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# ABN AMRO Green Loan

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This product information sheet explains how an ABN AMRO Green Loan works, and the main features of and risks associated with this product.

## Sustainable investment

More and more businesses are keen to invest in a cleaner, more sustainable future. Some of these investments qualify for an attractive form of finance: an ABN AMRO Green Loan. Two key factors that determine whether you are eligible for a Green Loan are the bank's credit check and the type of investment project. For more information, please contact the bank.

## What is the ABN AMRO Green Loan?

The ABN AMRO Green Loan is a loan designed to finance sustainable investment projects.

The following are examples of sustainable investments:

- ▶ Nature and organic farming
- ▶ Green Label greenhouses and sustainable dairy farming
- ▶ Sustainable raw materials, and recovery and/or reuse of materials
- ▶ Renewable energy (solar panels, geothermal energy and wind energy) and energy
- ▶ Sustainable building and renovating
- ▶ Sustainable mobility
- ▶ Sustainable water chains
- ▶ Climate change adaptation

The ABN AMRO Green Loan is provided by a) 'Groenbank', on the basis of the b) 'Green Scheme'. A c) 'Green Certificate' is always required in order to secure an ABN AMRO Green Loan. These three terms are explained in more detail below. Please note that a Green Certificate can only be requested in combination with an ABN AMRO Green Loan.

### a) What is ABN AMRO's Groenbank?

ABN AMRO Groenbank B.V. ('Groenbank') is a wholly owned subsidiary of ABN AMRO Bank N.V. The aim of Groenbank is to finance sustainable and green investments (also referred to as green projects), based on the Green Scheme.

### b) What is the Green Scheme?

The Green Scheme refers to the Green Projects Scheme 2016 or the Green Projects Scheme 2022<sup>1</sup>. The Green Scheme is essentially a facility by which the government encourages sustainable investments. We invest the money that private individuals deposit in a Green Savings Deposit at ABN AMRO as much as possible in sustainable projects that have been approved under the Green Scheme. In order to stimulate sustainable projects, we give an interest rate rebate on the financing of these sustainable projects. The ABN AMRO Green Loan is very similar to a regular loan, but it has a number of unique features and some conditions and obligations are different.

### c) What is a Green Certificate?

You cannot take out an ABN AMRO Green Loan unless you have a Green Certificate. To be awarded this certificate, the investment must comply with the conditions set out in the Green Scheme. For these conditions, see the website of the [Netherlands Enterprise Agency](#). Groenbank will submit the application for the Green Certificate to the Netherlands Enterprise Agency on your behalf. The Netherlands Enterprise Agency assesses your investment project and, provided its assessment is positive, issues the Green Certificate.

You cannot apply for a Green Certificate yourself; the bank will do this for you, after you have submitted all the required information to the bank. The bank does not charge a fee for filing the application. Before the bank can file your application, you need to send us a project plan containing an investment plan. In this document, you are expected to describe:

- ▶ the project;
- ▶ the expected environmental merits;
- ▶ the loan you require;
- ▶ the expected return and the risks.

<sup>1</sup> The Green Projects Scheme 2022 (Regeling groenprojecten 2022) is subject to change, which means that changes may be made to such aspects as the scheme's conditions and name.

For more information about applying for a Green Certificate and the criteria that apply, please visit the website of the Netherlands Enterprise Agency or consult a grant adviser.

## What does an ABN AMRO Green Loan cost?

You pay a fixed rate of interest for the entire term of the Green Loan. In some situations a floating interest rate is possible. We subtract the interest rate rebate from the interest rate. As well as interest, you will also owe fees and other charges for your loan. For more information, see below.

## What are the most important matters that need to be agreed?

When arranging a Green Loan, you will need to agree various matters with us, including:

- ▶ **The amount you can borrow**  
When you take out a loan, we will agree how much you are allowed to borrow. As a rule, the entire amount will be paid into your account with the bank as a lump sum, and you have a maximum of three months in which to draw the entire loan, unless the Green Certificate comes into effect at a later date. In some cases (e.g. sustainable building), the loan can be drawn in instalments. In that case, the loan must be drawn in full within no more than 12 months. The amount of the Green Loan cannot exceed the amount specified in the Green Certificate.
- ▶ **The interest you owe on the amount you borrow** You pay a fixed or floating rate of interest. This interest will be charged to you once a month or once a quarter.
- ▶ **Fees payable**  
When you take out the loan, you will also owe a one-off arrangement fee. In addition, you owe an interest rate fixing fee if you agree with the bank that you will draw the loan in instalments. This latter fee is charged monthly on the portion of the loan that you have not yet used.
- ▶ **How you will repay the loan**  
The loan must be repaid in equal monthly or quarterly instalments. As a result, the outstanding amount of the loan and the interest due are reduced steadily over time. We will also agree the instalments in which you will repay the loan (e.g. in monthly or quarterly instalments).
- ▶ **The term of the loan**  
This is the period during which you have to repay the entire amount of loan, plus interest, fees and other charges. The term ranges from one year to no more than ten years, and will never exceed the Green Certificate's period of validity. The term may be shorter than initially agreed if the bank terminates the loan before the original end date. We will never do that without good reason, and only if, for example, you do not stick to your agreements with the bank.
- ▶ **The security interests you grant to the bank to give the bank additional assurance that you will repay the full amount you have borrowed**  
The most common forms of security are statements of joint and several liability, surety, pledges and mortgages. If a loan agreement is concluded with more than one borrower, those borrowers will be jointly and severally liable, which means that the bank can demand payment from any borrower individually of the full amount owed to the bank (including interest, fees and other charges) in the event that the agreements with the bank are not observed. If you fail to comply with your agreements with the bank, please get in touch with your contact person as soon as possible, so we can engage in a dialogue with you. If you fail to comply with your agreements, we have the right to claim payment from any third parties who have guaranteed the amounts you owe to the bank. In that case, we are also authorised to sell the goods provided as security (such as your business premises, stock or equipment). The bank will use the proceeds to recover all or part of the money you borrowed from the bank. Remember that the bank can ask you to provide more security at any time during the term of the loan.  
It can do so, for example, if you do not keep your promises to the bank, if your financial position worsens and so the risk to the bank increases, or if the value of security that you have provided to the bank decreases.

### What else do you need to know?

When the loan has been issued, Groenbank checks that the investment has actually been made. In addition, the bank may request information about the status and progress of the Green Project at any time during the term of the loan. You must always report any changes to the Green Project to us immediately.

Besides charging interest and fees, the bank may also charge other costs. These include collection costs if you do not comply with your agreements with the bank. You may also have to pay the costs of any valuers or other specialists appointed by the bank. If your repayment is late, the bank may also charge you default interest.

If your business runs into financial difficulties, the bank may decide to transfer your loan to Financial Restructuring & Recovery (FR&R). You will then owe additional fees.

### Benefits associated with ABN AMRO Green Loan

- ▶ A lower rate of interest; you enjoy an interest rate rebate.
- ▶ You owe interest at a fixed or floating rate for the entire term of the loan.
- ▶ By the end of the term, you will have repaid the loan in full, including interest, any fees and other charges. You can tailor your business activities in line with this.

### Drawbacks and risks associated with ABN AMRO Green Loan

- ▶ If you wish to repay the loan ahead of schedule, you may have to pay a fee for this if early repayment means that the bank incurs costs or misses out on interest.
- ▶ The interest rate rebate will also end if the Green Scheme is terminated or your Green Certificate is revoked, for instance when the project changes or no longer meets the requirements governing the Green Certificate. The bank will then decide whether you can continue with the ABN AMRO Green Loan or you need to refinance the ABN AMRO Green Loan under different conditions. This may imply that your interest charges will go up.

## What if you want to repay the loan ahead of schedule?

You may want to repay the loan sooner than you agreed with the bank in the loan agreement. This is referred to as early repayment, and the bank may suffer a loss of interest as a result. This is the case if the amounts of interest payable by the bank on the financial markets in order to purchase the portion of your loan that you repaid ahead of schedule are higher than the amounts of interest that the bank is able to receive on similar loans on the financial markets.

You are expected to compensate the bank for this loss. This is sometimes referred to as 'penalty interest'. The bank may also charge you a handling fee. Please contact the bank if you want to repay your loan ahead of schedule. The bank can check whether you will have to pay compensation, and if so, the amount of compensation payable. The bank can also specify the costs you will need to pay, if any.

### **Are you jointly and severally liable?**

If you are self-employed or are a partner in a general or limited partnership or other type of partnership firm or a director/majority shareholder of a private limited company, you may be personally liable for the credit that the bank has extended to your business, either because you are severally liable or because you have put up a surety. This means that the bank can lay claim to your private assets. One possible consequence of this is that you may be forced to sell your home if you fail to comply with the agreements with the bank.

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