AMERIABANK	AMERIABANK CJSC	10RB PL 72-03-02
RETAIL SME LENDING TERMS		Version 8 Effective since August 10, 2015

5. Contract/Purchase Order Finance

	Loan facility	**Contract/Purchase Order Finance**		
	Purpose	Financing is purely transaction-driven and may be used for funding of specific orders under the contracts.		
	Clients	Legal entities or private entrepreneurs having at least 1-year experience in the industry of financed contract/purchase order		
	Exclusion list	1. Production or trade in any product or activity deemed illegal under the Republic of Armenia laws or regulations or international conventions and agreements 2. Production or trade in weapons and munitions 3. Gambling, casinos and equivalent enterprises 4. Trade in precious stones 5. Currency exchange office 6. Brokerage or bookmaking offices 7. Production, use of or trade in hazardous substances (like radioactive materials) other than pesticides and fertilizers used in agriculture		
Terms of the loan	Currency	AMD	USD	EUR
	Minimum and maximum credit limit	Up to 75% of PO or AMD 30,000,000, whichever is less		
	Term (months)	Up to 180 days or the term prescribed under the contract, whichever is less		
	Annual interest rate	**21%**	**17%**	**16%**
	Annual interest rate for financing over 75% of the contract price	The interest rate in case of cash collateral is equal to: - % of the deposit (time or demand) + 4 % or the above specified rate, whichever the less, if the loan and the deposit are denominated in the same currency - the above specified rate if the loan and the deposit are denominated in different currencies		
		Where at the Client's request insurance is obtained by the Bank, the interest rate shall be increased by the premium set by the Bank: 0.2% for real estate, 2.5% for vehicles, 0.5% for plant and equipment.		
		In case of other deviations, the interest rate is at least 0.5% higher.		
	Loan disbursement fee	1% of the loan principal or AMD 20,000, whichever the greater		
	Terms of PO / contract finance	1. Financing is backed with order-related invoices and the like. Financing is disbursement-based. 2. Any payments for raw commodities etc., services & inventories necessary for performance of order, as well as for honoring of salaries, tax liabilities and other order-related commitments shall be made in non-cash form. 3. Insurance of goods (cargo) acquired for order execution		
	Loan cashing	N/a		
	Loan restructuring application fee	AMD 500,000		
Forms of loan repayment	Loan repayment form	Any amount received under the executed contract shall be used for loan repayment.		
Security	Eligible security	1. Working assets 2. Account turnover and balance 3. A/R and other rights deriving from the given contract 4. A/R and other rights deriving from other contracts 5. Warranty of the owners 6. Bank guarantee 7. L/C issued in favor of the Client upon the buyer's request		
		For financing of over 75% of the contract price, pledge of assets is required. Financing may be secured by the real estate, vehicles, plant and equipment, metal accounts in gold, gold, and cash, satisfactory to the Bank.		
	LTV ratio for financing of 75% -100% of the contract price (based on the liquidation value)	The value of the security included in the estimation of the LTV ratio for the loan portion above 75% of the contract price, in an amount not more than: 1. 60% for the pledge of real estate 2. 50% for the pledge of vehicles 3. 40% for the pledge of plant and equipment and working assets, not to exceed 30% of the value of the aggregate security 4. 80% for the pledge of metal accounts in gold with Ameriabank CJSC 5. 80% of the value for the pledge of gold appraised by Ameriabank, but no more than AMD 3,000,000, USD/EUR 10,000 6. in case of cash collateral in Ameriabank -90% if currency of the collateral is the same as of the loan -70% if currencies of the collateral and the loan are different		
	Age of the vehicles to be pledged	Max. 12 years for foreign brand vehicles other than vehicles made in Russia, China and Iran, in which case max. age is 8 years		
	Additional security	The Bank may request pledge of assets if financing up to 75% of the contract price in which case LTV ratio is not defined.		
Insurance of pledged property	Insurance of property	The insurance of the pledged real estate is maintained at least for the amount of the outstanding loan throughout the loan term only in case the asset is used for business purposes. The insurance is obtained: 1. By the Client at least for the amount of the outstanding principal 2. By the Bank or the amount of the outstanding principal		
		The insurance of vehicles and plant and equipment is maintained at least for the amount of the outstanding loan throughout the loan term: 1. By the Client at least for the amount of the outstanding principal 2. By the Bank for the amount of the outstanding principal. The following vehicles are not subject to insurance: • Cars transporting hazardous materials (toxic substances, chemicals, radioactive and explosive materials) • Cars which will be used in race, testing, have three wheels, snow removers, motorcycles, special purpose cars • Taxis and leased cars		

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Required documents	Required documents	**Required documents filed together with loan application**
		Contract/PO finance application, including the financial program
		Passports [original] (for private entrepreneurs)
		Tax ID certificate, state registration certificate (for corporate applicants, an insert on the executive body is required)
		Charter (for corporate applicants)
		Copies of the passports and social cards of the stockholders and CEO/President (for corporate applicants)
		Document supporting contract/purchase order to be financed (contract, order, application, etc.)
		Documents required after initial approval
		Documents supporting history of similar contracts (contracts, invoices, performance deeds, etc.)
		Copies of the state registration certificates and the inserts of the Borrower and legal entities and private entrepreneurs affiliated with the Borrower
		Financial statements for the latest reporting period, certified by the tax authority, in the form approved by the RA Ministry of Finance and Economy
		For the recent reporting year (for those filing the balance sheet and the statement of comprehensive income); for the recent reporting quarter (for fixed or simplified tax payers)
		Documents relating to the operation of the company (lease agreements, exclusive representative agreement, etc.), if any
		Sale/supply agreements, orders, invoices, other documents supporting the normal process of sales
		Account statements showing activity with other banks (for the previous year and current period)
		Documents required after loan approval
		Tax clearance certificate
		In cases and order specified by charter of the corporate applicant: decision of authorized body (meeting of shareholders/stockholders/founders and/or board) on applying for financing and pledging assets (collateral, warranty, etc.)
		• Supply agreements, orders, invoices, other documents supporting expenses required for order execution pursuant to the financed program
		Reference on registered shareholders/participants/founders, director and the latest amendments to the charter •for LLC – issued by the state registry•for stock companies and other legal entities – issued by the state depository, and in regard to the director and the latest amendments to the charter – issued by the state registry
		Other documents upon the bank specialist's request
Other fees	Subsequent pledge approval fee	AMD 500,000 (VAT included) per approval based on the decision of the Bank's authorized body
	Other fees payable by the client	1. Fee for the joint statement from the State Committee of the Real Estate Cadaster adjunct to the RA Government2. Notary fee for registration of pledged real estate and of the bank's security interest under the real estate pledge agreement
	Early repayment	N/a
Fines and penalties	Late payment fee (principal and interest)	The interest rate stipulated in the agreement shall continue to be applied to overdue loans. Fine equal to 0.15% of the overdue loan for each day of delay; should the delay extend for 5 business days or longer – also a penalty equal to 2% of the overdue loan.
		Fine equal to 0.3% of the overdue interest for each day of delay; should the delay extend for 5 business days or longer – also a penalty equal to 5% of the overdue interest.