24 months
1.6	Manner of repayment	Interests- monthly; Repayment of principal - subject to the specifics of business;		
1.7	Amount	AMD 1,000,000-160,000,000	AMD 1,000,000-160,000,000 The total amount of the loan granted to the same Borrower can amount to maximum of AMD 260 million, while the amount provided for circulating funds may not exceed AMD 100 mln, and the amount for investment purposes cannot exceed AMD 160 mln.	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	Investment loans are provided for financing of eligible spending made/to be made by the Borrowers for implementation of business projects in the field of agriculture. Not more than 30% of the spending made by the Borrower at the expense of the investment loans can be channeled to replenishment of circulating funds necessary for implementation of the investment project concerned. Other circulating funds replenishment costs are not funded. Value chain loans are provided for financing of eligible spending made/to be made by value chain participants. There are no restrictions on the directions of investments made at the expense of value chain loans in fixed or circulating funds.		

¹ In case of lending to individuals the actual maximum annual interest rate on the loan shall be 12,25% except for investment loans, where it makes up 13.5%.

		Organic loans are granted for financing eligible expenses made/to be made by the Borrower in the field of organic agriculture. There are no restrictions on the directions of investments made at the expense of organic loans in fixed or circulating funds.	
1.11	Areas of financing	<ul style="list-style-type: none"> ✓ Growing of grain crops (including perennials and annuals and horticulture); ✓ Seed and plant propagation; ✓ Grain crops fertilization, grafting, etc. before harvest; ✓ Activities after harvest (tidying, sterilization, tillage, etc.); ✓ Livestock farming (cattle, sheep, pigs, chickens, etc.); ✓ Supporting actions relating to livestock farming (veterinary care, vaccinations, artificial insemination, shearing, etc.); ✓ Fish breeding and other aquatic culture; ✓ Meat storage and processing (from raw materials of local production); ✓ Storage and processing of fish, crayfish and shellfish (locally produced); ✓ Storage and processing of fruits and vegetables (local production); ✓ Production of vegetable and animal fats, oils (from local raw materials); ✓ Production of dairy products, including cheese and ice cream (from local raw materials); ✓ Production of grain and starchy products (from local raw materials); ✓ Animal production (mainly of local production); ✓ Production of insecticides, pesticides, herbicides; ✓ Fertilizer production; ✓ Sale and rent of agricultural machinery (e.g. tractor, harvester, etc.) and agricultural capital investments (e.g. irrigation system); ✓ Sale of spare parts for agricultural machinery and agricultural capital investments; ✓ Agricultural machinery repairing and agricultural capital investments; ✓ Construction of buildings and warehouses related to agriculture, including equipment installed in them; ✓ Beekeeping, production of beekeeping products, production of beehives, ✓ Slaughterhouses ✓ Processing and/or drying and/or packaging of wild berries and herbs (for example, making traditional herbal teas); ✓ Manufacture of cosmetics and beauty products, mainly from local products or wild plants; ✓ 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	For 24-31 months –1% For 32-44 months– 1.5% For 45-60 months –2 %	For 6-10 months – 0.3% For 11-22 months - 0.5% For 23-35 months - 1% For 36-49 months - 1.5% For 50-60 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: 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
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	<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 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