

## ABB-AGRO

### Loans under RA Ministry of Agriculture “Rural Areas Economic Development” PIU State Institution project for subsidization of interest rates on loans to agricultural sector

1	Terms & Conditions	
1.1	Currency	Armenian drams (AMD)
1.2	Nominal annual interest rate	13%, which is fully subsidized by the state
1.3	Loan/collateral value	<ul style="list-style-type: none"> <li>▪ 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%,</li> <li>▪ In case of immovable property - up to 70%,</li> <li>▪ In case of movable property - up to 50%,</li> <li>▪ 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%,</li> <li>▪ 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%.</li> </ul> <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	<p>In case of loans for pig breeding and aviculture - 1-3 years,          In case of loans for traditional orchards - 1-7 years          In case of loans for for other purposes - 1-5 years</p> <p>Moreover, if the share of working capital in the structure of investments is over 30%, crediting will be carried out for a maturity of maximum 2 years, and where fixed assets are 70% and over, crediting will be carried out for a maturity of maximum 5 years</p>
1.5	Grace period	Up to 12 months (only in case of loans issued for creating traditional orchards - possibly up to 48 months)
1.6	Manner of repayment	Monthly payment of the principal and interests
1.7	Amount	<p>For cattle breeding - AMD 3,000,000-50,000,000</p> <p>For the development of sheep and goat breeding and creating traditional orchards – AMD 3,000,000-30,000,00</p> <p>For other purposes – AMD 3,000,000-15,000,000</p> <p>At the same time, the balance of the total amount of loans granted to each household cannot exceed AMD 50,000,000</p>
1.8	Fine, penalty for early repayment	N/A
1.9	Coverage area	Armenia
1.10	Purpose of financing	Implementation of development programs in agri-food sector
1.11	Additional term	<ul style="list-style-type: none"> <li>• This Program is not accessible for economic entity beneficiaries of state support programs for cattle breeding development in Armenia in 2019-2024, which are carried out under susidization of interest rates of other loans provided under RA annual state budget: financial rent (leasing) of agricultural machinery in Armenia, loans to the agro-processing sector for the procurement of agricultural raw</li> </ul>

		materials, loans for the implementation of modern irrigation systems, loans for the implementation of anti-hail networks in the agricultural sector of Armenia, loans for the creation of intensive garden plots in Armenia processed by using modern technology, financial rent (leasing) of agricultural equipment in Armenia
<b>2</b>	<b>Bank fees</b>	
2.1	Fee for application review	AMD 0
2.2	Fee for loan maintenance	AMD 0
2.3	Fee for cashing out loan funds	AMD 0
<b>3</b>	<b>Security</b>	
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 to 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.
<b>4</b>	<b>Assessment and insurance of collateral</b>	
4.1	Assessment of collateral	Assessment of immovable and movable property, PPE and working capital 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
<b>5</b>	<b>Requirements to borrower</b>	
5.1	Borrower	Legal entities, private entrepreneurs, individuals
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
<b>6</b>	<b>Requirements to Guarantor</b>	
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"> <li>• A legal person, private entrepreneur with not less than 6 months of uninterrupted activity and natural person aged 21-63,</li> <li>• There should not be any overdue liabilities (including for issued guarantees),</li> </ul>

		<ul style="list-style-type: none"><li>• 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);</li></ul>
<b>7</b>	<b>Additional terms</b>	
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