

ABB – SME BUSINESS

**Loans issued under “Partial subsidization of interest rates of commercial loans to SMEs”
 Artsakh Investment Fund program**

1		Terms & Conditions
1.1	Currency	AMD, USD, EUR
1.2	Nominal annual interest rate	<p>AMD - interest rate of the Central Bank of Armenia on refinancing plus 9 percentage points, 40-60% out of which is subsidized by Artsakh Investment Fund</p> <p>USD, EUR - interest rate of the Central Bank of Armenia on refinancing plus 5 percentage points, 40-60% out of which is subsidized by Artsakh Investment Fund</p>
1.3	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 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	1-60 months
1.5	Manner of repayment	Monthly payment of interests; Repayment of the principal – subject to the traits of business
1.6	Amount	AMD 1,000,000-100,000,000
1.7	Fine, penalty for early repayment	N/A
1.8	Coverage area	Artsakh
1.9	Type of activity	<ol style="list-style-type: none"> 1. Other sectors of mining industry and quarrying, adjacent activities of mining industry 2. Manufacturing industry 3. Construction 4. Wholesale and retail trade, vehicle and motorcycle repairing 5. Activities related to land transport and transportation through pipelines, activities related to water and air transport 6. Warehousing and subsidiary transport activities 7. Organization of stay 8. Organization of catering 9. Publishing 10. Software development, consulting and related activities in the field of computer technology 11. Provision of information services 12. Health care 13. Other maintenance services
1.10	Areas of using credit	Construction of real estate

	funds	<p style="text-align: center;">Repairing of real estate</p> <p style="text-align: center;">Acquisition of new equipment, machinery (modernization of production facilities), introduction of new technology</p> <p style="text-align: center;">Acquisition of equipment and machinery, the age of which is up to 5 years from the date of production</p> <p style="text-align: center;">Acquisition of movable property, furnishings</p> <p style="text-align: center;">Working capital financing</p>
2	Bank fees	
2.1	Fee for application review	AMD 10,000
2.2	Fee for loan maintenance	0,5% of contract amount, minimum AMD 15,000
2.3	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, 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	<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 the collateral	
4.1	Assessment of collateral	<p>Assessment of immovable and movable property and PPE is carried out by independent evaluating companies that cooperate with the Bank.</p> <p>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.</p>
4.2	Insurance	As requested
5	Requirements to borrower	
5.1	Borrower	Legal entity and private entrepreneur
5.2	Requirements to borrower	<ul style="list-style-type: none"> • 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) • In 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
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 Guarantor’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	Condition for partial subsidization of annual interest rate	Under the loan program, the Borrower can receive only one current warrant for partial subsidization of annual interest rate
7.2	Interest rate on overdue amount	Twofold amount of the settlement rate of the bank interest set by the Central Bank of RA
7.3	Penalty on overdue interest	0,13% per day