

## INFORMATION BULLETIN ON TERM DEPOSIT TERMS AND TARIFFS FOR DEPOSIT ATTRACTION

### "WARMING" DEPOSIT (for individuals)

- General terms applied for deposit attraction
- Nominal (simple) interest rate of the deposit:

Currency Armenian dram	Deposit term (in days), annual interest rate (%)						
	31-60 days	61-90 days	91-120 days	121-150 days	151-180 days	181-365 days	366-1095 days
	7.00%	7.25%	7.50%	7.75%	8.50%	10.00%	10.25%

- Bank – "ARMBUSINESSBANK" CJSC.
- The offer is valid – from 26.12.2022 to 31.01.2023.
- Depositor – A natural person (resident/non-resident).
- Currency of the deposit - Armenian dram (AMD).
- Type of deposit – Time deposit (31-1095 days).
- Minimum amount of the deposit – AMD 100.000.
- Maximum amount of deposit – unlimited,
- Frequency of interest payment – at maturity,
- Replenishment of the deposit – permissible without any restrictions as to the frequency, except for 30<sup>th</sup> day preceding deposit maturity.
- Partial withdrawals from deposit amount - not permitted (in case there is no possibility for a partial withdrawal, in order to meet the Depositor's demand for a partial withdrawal of deposit amount, the Bank shall terminate Bank deposit agreement, pay out claimed amount to the Depositor and upon Depositor's wish the remaining amount may be executed as a new deposit subject to the T&Cs then applicable in the Bank. Where the Bank deposit agreement is terminated, the Bank shall recalculate interests pursuant to the clause "In the event of an early request of the deposit amount by the Depositor" of this information bulletin).
- In the event of an early request of the deposit amount by the Depositor, the Bank shall pay interests at the rate defined by the Bank for demand deposits unless otherwise specified under agreement for the given type of deposit.

#### \* SPECIAL PROVISION

- Option to rent one safe deposit box within the framework of the promotion at a 50% discount.
- At the request of the Depositor, a STUDENT or KIDS card shall be provided within the framework of the promotion without any fee for the first year of its service; other T&Cs are in accordance with the terms applicable at the Bank.
- In case of early withdrawal of the deposit at the initiative of the depositor, the Bank shall pay interests at the rate defined by the Bank for demand deposits unless otherwise specified under agreement for the given type of deposit.
- Depositors get access to a loan or credit line. The loan or credit line shall be provided on the terms of "ABB-Primary" or "ABB-Primary +" loan products.
- Calculation of interest - The Bank calculates interests for the total sum of the deposit available on the account on a daily basis for the whole period of the deposit agreement validity. In addition, the Bank calculates interest rate for each day based on the ratio of at least 1/365 of the fixed interest rate.
- Cash deposits and interests accrued thereon are provided less commitment fees - AMD 0.
- The tariffs for the provision of account statements, copies thereof, references, account maintenance and other tariffs are defined subject to the fee schedule applicable for Bank services.
- Upon Depositor's wish, the following cards of "MasterCard" or "VISA" payment systems may be issued free of charge (called the Card):
  - For a deposit balance up to AMD 10.000.000 or equivalent amount in foreign currency – MC Standard or VISA Classic,
  - For a deposit balance of AMD 10.000.001 and over or equivalent amount in foreign currency – MC Gold or VISA Gold \* ,
  - For a deposit balance of minimum AMD 25 000 000 or equivalent amount in foreign currency – Visa Platinum \* at 50% discounted annual service fee,
  - For a deposit balance of minimum AMD 50 000 000 or equivalent amount in foreign currency – Visa Platinum or MC Platinum \* .

*\* Upon Depositor's wish, in lieu of the specified card type another Card of a lower class can be provided free of charge. One card is provided for free under one deposit; maximum 2 free cards can be provided in case of making more than one deposits in the name of the same Depositor with the Bank, moreover the cards should be in different currencies.*

*No card is issued to non-resident individual customers within the framework of the deposit*

The Card shall be available for free less service charges or minimum balance requirement during card validity. The Card is issued in single copy during validity of deposit agreement. Other T&Cs of card servicing are set as per the tariffs for services rendered by the Bank.

Card reissue:

- In case of expiration of the card during the term of Deposit validity - free of charge (service charges and minimum balance - AMD 0), other terms and conditions of card servicing are set according to the tariffs for services rendered by the Bank.
- If the Deposit has expired or if the card and (or) PIN-code is damaged or lost - according to the tariffs for services rendered by the Bank.
- If the card was provided on the basis of a deposit closed at the time of card re-issuing but there exists another deposit in the name of the client at the time of re-issue and if the card category corresponds to then current balance of the deposit, it is permitted to re-issue the card for free (service fee and minimum balance - AMD 0).

If the client submits an application to close the card during deposit validity, the provision of a new card shall be carried out in accordance with the tariffs for the Bank services.

If the Depositor wishes to receive a Card or re-issue it during deposit agreement validity and the card type specified in this paragraph does not issued then by the Bank, the type of the Card shall be determined subject to the terms and conditions applicable then by the Bank for term deposits.

- **Other terms and restrictions**
- **The Depositor is entitled to make the deposit for the benefit of a third party in the manner defined by RA legislation.**
- In the event of the deposit term extension, the calculation of interests against the deposit and the days is performed starting from inclusive of the extension date.
- Interests against the bank deposit are accrued from the date of the receipt of the Deposit till the day preceding the return to the Depositor or the withdrawal thereof on other grounds.
- The Depositor may at any time request the Bank to return the deposit amount and accrued interests (at that, accrued interests shall not be paid out if the Depositor requests deposit amount before target date, the interests shall be paid out pursuant to the T&Cs specified in part 1 of this bulletin.
- The Bank shall return the Deposit amount or part thereof to the Depositor upon first request.
- In case the Depositor fails to request payment of deposit amount and accrued interests upon deposit maturity, the Bank shall remit deposit amount and accrued interests to the Depositor's demand account. Interests on amounts remitted to the Depositor's demand account shall be accrued at the rate applicable by the Bank for then existing deposits.
- The Bank may amend the rate of interest payable for demand deposits unless otherwise prescribed by deposit agreement. In case the Bank lowers the rate of interest payable for demand deposits, the amended rate of interests shall apply to the deposits made prior to giving the Depositor notice about reducing the interest rates after one month from the date of such notice on the reduction of invested deposit interests, unless otherwise specified under agreement.
- The Bank may not unilaterally reduce the interest rate of deposit stipulated by the agreement of bank deposit, which the Depositor has made on condition of receiving it back after a definite period or the occurrence of circumstances provided under the agreement, unless otherwise provided by law.
- The Depositor must comply with the requirements of RA laws and banking rules established in compliance with these laws, as well as of existing Bank procedures for the receipt of time deposits.
- The Deposit is refunded to the Depositor in the same currency in which it was made.
- Upon receipt of the Deposit, part of the Deposit and (or) interests accrued thereon, the Depositor should submit ID document to the Bank.
- In the event of loss of the copy of Agreement, change of address, loss or change of documents necessary to identify the Depositor, the latter shall be liable to report on such to the Bank within 10 (ten) banking days for the execution of the required changes. Moreover, the Depositor shall be liable for the consequences of failure to inform about such amendments within specified period.
- Where the date of the refund of Deposit or renewal of Deposit falls on a non-business day or holiday, the Deposit repayment or renewal shall be made on the first business day following non-business day or holiday paying interests for non-working days or holidays.
- In case of any changes made during Deposit agreement validity (stipulation, amendment or termination of the T&Cs of agreement, rights, obligations, responsibilities of the parties or amendment of internal regulations of the Bank, which anyhow affects the Deposit agreement and leads to a change in the annual percentage yield), the Bank must give the Depositor at least 15 (fifteen) days' prior written notice via mail service about new T&Cs from the date of change of annual percentage yield.
- **Acting as a tax agent for a Depositor-natural person, the Bank shall make withholding (deduction) in accordance with tax legislation of Armenia and Artsakh. Income received from deposits is subject to taxation in Armenia at the rate of 10% (ten percent), and in Artsakh at the rate of 5% (five percent) of interests accrued on deposit amount, while in case of foreign citizens and stateless persons at the rate of 10% (ten percent).**
- **Protection of the Depositor's rights**
- In case of any appeals or claims implying from Deposit agreement the Depositor may protect his/her infringed rights by applying to the Bank; where no agreement is forthcoming, apply to court or financial system mediator.
- The Bank must **review the Depositor's claim** provided that it was submitted within a year when the Depositor learnt or might have learnt about any violation of his/her rights.
- The Bank is obligated to give the Depositor a final answer within 10 (ten) working days. Should the answer appear to be unsatisfactory or inadequate for the Depositor, the latter may either apply within 6 months to the financial system mediator, in accordance with RA law on "The financial system mediator" or else apply to court of justice in the established order. The financial system mediator has the right to consider the claims made by customer against the organization, and which have reference to the services and facilities rendered by such and comprise claim of ownership for the amount not exceeding AMD 10 000 000 or the

equivalent in foreign currency.

- **Amount of guaranteed deposits**

Pursuant to RA law on “The guarantee of bank deposits of individuals”, the refund of bank deposits attracted from natural persons (sole entrepreneurs including) is guaranteed at all banks of Armenia by Deposit Guarantee Fund.

Deposits are guaranteed irrespective of their currency - whether AMD or foreign currency. The law defines the following amounts of guaranteed deposits:

- where a depositor has only a dram denominated deposit in the insolvent bank, the amount of the guaranteed deposit is 16 (sixteen) mln Armenian drams;
- where a depositor has only a foreign currency denominated deposit in the insolvent bank, the amount of the guaranteed deposit is 7 (seven) mln Armenian drams;
- where a depositor has dram and foreign currency denominated deposits in the insolvent bank, and dram denominated deposit is over 7 (seven) mln Armenian drams, only dram denominated deposit is guaranteed in the amount up to 16 (sixteen) mln Armenian drams;
- where a depositor has dram and foreign currency denominated deposits in the insolvent bank, and the amount of dram denominated deposit is less than 7 (seven) mln Armenian drams, the dram denominated bank deposit is subject to guarantee in full, and foreign currency denominated bank deposit is subject to refund in the amount equal to the difference between 7 (seven) mln Armenian drams and the reimbursed dram denominated bank deposit.

All dram denominated deposits of a depositor with the same bank shall be deemed one deposit and all foreign currency denominated deposits of a depositor with the same bank shall be deemed one deposit.

- **Annual percentage yield**

Currency AMD	Annual interest rate (%) by frequency of interest payments						
	<i>31-60 days</i>	<i>61-90 days</i>	<i>91-120 days</i>	<i>121-150 days</i>	<i>151-180 days</i>	<i>181-365 days</i>	<i>366-1095 days</i>
	7.08%	7.37%	7.63%	7.89%	8.65%	10.19%	10.22%

- **Information on interest rates**

**IMPORTANT NOTE:** INTERESTS ON FUNDS ON YOUR ACCOUNT ARE CALCULATED BASED ON NOMINAL (SIMPLE) INTEREST RATE. THE ANNUAL PERCENTAGE YIELD SHOWS THE AMOUNT OF YOUR INCOME IN THE EVENT YOU REINVEST DEPOSIT INTERESTS AS A DEPOSIT.

- Annual simple interest rate - an interest rate defined under deposit agreement on an annual basis subject to which the Bank calculates interest amounts payable to the depositor.

Formula for calculating interests payable for given type of deposit agreement:

AD - \* A/365\*Day, where:

AD – amount of invested deposit,

A - simple annual interest rate,

Day - the number of days of deposition subject to paragraph 1 of Article 907 of the Civil Code, according to which interests against a bank deposit are accrued from the date of credit of Deposit funds until the day preceding the return to the Depositor or the withdrawal thereof on other grounds.

**Example**

Number of days of deposit investment - 365 days

Initial amount of deposit - AMD 100.000,

Simple annual interest rate - 10.00%

$$100.000 * 0.10/365*364 = 9.972.60 \text{ drams}$$

- The annual percentage yield on deposit (APY) shows the annual yield on deposit after making mandatory payments by customer relating to the deposit and compounding /capitalization/ of earned interests on the principal.

**Example**

**Formula for calculating interests payable under given type of deposit agreement with payment of interests at maturity**

Number of days of deposit investment – 365 days,

Initial amount of deposit – AMD 100.000,

Annual percentage yield – 10.19%

$100.000 * 10.19\% / 365 * 364 = 10.162.08$  drams

- **Other information, Bank details**

“ARMBUSINESSBANK” Closed Joint Stock Company

Address: 48 Nalbandyan street, 0010, Yerevan, Armenia, tel: (+37410) 59-20-20, (+37460) 37-25-00, fax: +37410 59 20 64

Website: [www.armbusinessbank.am](http://www.armbusinessbank.am); E-mail: [info@armbusinessbank.am](mailto:info@armbusinessbank.am)

Certificate of registration N 0176, issued 10.12.1991, bank license N 40 issued 10.12.1991

List of services, which the Bank may render, is stipulated in accordance with Chapter 4 of RA Law "On Banks and Banking Activity".