

## INFORMATION BULLETIN

### “GOOD WILL” term deposit

#### 1. General terms applied for acceptance of deposit

- Annual rate of interest on deposits:

Currency	Term of funds attraction (by days), annual interest rate (%)
	<i>365 days</i>
Armenian drams	14.5%
US dollars	9.5%

- The deposit is effective from 31.10.2013 to 31.12.2013.
- Currency of the deposit - Armenian dram, US dollar.
- Minimum amount of deposit – AMD 100.000 or USD 250.
- Reinforcement of deposit is not permitted.
- Interests are paid on a monthly basis or upon deposit maturity.
- Withdrawals from deposit amount are not permitted.

#### **SPECIAL TERM**

On the day of the attraction of deposit, the Bank shall transfer at own account for charity purposes 0.1% of deposit amount to a special account to the special account of Children's Oncology Department of the National Oncology Center.

Upon early receipt of deposit amount by the Depositor, the amount which was remitted to the special charity account shall be charged from the Depositor's account.

- In the event of an early request of the deposit amount by the Depositor, the Bank shall effect payment of interests at the rate applied by the Bank for demand deposits.
- Calculation of interest - The Bank performs calculation of interests for the total sum of the deposit available on account on a daily basis for the whole period of the deposit agreement validity. At that, the Bank calculates interest rate for each day based on the ratio of at least 1/365 of the fixed interest rate.
- Depositors get access to overdraft/credit line in the amount of 90% of the deposit; for deposits in **Armenian drams** - the annual interest rate +4%, at the rate of 12% minimum, and for deposits in **foreign currency** - interest rate of deposit +5%, at the rate of 12% minimum shall be applied.
- At Depositor's wish, the Bank may issue a MasterCard or VISA card free of charge (less service fee and minimum balance requirement) as follows:
  - ✓ MC Maestro or VISA Electron card for a deposit balance up to AMD 5.000.000 or equivalent foreign currency;
  - ✓ MC Standard or VISA Classic card for a deposit balance of AMD 5.000.001 to AMD 10.000.000 or equivalent foreign currency;
  - ✓ MC Gold or VISA Gold card for a deposit balance of AMD 10.000.001 and above or equivalent foreign currency;
  - ✓ Visa Platinum payment card for a deposit balance of at least AMD 25 000 000 or equivalent foreign currency, at 50% discounted annual service fee.
  - ✓ Visa Platinum payment card for a deposit balance of at least AMD 50 000 000 or equivalent foreign currency.
- Cash deposits and interests accrued thereon are provided less commitment fees - AMD 0.
- Cashless deposits (for the term of 30 days and above) are provided less commitment fee - AMD 0; deposits entered for the term of 30 days and demanded back ahead of schedule are provided in accordance with the tariffs applicable for Bank services.

#### 2. Other terms and restrictions

- The Depositor is entitled to lodge the deposit for the benefit of a third party in the manner established by RA legislation.
- In case the deposit is lodged in a foreign currency, the Depositor acknowledges in writing to be fully aware upon signing of the deposit agreement of any potential risks arising from change in the exchange rates.
- 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.
- Subject to item 1, Article 907 of the Civil Code of RA interests against the bank deposit are accrued from the date following the receipt of the Deposit till the day preceding the return to the Depositor or the withdrawal thereof on other grounds or basis.
- The Depositor may at any time require from the Bank to return the deposit amount and the accrued interests alike.
- The Bank shall be liable to return the funds available on the bank account to the Depositor upon the very first request thereof, prior to the expiry of the term specified by the deposit agreement.
- The Bank is entitled to amend the rate of interests payable for demand deposits unless otherwise is specified under deposit

agreement. Where the Bank chooses to lower the rate of interests payable for demand deposits, the amended rate of interests shall apply after one month from the date when the depositor was notified on the reduction of invested deposit interests unless otherwise is specified under agreement.

- The Depositor is obligated to comply with the requirements of RA laws and of the banking rules established in compliance therewith, as well as of the Bank procedures in force for the time of the receipt of the term deposits.
- The Deposit is returned to the Depositor in the same currency in which it was lodged, except for the deposits announced by the Bank for which a converting operation is stipulated for the period of the Deposit agreement; at that, the Bank shall return the Depositor the currency obtained by the latter during the last converting operation.
- On receiving the Deposit or part of the Deposit and (or) interests charged thereon, the Depositor should submit to the Bank a document establishing the identity thereof or else a substitute document along with the Bank deposit agreement and the original copy of the bank document confirming the entry of the deposit amount.
- In the event of a loss of the Bank account service Agreement, address change, 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 formalities; at that, the Depositor shall exercise responsibility for the consequences of nondisclosure by the indicated period of the respective amendments.
- In case the date of the refund of the funds available on the bank account falls on a non-business day, the refund or the extension thereof shall fall due on the first business day following the non-workday with the payment of interests for non-working days.
- The Bank is obligated to notify the Depositor in writing, via mail service at least 15 (fifteen) days ahead of any changes in the terms of the agreement, rights, liabilities, responsibility of the parties, annual interest yield and other terms and conditions introduced during the operation of the Deposit agreement.
- Subject to item 2, Article 6 of the RA law on “Exchange regulation and control” the interest amounts for the financial transactions are paid in Armenian drams.
- **Acting as a taxation agent, for the purpose of tax compliance the Bank withholds (charges) from the interest amounts due to the Depositor - within RA at the rate of 10% in accordance with RA tax legislation, within NKR at the rate of 5% in accordance with tax legislation of NKR.**

### 3. 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 is obligated to consider 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.

### 4. Amount of guaranteed deposits

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

Deposits are guaranteed irrespective of their currency - whether AMD or foreign exchange.

The following are the maximum guaranteed amounts of deposits:

- **where a depositor keeps only a dram denominated deposit in the insolvent bank, amount of the guaranteed deposit is four million Armenian drams;**
- **where a depositor keeps only a foreign currency denominated deposit in the insolvent bank, the amount of the guaranteed deposit will be two million Armenian drams;**
- **where a depositor keeps dram and foreign currency denominated deposits in the insolvent bank, and dram denominated deposit exceeds two million Armenian drams, only up to four million Armenian drams of the dram denominated deposit are guaranteed;**
- **where a depositor keeps dram and foreign currency denominated deposits in the insolvent bank, and the size of dram denominated deposit is less than two million Armenian drams, subject to guarantee is the full amount of dram denominated bank deposit, and foreign currency denominated bank deposit in the amount which is equal to difference between two million Armenian drams and the reimbursed dram denominated bank deposit.**

All dram denominated deposits kept by a depositor in the same bank shall be deemed single deposit and all foreign currency denominated deposits kept by a depositor in the same bank shall be deemed single deposit.

### 5. Annual percentage yield

Currency	Term of funds attraction (by days), annual percentage yield (%)
	<i>365 days</i>
Armenian drams	15.5%
US dollars	9.92%

## 6. Information about interest rates

- **Simple annual interest rate** - an interest rate defined under deposit agreement on an annual basis, based on 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 following the credit of Deposit funds with the Bank until the day preceding the return to the Depositor or the withdrawal thereof for other grounds.

### Example

Number of days of deposit investment - 365 days

Initial amount of deposit - AMD 100.000,

Simple annual interest rate - 14.5%

$$100.000 * 0.145/365 * 363 = \text{AMD } 14.420,55$$

- **The annual percentage yield of deposit (APY)** shows the annual yield on deposit after making by customer of mandatory payments associated with the deposit and compounding /capitalization/ earned interests on the initial amount.

$APY = (1+r/n)^n - 1$ , where:

APY – annual percentage yield,

r – simple annual interest rate,

n – frequency of compounding interest amounts within a year,

Where interests are paid on a monthly basis  $n=12$ , then

$$APY = (1+0.145/12)^{12} - 1,$$

$$APY = 0.15504 * 100 = 15.50\%$$

Where interests are paid at maturity,  $n=1$ , then

$$APY = (1+0.145/1)^1 - 1,$$

$$APY = 0.145 * 100 = 14.5\%$$

### Example

**Formula for calculating interests payable for given type of deposit agreement, by applying monthly capitalization of interests**

Number of days of deposit investment – 365 days,

Initial amount of deposit – AMD 100.000,

Annual percentage yield – 15.5%

$$100.000 * 15.5/100/365 * 363 = \text{AMD } 15,415.07$$

## 7. Other information

For additional information please visit the premises of the Bank or call 59-20-20 or 59-20-40.