

INFORMATION BULLETIN

TERMS AND FEE SCHEDULE FOR DEPOSIT ATTRACTION

"ARMBUSINESSBANK-ACCUMULATIVE" deposit type (for individuals)

1. General terms applied for acceptance of deposit

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

Currency	Term of funds attraction (by days), annual interest rate (%)
	365-730 days
Armenian drams	8.00%

- **Bank** – "ARMBUSINESSBANK" CJSC.
- **Depositor** – Clients who receive salary on their card accounts with the Bank, under salary projects, as well as pensioners /individuals receiving old-age pension, pension for professional job, military service or other types of pension/ who regularly receive money on their accounts.
- **Currency of the deposit** - Armenian drams.
- **Term of deposit - 365-730 days** (terms and conditions for investing funds in excess of the stipulated maximum maturity may be defined individually (on contractual basis).
- **Minimum amount required for investment** – AMD 5.000.
- **Maximum deposit amount** – AMD 100.000.000 (the terms and conditions for deposits in excess of the stipulated maximum amounts are defined individually (on contractual basis).
- **Reinforcement of the deposit** - up to the specified **maximum amount**, without any limitations as to the frequency, except for 30 days preceding deposit maturity; limitations as to the amount or periodicity, except for 30 days preceding deposit maturity;
- **Partial withdrawals from the 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).
- **Interest amounts** - Interest amounts shall be added on the deposit amount each month.
- **In the event of an early request of deposit amount by a Depositor, the Bank shall pay interests by applying Bank rates for demand deposits, unless otherwise specified under agreement for given type of deposit. Should the Bank have paid Depositor the interests specified under Deposit agreement, then the Bank shall upon receipt of the Depositor's request for early payment of the deposit, make a recalculation and deduct from deposit amount the interests that have been paid out to the Depositor, following which the Bank shall return the amount remaining after the recalculation.**
- **Depositors** get access to credit or credit line. The loan or credit line shall be provided on the terms of "ABB-Primary" or "ABB- Primary +" loan 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 (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 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 – 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 single copy during 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 re-issuing 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 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 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 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.
- When receiving the Deposit or part of the Deposit and (or) interests charged thereon, the Depositor should submit an ID document to the Bank.
- 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.
- 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 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).**

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 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	Term of funds attraction (by days), annual percentage yield (%)
	365-730 days
Armenian drams	8.30%

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 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

Deposited amount - AMD 100.000,

Simple annual interest rate - 8.00%

$100.000 * 8.00/100/365 * 364 = 7978.08$ AMD

- **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

$APY = (1+0.0800/12)^{12} - 1$,

$APY = 0.0830 * 100 = 8.3\%$

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 – 8.3%

$100000 * 8.3/100/365 * 364 = 8277.26$ AMD

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".