

RENEWABLE ENERGY LENDING TERMS

*Approved by Management Board resolution # 01/32/18 as of November 14, 2018
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	A.4.	Renewable energy loans
	A.4.1.	Commercial solar, hydro and wind power plants
	A.4.2.	Solar, hydro and wind power plants for business's own needs

1. LOANS (A.4.1, A.4.2)

#	Terms and conditions	Renewable energy loans (A.4)	If financed under GAF Renewable Energy Program (positive financial and technical conclusion of project consultant is required)
	Eligible projects	Construction or renovation of solar, hydro and wind power plants for industrial or business's own purposes, subject to availability of all approvals and permits required under applicable law for such business	
1	Loan amount	AMD or other currency equivalent of up to USD 10,000,000	Loans provided in AMD only
2	Loan term	A.4.1 – max 15 years A.4.2 – max 8 years	Up to 12 years
3	Grace period (for principal):	Up to 3 years	Up to 2 years

4	Annual interest rate A.4.1	AMD		USD		EUR		Starting from 9.5%
		Floating	Fixed	Floating	Fixed	Floating	Fixed	
		Starting from 10.5% ⁱ	Starting from 11.9%	Starting from 7.9% ⁱ	Starting from 9.0%	Starting from 6.3% ⁱ	Starting from 8.0%	
	<i>Description of floating component</i>	<i>4.4% fixed component + variable component (yield-before-maturity of 6-month government bonds of Armenia)</i>	<i>5.6% fixed component + variable component (ICE LIBOR USD 6 Month)</i>		<i>6.3% fixed component + variable component (ICE LIBOR EUR 6 Month – only where positive)</i>			
Annual interest rate ⁱⁱ A.4.2	AMD		USD		EUR			
	Floating	Fixed	Floating	Fixed	Floating	Fixed		
	Starting from 11.5% ⁱ	Starting from 12.9%	Starting from 8.9% ⁱ	Starting from 9.9%	Starting from 7.3% ⁱ	Starting from 9.0%		

	Description of floating component	5.4% fixed component + variable component (yield-before-maturity of 6-month government bonds of Armenia)	6.6% fixed component + variable component (ICE LIBOR USD 6 Month)	7.3% fixed component + variable component (ICE LIBOR EUR 6 Month – only where positive)	
5	Loan disbursement fee (chargeable lump-sum at the time of disbursement) The bank can define a schedule for payment of the loan disbursement fee, in which case any fee outstanding at the time of the loan prepayment (before the due date) will be payable together with prepaid loan amount or in whatever other manner the bank may decide.	Loans with less than 1-year term: 0-0.5% of contractual loan amount 1-2 years: 0-0.7% of contractual loan amount More than 2 years: 0-1.5% of contractual loan amount Loans secured by cash: 0%			Up to 1.5%
6	Late payment fee ⁱⁱⁱ	Fine in the amount of 0.13% of overdue loan/interest for each day beyond terms			
8	Loan repayment	As per schedule or at the end of term (monthly, quarterly, semi-annually or otherwise as defined under loan agreement)			
9	Early repayment (prepayment) ^{iv}	Early repayment fee in the amount of up to 6-month interest on repaid sums where envisaged under loan agreement			
10	Loan security	Cash, T-bills, standard gold bars, bonds issued by Ameriabank			
		Property and equipment, guarantees and warranties, other securities			
		Cash flows, working assets or mixed collateral			
		Personal guarantees of founders/ultimate beneficiaries of business as additional security			

11	Loan-to-value (LTV) ratio ^v	<p>Max 100% for cash, T-bills, standard gold bars, bonds issued by Ameriabank (if the currency of loan is the same as that of collateral or, if different, both currencies are included in SDR basket) and max 95% (if the currency of loan is different from that of collateral, except for currencies included in SDR basket)</p> <p>a) up to 80% of the appraised value of collateral for real estate; 90%, if the debt service coverage ratio (DSCR) of borrower is 1.5 or higher b) up to 50% of appraised value of collateral for movable property; 60%, if DSCR is 1.5, up to 80% for the property which is going to be purchased or has been purchased during the last six months, starting from the loan application submission date c) up to 30% of the appraised value of collateral for inventories (finished goods, raw materials, etc.). Note: the share of inventories in the total collateral cannot exceed 40% d) max 50% of average monthly bank account turnover for the most recent period from 6 (min) to 12 (max) months, for cash flows e) for shares: - up to 80% of the appraised value of collateral in case of running business - up to 60% of the appraised value of collateral in case of business not yet running (project loans^{vi})</p>	
12	Insurance of the collateral	To the extent of outstanding loan, on annual basis	
13	Application handling and notification period	Up to 15 business days following receipt of complete set of documents	
		Depending on the case, these terms may be extended for an additional period of not more than 10 business days.	
14	Validity period (period during which loan approval is effective)	- 45 days, unless otherwise specified by the authorized body's decision	
15	Loan re-approval	Upon expiry of validity period but not later than within 60 days after initial loan approval date	
16	Account with Ameriabank CJSC	Required	

17	Loan modification application fee ^{vii}	AMD 500,000		
18	Other terms			60% of energy audit fee under the financing program is payable by the borrower.

ⁱ Max term for loans at fixed rates in AMD is 5 years, max term for loans in USD and EUR is 10 years.

ⁱⁱ The floating rate specified in clause 4 above can differ from the current one depending on revisions of the variable component.

ⁱⁱⁱ The interest rate specified in the loan agreement will continue to be applied to overdue loans.

^{iv} Whenever applied, the maximum annual rate and/or aggregate amount of fines and/or penalties under the agreement will be within the limits defined under the laws and regulations of the Republic of Armenia.

^v Where the guarantee is the main security and there are pledged items as well, loan-to-value ratio is not applicable. This being the case, the nature of security (main or additional) is defined in loan conclusion and approved by the authorized body.

^{vi} Where the project loans are concerned, if the project owner/contractor has implemented similar projects earlier, the LTV ratio is up to 80 percent of the appraised value of the collateral.

^{vii} Loan modification fee will be payable by the client in case the application for revision of terms was submitted by the client at their initiative and approved by the bank. The fee is paid based on analysis and conclusion prepared by relevant department of the bank on the basis of the client's application. In other cases of modification of the loan terms, charging of the fee will be subject to the decision of the Large Credit Committee.