

 **CONVERSE BANK**

Բանկ բոլորի համար



**ACCOUNTS
GUIDE**

Dear Customer,

This is a guide for you to get acquainted with terms and provisions for opening and keeping account in “Converse Bank” CJSC, as well as to learn the tariffs and fees for bank services. We offer you to get detailed information either through this guide or through the bank advertising bulletins attached thereto.

Bank accounts are opened for legal entities and individuals in the following currencies:

- AMD
- USD
- Euro
- RUB
- Other currency

“Customers may obtain all information about the current tariffs for “Converse Bank” CJSC offered services from this guide, advertising bulletins, in Bank branches or through the Bank website at URL: www.conversebank.am . The Bank is eligible to change the tariffs and interest percents paid against the positive balance, previously informing the customer of such changes via mail, e-mail, bank branches or the Bank website: www.conversebank.am, depending on customer's choice.

LIST OF REQUIRED DOCUMENTS

Individuals must submit the following documents for opening a savings account:

- Identification document (Passport or Military Book);

- Social security card or a document certifying its unavailability (for RA residents);
 - complete the Application on opening an account, provided by the Bank (for individuals).

Legal entities must submit the following documents for opening a current account (for RA residents):

- Charter;
- Minutes of the constituent assembly of the company, organization of corresponding organizational-legal type, determined by the RA Legislation;
- Certificate of the Customer’s registration in the RA State Register, and in case the Customer is a non-governmental organization
 - certificate of registration, recorded in the Ministry of Justice;
- Fiscal identification code;
- Extracts from orders or resolutions on appointment of managers;
- Copies of the managers’ passports;
- Information on shareholders, participants (if absent in the charter), including:
 - fill in the Application form provided by the Bank (for legal entities) and one copy of funds controllers “card of specimen signature and round seal imprint”, registered at the territorial tax inspectorate.

Non-resident Legal entities must submit the following documents for opening a current account (for non-residents):

- Charter;
- Certificate issued by the State Register of the given country;

- Constitutive documents in accordance with the procedure established by the legislation of the given country;
- Extracts from orders or resolutions on appointment of managers (in case the appointment is not backed up with other documents);
- Information on shareholders, participants (if absent in the charter), including:
 - fill in the Application form provided by the Bank (for legal entities) and one copy of funds controllers “card of specimen signature and round seal imprint” and one copy of signature, registered at the territorial tax inspectorate.

Individuals must submit the following documents for opening a current account:

- Certificate of the Customer’s registration in the RA State Register;
- Fiscal identification code (Taxpayer ID);
- Passport:
 - fill in the Application form provided by the Bank (for legal entities) and one copy of funds controllers “card of specimen signature and round seal imprint”, registered at the territorial tax inspectorate.

For opening current account of insolvency the following documents should be submitted:

- Verdict of the Court on acknowledgement of the organization’s insolvency;
- Decision of the Court on “Appointment of insolvency manager”;
 - fill in the Application form provided by the Bank (for legal entities) and one copy of manager’s “specimen signature and round

seal card”.

Special-purpose accounts are available only for Bank customers already having documents required for opening such account; these customers must submit an application for opening a special-purpose account, indicating the purpose of opening.

Interim accounts can be opened by resident legal entities before registration in the State Register only for making installments.

In case of legal entities and private entrepreneurs the card of specimen signatures and round stamp’s imprint should be submitted to the territorial tax inspectorate for approval and only after it for the approval of the Bank.

OTHER PROVISIONS

The Bank may provide a Bank Book as substitute for statement to individuals, holding savings account upon their desire.

The following information is indicated in the Bank Book (if the account is opened in a branch, then in the branch book):

- name;
- location;
- customer account number;
- all sums deposited or withdrawn to and from the customer account;

- the account balance as at the moment of submitting to the Bank.

If the Customer has already got a Bank Book he/she submits it to the Bank for making corresponding records on performed operations. Every bank operation is entered into the Bank Book as a separate transaction.

The Customers, holding current and savings accounts and funds available on them notwithstanding the currency and quantity, may receive cash-box books for receiving/writing off/cash funds from their bank accounts.

The Bank must deposit the funds received on behalf of the customer to the customer's account not later than on the next day following the day of receiving the required documents.

The Bank may provide to its customers sale and purchase service for stocks at the rates effective in the Bank.

From time to time the Bank may carry out a number of operations through customer account upon his/her application, order or corresponding agreements as follows:

- commissions charge;
- repayment of active loans (or a part) or interests; charge of fines and penalties;
- attraction of deposits, installment of calculated interests to the deposit or bank accounts, repayment of deposits and/or interests;
- other operations, not prohibited by the RA legal acts and RA Legislation.

Pursuant to the RA legal and sub-legal acts and/or the Bank internal normative acts regarding to financing of terrorism and money

laundering, the Bank is eligible to demand from the customer to submit all required information relating to operations through accounts; and decline performance of operations through accounts or even opening of an account if the customer refuses to submit such documents.

All information is verified through filling in the certificate or the corresponding document (certificate) given by the Bank to the customer for proper completion or in other way as agreed with the Bank. If the aforementioned document is not submitted to the Bank in time or the Bank finds it insufficient, the Bank has the right of cancelling operations through the customer account.

NOTIFICATION ON SECURING THE DEPOSIT

/only for individuals and sole entrepreneurs/ Secured deposits:

- a) if the depositor has solely AMD bank deposit in an insolvent bank, then the sum of secured deposit is AMD 2/two/ million,
- b) If the depositor has solely a foreign currency deposit in an insolvent bank, then the sum of secured deposit is AMD 1/one/ million.
- c) if the depositor has both AMD and foreign currency deposits in an insolvent bank and the sum of AMD deposit is more than AMD 1/one/ million, then only the AMD deposit is guaranteed in amount of up to AMD 2/two/ million.

- d) if the depositor has both AMD and foreign currency deposits in an insolvent bank and the sum of AMD deposit is less than AMD 1/one/ million, then the AMD deposit is secured in full, whereas the foreign currency deposit is secured in the rate of the difference between AMD 1/one/ million and reimbursed AMD deposit.

Non-secured deposit:

- a) is the ownership of the Director of the given bank and/or his family members,
- b) is the ownership of the person holding considerable participation in the authorized capital of the given bank and/or his family members.
- c) the owner (co-owner) of which has resigned the right against his/her share part,
- d) which in accordance with law and other legal acts is recognized as fund gained in criminal way, unless the owner proves the contrary.
- e) which is invested in the given bank in the rate that at least 1,5 times exceeds the rate of similar bank deposits specified in the public contract signed at the moment of depositing upon the bank's offer.

Case of refunding the secured deposit

Case of refunding the secured deposit (hereinafter referred to as the Case of refunding) is the case of recognizing the given bank bankrupt or insolvent due to the law of Republic of Armenia "On bankruptcy of banks and credit organizations", when the bank (hereinafter referred to as the insolvent bank) is not able to return the deposits in fixed terms in accordance with law and agreements by the decision of the Board of the Central Bank of Republic of Armenia

(hereinafter referred to as the Central Bank).

The Board of the Central Bank should make the decision on the inability of returning deposits in fixed terms specified by law and relevant agreements by the given bank within one week after the disclosure of that fact.

Fund for reimbursement of secured deposits

The refunding of secured deposits is executed through a specially created fund, which is a nonprofit legal entity founded by the Central Bank of RA/6 V.Sargsyan, Yerevan, tel.: 583841/.

Order of refunding the secured deposits

The process of refunding of secured deposits starts from publishing a proper announcement by the fund /in press or through media/, wherein are mentioned:

- a/ the name of the bank actually executing the reimbursement,
- b/ the order of receiving the secured deposit /including the list of necessary documents and information, terms, place, methods and due dates/.

****Funds available at the current, savings or card accounts are considered as bank deposits.***

INTEREST CALCULATION TO ACCOUNT BALANCE

The credit balance of the interest for the Bank account is calculated daily as follows:

- a. The interest account is credited to the account before the 5th day of the month following to the reporting quarter;
- b. Taxes before calculation of interest amounts:

- 10% income tax - for individuals and non-resident private entrepreneurs;
- 10% profit tax – for non-resident legal entities.

The calculation of interests is performed according to the Bank Tariffs specified in this bulletin as follows:

1. The credit balance of the savings account by the end of the operating day is AMD 100,000;
2. Annual interest against the credit balance of the account is 3%:

$$\text{Income from daily balance} = \frac{100,000 \text{ (credit balance by the end of the day)} * 3\% \text{ (interest per annum)}}{365 \text{ or } 366 \text{ (year days)}} = 8.22$$

Let's suppose that the quarter has 91 calendar days and that during the quarter the credit balance hasn't been changed, then:

$$\text{Quarter income} = 8.22 \text{ (daily income)} * 91 \text{ (quarter days)} - 74.48 \text{ (10\% tax interest)} = 673.22$$

Result: if the credit balance of the savings account is AMD 100,000 during the reporting quarter, then AMD 673.22 will be deposited to the bank account within five days following the reporting quarter.

CLOSING OF THE ACCOUNT

The Bank account may be closed in the following cases:

- Any time upon the application of the Customer. In this case the commission charge for closing the account is levied from the Customer;
 - If the funds on the customer's current account are less than the minimum limit as specified by the Bank tariffs and have not been yet refunded within one month period after being duly notified by the Bank (in written or verbal form);
 - In case of closing the interim account the total sum on the account is paid to:

- Founder or founders, if the reference on non-

registration of the given organization in the state registration is available;

- To company director, if the list of documents required for legal entities is available.

If the Customer is willing to re-open the closed account, then the account is to be re-opened after submittal of the new agreement and renewed portfolio of required documents.

RIGHTS OF CUSTOMERS

The Customer has the right to:

- at any time, within the validity period of agreement, to get acquainted with inter-bank normatives and tariffs specified for cash-box and settlement operations unless such information is not a bank or commercial secret.
- Cancel the payment order through timely submitting a substantiating announcement to the Bank, reimbursing all costs and losses of the Bank in this connection. The order, grounds and terms of declining or declaring invalid the payment order are specified by the RA normative legal acts.

SETTLEMENT ORDER OF DISPUTES AND DISAGREEMENTS

All disputes and disagreements between the Customer and the Bank are first of all settled through bilateral negotiations and only in case of discrepancy the disputes are to be settled either by court order as stipulated by the RA Legislation or by a financial conciliator /if the Customer is an individual/.