

ABB - AGRO

Loans under subsidization of interest rates on loans granted for the procurement (purchasing) of agricultural raw materials program

1	Terms & Conditions	
1.1	Currency	Armenian drams (AMD)
1.2	Nominal annual interest rate	12%, out of which 9% is subsidized by the state
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 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>
1.4	Period	1-18 months (in case of loans for the purchase (procurement) of grapes granted to each borrower engaged in processing business - 1-36 months)
1.5	Grace period (to the principal amount)	up to 6 months (in case of loans for the purchase (procurement) of grapes granted to each borrower engaged in processing business – up to 12 месяцев)
1.6	Manner of repayment	Monthly payment of interests; Repayment of loan amount – subject to the traits of business
1.7	Amount	<p style="text-align: center;">AMD 1,000,000 minimum, moreover</p> <ul style="list-style-type: none"> • Up to 4 bln drams can be provided for the purchase of grapes every year to each borrower engaged in processing • The balance of the principal amount of loans for the purchase (procurement) of fruits and vegetables granted to each borrower carrying out processing activities cannot exceed AMD 3 bln • The balance of the principal amount of loans for the purchase (procurement) of fruits, vegetables and grapes, provided to each borrower engaged in refrigeration and export business, cannot exceed AMD 3 bln • The balance of the principal amount of loans for the purchase (procurement) of milk provided to each borrower engaged in processing activities cannot exceed AMD 1 bln • Loans for the purchase of farm animals provided to each borrower carrying out slaughter activities are calculated at the rate of no more than AMD 2 mln per 15 square meters of area and no more than AMD 5 mln for a mobile slaughterhouse • The balance of the principal amount of loans for the purchase of chinchilla provided to each borrower engaged in export business of chinchilla fur

		cannot exceed AMD 50 mln
1.8	Fine, penalty for early repayment	N/A
1.9	Coverage area	Armenia
1.10	Purpose of financing	<ul style="list-style-type: none"> • Procurement of fruits and vegetables and glass jars, lids, aseptic bags and containers used in the production of canned fruit and vegetables • Procurement of grapes • Procurement of milk • Purchase of farm animals by slaughterhouses • Purchase of chinchilla
1.11	Additional term	The amount of the loan should not exceed the purchase price of the raw material specified in the contracts concluded between the borrower and farms and/or legal entities involved in the collection of milk, including cooperatives and/or individual entrepreneurs, and in case of calculation at the minimum purchase price of the raw material - 120% of the expected purchase price of the raw material; in addition, the calculation of loan amount does not include the cost of the raw material specified in raw material procurement contract concluded with the person collecting crops from land plots owned or used by the borrower or processed by the founders or shareholders of the borrower and their family members (parents, spouses, children) or collecting milk from farm animals or fur of farm animals or chinchilla or wild fruits, berries and vegetables.
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	AMD 0
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.
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> <ol style="list-style-type: none"> 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. <p>* This sub-clause is not applicable if upon submission of a Loan application the donor is dead</p>
3.3	Mandatory term	<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	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
5.2	Credit history requirements	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 NKR
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