

Information Guide to Deposits

1. The payment of deposit to the bank is documented by a written instrument, e.g. bank deposit agreement.
2. Opening an account in AMD is mandatory for banking. For the depositor wishing to make a time deposit we will open an account in AMD. If the time deposit is made in foreign currency, we will open an account in the deposit currency as well. Minimum account balance, service fees: N/A
List of Documents and Information Required for Opening Bank Account, Making a Deposit, Receiving a Card or Renting a Safe Deposit Box in Ameriabank CJSC (hereinafter the "Bank")
https://ameriabank.am/userfiles/file/Account_openning_required_documents_2.pdf
3. Account statements are subject to the following terms.

| <i>Fee for provision of account statement</i> | |
|---|---|
| 1. Provision of up to 1 year-old account statements, copies of account statements or other documents kept in electronic form | Free |
| 2. Provision of 1-3 year-old account statements, copies of account statements or other documents kept in electronic form ¹ | AMD 5,000, VAT included per document |
| 3. Provision of copies of documents kept in paper form | AMD 5,000, VAT included per document |

4. The account maintenance fee may be waived based on the date of the latest transaction through the account.
5. The bank calculates the interest based on 365 days per year, 366 days in case of a leap year.
6. The calculation of interest shall start from the day following the date of payment of the deposit to the bank and end one day before the deposit repayment date.
7. The interest may be paid on monthly, quarterly, annual or capitalization basis.
 - 7.1. Monthly payment: interest amounts shall be credited to the depositor's account on monthly basis from the first day of deposit maturity period.
 - 7.2. Quarterly payment: interest shall be credited to the depositor's bank account on quarterly basis on the last day of the quarter.
 - 7.3 Annual payment: interest is credited to the depositor's account on annual basis on the last day of the year.

¹ Account statements, copies and other materials (including confirmations, documents, their copies, responses to auditors' inquiries) backdated more than 3 years are provided on agreement-based terms. No fee is charged for account statements showing transactions through the Bank's POS-terminals.

- 7.4. Capitalization (payment of interests upon maturity): net interest amounts shall be accrued to the deposit principal every month the day of deposit origination or the next banking day. The capitalized interests shall be accrued to the sum of credited interests and the principal. The maturity of deposits with compound interest rates shall be at least 60 days.
8. The bank has the right to change the interest rate of the deposit, notifying the depositor in writing 2 days in advance.
9. The deposit agreement may be extended in cases provided for thereby.
10. The bank shall repay the whole or part of the deposit forthwith upon the demand of the depositor.

If the client terminates the deposit before the due date, we will recalculate and repay the amount based on the depositor's application in three days in accordance with these terms and conditions. In this case, we will pay interest at a 0.1% annual interest rate instead of the rate defined by the deposit agreement. Any interest already paid that should have been charged back after recalculation shall be charged to the principal amount of deposit.

11. If the depositor does not request to return the deposit amount upon the expiry of the agreement, then based on the option selected by the depositor in the agreement either (i) the agreement is prolonged subject to the rates and fees effective in the bank at that moment, or (ii) the deposit is transferred to the depositor's bank account subject to applicable rates and fees.
12. If the depositor terminates the deposit agreement within 30 days after the deposit start date, the bank, in addition to the recalculation specified in clause 10 herein, shall charge a fine in the amount of AMD 15,000. No fine shall be applied, if a deposit agreement with extension clause has been prolonged after its expiry.
13. Any dispute or disagreement arising out of or in connection with the deposit agreement shall be resolved amicably through negotiations.

14. PROVISION OF INFORMATION

* Via the client's Internet-Bank Page

* In person, at the Bank's premises

* By email (to the specified email address)

* Via delivery (to the specified address)

15. Attention! The bank may credit a third party funds to the deposit account provided that such third party has specified the deposit account requisites and the depositor has issued a payment order for increasing the deposit amount.

16. Attention! The bank has not approved any tariffs application of which may result in reduction of the annual percentage yield.

17. Attention! The interest earned on deposits made by resident legal entities shall not be taxable. The interest earned by non-resident legal entities shall be subject to a 10% tax.

Acting in accordance with the Republic of Armenia Law “On Combating Money Laundering and Terrorism Financing” we may request you to provide additional information and documents for customer due diligence based on the “Know your customer” principle, as well as ask you additional questions during verbal communication (if required so).

Agreements, covenants, cooperation or memberships of the Bank, which may have direct impact on the consumers (for example, according to the agreement executed with the US under the Foreign Account Tax Compliance Act (FATCA) the financial institution may collect additional information to find out whether you are a US tax payer).

Accounts of the companies incorporated in foreign countries (including legal entities, unions without legal entity status, international organizations) may be opened solely by the Corporate Customer Service under the Corporate and Investment Banking Department.

Time deposits of resident financial organizations (credit organizations, insurance companies, insurance brokers, insurance agents, payment and settlement organizations, investment companies, investment and pension fund managers, etc.) are made on contractual terms.

The terms of deposits of non-resident legal entities are subject to agreement.

Terms and conditions for deposits over AMD 2 billion or foreign currency equivalent are determined in accordance with applicable internal regulations of the Bank.

Example 1

During increase of the deposit principal throughout the deposit term, the interest is calculated in the following way.

Interest calculation scheme

Amount: AMD 2,000,000.00

Deposit start date: 01/04/16

Nominal annual interest rate: 7.2%

Term: 180 days

First interest payment date: 01/05/16

Interest to be paid (calculated at nominal interest rate)= $2,000,000 \times 7.2 / 100 / 365 \times 30 = 11,835.61$

On 01/05/16, the account holder deposited additional AMD 50,000.00.

Second interest payment date: 01/06/16

Interest to be paid (calculated at nominal interest rate)= $2,050,000 \times 7.2 / 100 / 365 \times 31 = 12,535.89$

Example 2

Whenever the deposit principal is increased during the deposit term, and the interest is accrued on capitalization basis, the interest is calculated in the following way.

Interest calculation scheme

Amount: AMD 2,000,000.00

Deposit start date: 01/04/16

Nominal annual interest rate: 7.2%

Term: 180 days

First interest payment date: 01/05/16

Interest to be paid (calculated at nominal interest rate)= $2,000,000 \times 7.2/100/365 \times 30 = 11,835.61$

On 01/05/16, the accrued interest of AMD 11,835.61 was added up to the deposit principal.

Second interest payment date: 01/06/16

Interest to be paid (calculated at nominal interest rate)= $2,011,835.61 \times 7.2/100/365 \times 31 = 12,302.51$

ATTENTION! THE INTEREST ACCRUED TO THE DEPOSITED AMOUNT IS CALCULATED ON THE BASIS OF NOMINAL INTEREST RATE. THE ANNUAL PERCENTAGE YIELD (APY) SHOWS THE YIELD YOU COULD EARN IF YOU RE-DEPOSITED THE INTEREST RECEIVED. THE ANNUAL PERCENTAGE YIELD CALCULATION METHOD IS DESCRIBED BELOW.

The APY is calculated based on the following formula:

$$A = \sum_{n=1}^N \frac{K_n}{(1+APY)^{D_n/365}} \quad (1)$$

where

- 1) A stands for the initial deposit principal.
- 2) n is the consecutive number of the deposit related cash flows.
- 3) N stands for the last of the deposit related cash flows (including the cash flows at the moment the deposit was made), after which the deposit agreement expires.
- 4) K_n stands for the flows of the deposit principal and/or capitalized interest and mandatory fees, if any, at the deposit start date and/or during its term.
- 5) D_n is the number of days elapsed from the moment the time deposit was made till each n-th deposit-related monetary flow inclusively. When the cash flows occur on the deposit start date, $D_1=0$

Example. Time deposit with interest payable in 3 months after deposit start date

Suppose the deposit terms are as follows below:

- a) Amount: AMD 1,000,000
- b) Term: 1 year (365 or 366 days)
- c) Nominal annual interest rate: 11%
- d) Interest payment scheme: quarterly

1) The interest payment schedule will look this way:

| n, the consecutive number of the deposit-related cash flows | D_n , number of days elapsed from the moment when the deposit was made till each interest payment date | Interest payable | Principal payments | K_n , each total payment |
|---|--|------------------|--------------------|----------------------------|
| 1 | 90 | 110 000 | | 110 000 |

| | | | | |
|-------|-----|---------|-----------|-----------|
| 2 | 366 | | 1 000 000 | 1,000,000 |
| Total | | 110 000 | 1 000 000 | 1 110 000 |

2) The amount payable in 3 months following the deposit start date will make:

$$k_4 = 1000000 * 0.11 = \text{AMD } 110\,000$$

3) With all values available inserted into formula 1, you may calculate the APY.

$$1,000,000 = \frac{110000}{(1+APY)^{\frac{90}{365}}} + \frac{1000000}{(1+APY)^{\frac{365}{365}}}$$

from where it comes that

APY=11.46%