

INFORMATION BULLETIN ON TERM DEPOSITS

TERMS AND FEE SCHEDULE FOR DEPOSIT ATTRACTION

"ARMBUSINESSBANK-BABY" deposit type (for individuals)

1. General terms applied for deposit attraction

- **Nominal (simple) interest rate of deposit:**

The annual interest rate on the deposit grows quarterly according to the following sheet

Currency	730 days							
	Capitalization of interests on a quarterly basis							
Quarter	Year 1 Quarter 1	Year 1 Quarter 2	Year 1 Quarter 3	Year 1 Quarter 4	Year 2 Quarter 1	Year 2 Quarter 2	Year 2 Quarter 3	Year 2 Quarter 4
Armenian dram	6.25%	6.75%	7.25%	7.75%	8.25%	8.75%	9.25%	9.75%
US dollar	3.30%	3.40%	3.50%	3.60%	3.70%	3.80%	3.90%	4.00%

- **Bank** – "ARMBUSINESSBANK" CJSC.
- **Depositor** – An individual (resident, non-resident).
- **Currency of the deposit** - Armenian drams, US dollars.
- **Term of deposit - 730 days** (Terms and conditions for investing funds for a term exceeding the stipulated maximum maturity may be defined on contractual (individual) basis).
- **Minimum amount of deposit** - 30 000 Armenian drams or 100 US dollars.
- **Maximum amount of deposit** – AMD 100.000.000 or USD 250.000 (terms and conditions for deposits in excess of the stipulated maximum amount may be defined on contractual (individual) basis. If upon deposition, the aggregate amount of existing deposits (including the amount of deposition) of the Depositor and affiliated parties in the Bank exceeds the stipulated maximum amount, terms and conditions of the deposit can be established on contractual (individual) basis).
- **Type of deposit** – term deposit.
- **Period of investment is 730 days;** in addition, upon expiry of the deposit, the age of the third party should not be over 18 years.
- **Replenishment of deposit** – is permitted up to the stipulated **maximum amount** without any limitations of periodicity, except for 91 days 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 request 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 deposition the terms and conditions 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).
- **Frequency of interest payment** - interest amounts shall be added on the amount of deposit on a quarterly basis.
- **In the event of an early withdrawal of the deposit by the Depositor, the following interest rates shall apply:**
 - ✓ If the deposit is called away by inclusive of the 365th day of funds deposition, the Bank shall make the payment of interests at the rate fixed by the Bank for demand deposits.
 - ✓ If the deposit is called away on the 366th day and above of funds deposition, accrued interest shall be paid to customer, except for the period between the dates of last accrual and withdrawal.
- **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 +" loans products of ARMBUSINESSBANK.
- **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.
- Cash deposits and accrued interests are provided less commitment fees - AMD 0.
- Cashless deposits (for the term of 181 days and above) are provided less commitment fee - AMD 0; deposits entered for the term of 181 days and demanded back ahead of schedule are provided in accordance with fee schedule applicable for the services rendered by the Bank.
- Fee schedule for the maintenance of account, provision of account statements, copies of such statements, references, and other tariffs are established subject to 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 (hereinafter 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 payment Card*,
 - ✓ For a deposit balance of minimum AMD 25 000 000 or equivalent amount in foreign currency – Visa Platinum payment Card* at 50% discounted annual service fee,
 - ✓ For a deposit balance of minimum AMD 50 000 000 or equivalent amount in foreign currency – MC Platinum or Visa Platinum payment Card*.

** 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 a single copy during the validity of deposit agreement. Other terms and conditions of card servicing are set according to the tariffs for the services rendered by the Bank.

Card reissue upon its expiry:

- During card 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.
- Upon expiry of card validity or in case of card damage and/or theft or loss of PIN-code - according to the tariffs for services rendered by the Bank.
- If the card was provided on the basis of a deposit which was closed at the time of re-issue, but there is another deposit in the client name at the time of re-issue and if the card category corresponds to the current balance of the deposit, then it is permitted to re-issue the card for free (service fee and minimum balance - AMD 0).

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

In case during deposit agreement validity the Depositor applies to the Bank for obtaining or reissue of Card upon its expiry and if the types of cards specified under this clause are not issued by the Bank at that moment, the Card type shall be determined subject to terms and conditions provided for time deposits applicable then at the Bank.

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.
- 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 or basis.
- The Depositor may at any time request the Bank to return the deposit amount and accrued interests (in addition, accrued interests shall not be paid out if the Depositor requests deposit amount before target date, the interests shall be paid out pursuant to conditions specified in part 1 of this bulletin).
- The Bank must return the Deposit amount or part of Deposit amount to the Depositor upon first request.
- In case the Depositor fails to request payment of deposit amount and accrued interests after 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 defined by the Bank for deposits existing then.
- The Bank may amend the rate of interests payable for demand deposits unless otherwise prescribed by deposit agreement. In case the Bank lowers the rate of interests payable for demand deposits, the amended rate of interests shall apply to the deposits made prior to giving the Depositor notice about decreasing 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 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 returned to the Depositor in the same currency in which it was made.
- On receiving 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 their copy of 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; in addition, the Depositor shall be liable for the consequences of failure to inform about such amendments within specified period.
- In case the date of the refund of Deposit or renewal of Deposit falls on a non-business day or holiday, the refund or renewal of Deposit shall be performed on the first business day following non-business day or holiday with the payment of interests for non-working days or holidays.
- In case of any changes made during Deposit agreement validity (stipulation, amendment or termination of the terms and conditions 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 terms and conditions from the date of change of annual percentage yield.
- Subject to item 2, Article 6 of the RA law on "Exchange regulation and control" the interest amounts for financial transactions can be paid in Armenian drams at the request of the depositor, as well as in the foreign currency in which the deposit was made.
- **Acting as a taxation agent for Depositor-natural person, the Bank shall make withholding (deduction) in accordance with tax legislation of RA and NKR. Income received from deposits is subject to taxation in Armenia at the rate of 10% (ten percent), and in NKR 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).**

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 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 their 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 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 up to 16 (sixteen) mln Armenian drams of dram denominated deposit are guaranteed;**
- **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, 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 difference between 7 (seven) mln 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	730 days
	APY (%)
Armenian drams	8.24%
US dollars	3.70%

6. Information on interest rates

ATTENTION: THE 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.

- **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.

Annual percentage yield for this type of deposit is calculated as follows: where simple annual interest rate on given type of deposit is specified for a certain period of time, while it may change in the course of the remaining period, then both the interest rate fixed for a given period and the variable interest rate is considered in the calculation of the annual percentage yield, as follows:

$$APY = ((1+r1/n)^n \times (1+r2/n)^n \times (1+r3/n)^n \times (1+r4/n)^n \times (1+r5/n)^n \times (1+r6/n)^n \times (1+r7/n)^n \times (1+r8/n)^n)^{1/8} - 1$$

Example

A formula for calculating interests payable for given type of deposit agreement, when applying capitalization of interests and interest rate change on a quarterly basis

Number of days of deposit investment - 730 days /number of the days of deposit investment is calculated taking into account item 1, Article 907 of the Civil Code of RA, pursuant to which interests on the bank deposit are accrued from the date of the receipt of the Deposit till the day preceding the refund to the Depositor or the withdrawal thereof on other grounds.

- Invested deposit amount – AMD 100.000,
- Capitalization of interests on a quarterly basis
- Interest rate change on a quarterly basis

Annual percentage yield – 8.24%

$$APY = ((1+0.0625/4)^4 \times (1+0.0675/4)^4 \times (1+0.0725/4)^4 \times (1+0.0775/4)^4 \times (1+0.0825/4)^4 \times (1+0.0875/4)^4 \times (1+0.0925/4)^4 \times (1+0.0975/4)^4)^{1/8} - 1$$

The interest amount for the whole period of deposit will make:

$$100000 * 8.24\% / 365 * 729 = 16457.42 \text{ drams (without taxes)}$$

7. Other information, Bank details

"ARMBUSINESSBANK" Closed Joint Stock Company

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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".