

NOTICE

On procedure and terms of the deposit compensation guarantee

ATTENTION: Before signing the Deposit Agreement please get acquainted with the provisions of this document.

The Guarantor of your deposit is **the Deposit Guarantee Fund** (hereinafter the Fund).

The location of the Fund:

Yerevan 0010, Yerevan, 15 M.Khorenatsi, Elite Plaza business complex, telephone: +374 (10) 58 35 14, website: www.adgf.am

Bank's Tel. number +374 (10) 511211

All the definitions within this Notice are in compliance with the definitions of the Law of Republic of Armenia "On Guarantee of Compensation for the Banking Deposits of Physical Persons" (hereinafter the Law).

Compensation event

Your guaranteed deposit is subject to compensation in the following events:

5.1 If the Bank in accordance with the legislation of Republic of Armenia is recognized as insolvent and the fact of incapacity to repay the deposits, within the terms defined by the agreement and the law, is approved by the Board resolution of the Central Bank of Republic of Armenia (hereinafter the Central Bank); or

5.2. If the bank in accordance with the procedure defined by the legislation of Republic of Armenia is recognized as bankrupt (hereinafter the Insolvent Bank).

The maximum amount and the calculation method of the guaranteed deposit

The calculation method of the guaranteed deposits is defined by the Board Resolution of the Central Bank no. 261-N dated 26 August, 2008.

ATTENTION: All your deposits in Armenian drams within the same Bank are deemed to be a single deposit in Armenian drams, except for the unguaranteed banking deposits, and all your deposits in foreign currency within the same Bank are deemed to be a single deposit in foreign currency, except for the unguaranteed banking deposits.

In cases when your deposit with the Bank is formed as a result of one or more bank mergers with the Bank, then each deposit you have in each of the merged bank will be treated as a separate deposit in the manner stipulated in the law.

The guaranteed limits of the deposits are the following:

The Currency Structure of the Deposit	If you have a deposit only in Armenian drams within the same bank	If you have a deposit only in foreign currency within the same bank	If you have deposits both in Armenian drams and in foreign currency within the same bank	
			If the deposit in Armenian drams is more than 5 (five) mln drams	If the deposit in Armenian drams is less than 5 (five) mln drams

The maximum amount of the deposit guarantee	10 (ten) million Armenian drams	5 (five) million Armenian drams	10 (ten) million Armenian drams (only the deposit in Armenian drams is guaranteed)	5 (five) million Armenian drams (the deposit in Armenian drams is fully guaranteed and deposit in foreign currency is guaranteed in the amount of the difference between 5 (five) million Armenian drams and the guaranteed deposit in Armenian drams)
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If you have separate banking deposit in the insolvent bank and at the same time you are an owner of joint banking deposit within the same bank, you are guaranteed for the sum of your separate banking deposit and your portion of the joint banking deposit - in accordance to the procedure and the amount stipulated in the Law.

If you have a problematic obligation towards the insolvent bank, the compensated amount is calculated based on the positive difference between your banking deposit and the problematic obligation. The obligation is considered as problematic in case if you have delayed the repayment of its principal amount (or any part of it) or interest amount for more than 90 days after the repayment date stipulated in the agreement.

The joint banking deposit of two or more depositors is considered separate deposit of each depositor in the portion defined by the agreement. If the portions of the depositors of the joint banking deposit are not defined in the agreement, the joint deposit is equally divided between the depositors.

The banking deposit is compensated only in Armenian drams. The dram equivalence of banking deposit in foreign currency is determined by the currency market average exchange rate published by the Central Bank on the day the compensation event has occurred.

Your banking deposit is not compensated if on the date of compensation occurrence the deposit is less than amount equivalent to 1,000 Armenian drams.

Unguaranteed banking deposit

Your banking deposit is unguaranteed if:

- a) you are a manager of the respective bank and(or) a family member of the latter,
- b) you have a significant shareholding in the respective bank and (or) its family member,
- c) you, as an owner (co-owner) of the deposit waive your right to the respective portion of the deposit,
- d) your deposit has been qualified as proceeds generated from criminal activity unless you prove to the contrary,
- e) your deposit has been placed with the respective bank at an interest rate exceeding 1.5 times the interest rate stipulated by the public agreement of the bank for similar deposits,
- f) your deposit is placed with a branch of the respective bank established outside the Republic of Armenia.

The procedure and the terms on compensation of the guaranteed deposits

Within three days following the day of compensation event the Fund publishes the announcement on the compensation event. Starting from 20th business day following the day of compensation event the Fund through the insolvent bank or any other bank starts the process of compensation of your deposits. You may file a written or electronic claim no later than within three year period following the day of compensation event. If you don't file a written claim within the mentioned period, the Fund will not compensate your guaranteed deposit. The Fund must pay the compensations claimed by the depositors within three business days following the filing the written or electronic claim except in the cases stipulated by the Law.

After the compensation of the guaranteed deposit your monetary claim against the insolvent bank is deemed to be satisfied in proportion of the repaid amount. Any outstanding amount in excess of the maximum repayment limit is deemed to be the liability of the insolvent bank to you.

Your banking deposit is placed at the rate and order as established by the Law

This Notice is delivered to the depositor.

Hereby, the depositor certifies that has reviewed the notice and got one copy of it.

ATTENTION: For smooth processing of the compensation of your deposit it is recommended to immediately inform the bank about any changes in your personal data (ID/passport details, address, telephone number, etc.) provided to the bank.