

Procedure and example of calculating and paying interests into the account balance

The interest rate of the positive account balance is calculated *on daily basis*.

Moreover:

- Interests are paid into the account by the fifth working day of the month following the end of each reporting quarter.
- Calculated interests are taxable with 10% income tax, with the exception of resident legal entities.

Interests are calculated in accordance with the interest rate presented in the bank tariffs in the following manner, for example:

1. at the end of the day the saving account balance is 100,000 AMD,
2. annual interest on the positive account balance is 3%

$$\begin{array}{l} \text{income of daily} \\ \text{balance} \end{array} = \frac{100,000 \text{ (positive account balance)} \times 3\% \text{ (annual interest rate)}}{365 \text{ or } 366 \text{ (days of the year, leap year)}} = 8.22$$

Let's assume that the quarter is comprised of 91 calendar days and the account balance has not changed during the quarter, then:

$$\text{Quarterly income} = 8.22 \text{ (daily income)} * 91 \text{ (number of days in the quarter)} - 74.80 \text{ (interest rate of 10\% tax)} = 673.22$$

As a result, if the positive balance of the saving account is 100,000 AMD with no changes during the quarter, then 673.22 AMD will be paid into the bank account during the first 5 working bank days following the end of the quarter.