

KARAS

Time Deposit Information Bulletin

Effective from 31.08.2022

Terms and Condition of Deposit

Currency	AMD, USD
Type	Time deposit with the option of adding * and partial withdrawals
Min deposit	AMD 10,000, USD 100
Max deposit (including replenishments)	AMD 100,000,000 USD 200,000
Deposit maturity	6 months, 1 year, 18 months, 2 years, 3 years, 4 years, 5 years
Payment of interest	At expiry
Interest capitalization	Yearly calculated interests are accrued on deposit balance
Maximum amount of partial withdrawals	The total amount of withdrawals may not exceed 60% of the total amount of the replenished deposit (including the initial amount invested)

** The deposit is not subject to replenishment within 3 months prior to the expiry date of the contract*

Annual simple interest and percentage yield

Deposit Currency	Deposit maturity						
	6 months	1 year	18 months	2 years	3 years	4 years	5 years
AMD	Simple interest rate						
	6.5%	8.75%	9%	(CBFR ¹ + 1.52)% currently 10.11%	(CBFR ¹ + 2.27)% currently 10.86%	(CBFR ¹ + 2.77)% currently 11.36%	(CBFR ¹ + 3.27)% currently 11.86%
	Annual percentage yield²						
	6.61%	8.75%	9.07%	10.11%	10.86%	11.36%	11.86%
USD	Simple interest rate						
	1.25%	2.25%	2.5%	(CBFR ¹ + 2.5)% currently 2.83%	(CBFR + 3)% currently 3.33%	(CBFR ¹ + 3.25)% currently 3.58%	(CBFR ¹ + 3.5)% currently 3.83%
	Annual percentage yield						
	1.25%	2.25%	2.51%	2.83%	3.33%	3.58%	3.83%

Savings/current account opening tariffs for depositors if deposit is opened at branch

1 account in deposit currency	opening	AMD 0
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The terms and conditions set in the information bulletin can be revised

For further details, please contact the Bank.

Converse Bank CJSC is supervised by the Central Bank.

Other terms: based on account opening and servicing rules of the Bank

Notes

¹ **CBFR – Converse Bank CJSC Floating Rate.** Is established by the Bank twice a year based on the primary rates, and unless the latter are accessible, based on the secondary rates. Once changed, the simple interest of the agreements is changed no sooner than in a months after notifying the depositor thereon.

Primary rates: for AMD – the yield curve of 180-day discount rate government bonds, published by the Central Bank of Armenia on <https://www.cba.am>; for USD and EUR – "USD 6-month ICE LIBOR" and "EUR 6-month ICE LIBOR" benchmarks accordingly, published by Intercontinental Exchange (ICE) on <https://www.theice.com>.

Secondary rates: for AMD – the CBA set refinancing rate; for USD – Federal Funds rate or the target range - Upper Limit set by the US Federal Reserve Bank; for EUR – the Marginal Lending Facility Rate set by the European Central Bank.

Upon inaccessibility to primary rates and application of secondary rates, the secondary rate-based simple interest rate at CBFR is established for deposits so that the amount of the simple interest rate remains unchanged upon the change of the fixed component of the deposit interest rate.

The established CBFR rates are published on the Bank's official site <https://conversebank.am/hy/kbht/> and are made available at the Bank.

The Bank can revise the floating interest rate of this deposit no more than twice a year. The upper limit of rise or fall of the floating rate is set at +/- 4 percentage points. The CBFR amount can be rounded up to one hundredth.

² Calculated based on the CBFR rates at the date of update of the information bulletin: 8.59% for AMD and 0.33% for USD.

Partial withdrawals of deposit amount

During the deposit operation, the depositor may make partial withdrawals of the deposit amount. In that case, the interest accrued as of the date of withdrawal is recalculated under the following conditions:

Period from the date of deposit opening to the withdrawal of the amount	Recalculation interest
Up to 6 months inclusive	Interest rate set for demand deposit in the bank is 0.1%
From 6 months to 1 year inclusive	Interest rate of 6-month Karas deposit in the respective currency
From 1 year to 18 months inclusive	Interest rate of 1-year Karas deposit in the respective currency
From 18 months to 2 years inclusive	Interest rate of 18-months Karas deposit in the respective currency
From 2 years to 3 years inclusive	Interest rate of 2-year Karas deposit in the respective currency
From 3 years to 4 years inclusive	Interest rate of 3-year Karas deposit in the respective currency

More than 4 years

Interest rate of 4-year Karas deposit in the respective currency

In case of partial withdrawals of the deposit amount, the recalculation is made in the sequence of the deposited amounts, starting from the deposit amount invested on the date of signing the agreement.

Attention

*Income tax is taxable from interest payments
at 10% for deposits opened in Armenia
at 5% for deposits opened in Artsakh*

**For cash redemption of deposit opened non-cash, commission is charged at
0.25% for AMD / 0.40% for USD**

Calculation example

On below terms

Initial deposit	AMD 500,000
Opening day	13/12/2021
Maturity	3 years (until 13/12/2024)
Annual interest rate	10.86%
Payment of interests	At expiry
Income tax	10% from interest income
Adding	AMD 10,000 monthly

The deposit interest amount is calculated in the following manner:

Daily interest income before adding

500,000 (deposited sum) x 10.86/100 (annual interest rate) / 365 (number of days in a year) = 148.77

Daily interest rate after the 1st adding

510,000 (deposit balance) x 10.86/100 (annual interest rate) / 365 (number of days in a year) = 151.74

Daily interest rate after the 2nd adding

520,000 (deposit balance) x 10.86/100 (annual interest rate) / 365 (number of days in a year) = 154.72

The daily interest income increases after each sequential adding.

The interest income is accrued on deposit balance on a yearly basis.

Pre-tax accrued interest: AMD 239,473.77

After-tax accrued interest: AMD 215,526.39

Total added sum: AMD 350,000

Total deposit amount (initial deposit + added sums + after-tax interests + after-tax bonus): AMD 1,065,526.39

Deposit calculator - <https://conversebank.am/hy/karascalc>

Calculated amounts are rounded up to one hundredth.

Annual percentage yield

The interest against the funds on your account are calculated based on the nominal interest rate, and the annual interest yield shows the income you would earn if you redeposited the interests generated against the deposit.

The annual percentage yield is calculated based on the following formula set under the CBA Regulation 8/02 “Calculation of Annual Percentage Yield of Bank Deposits”

$$APY=(1+r/n)^n-1$$

where

- APY – annual percentage yield
- r – annual simple rate
- n – number of capitalizations of interest in 1 year

General Terms for Opening of Deposit

1. Time deposit agreement is concluded between the Bank and the Depositor.
2. The depositor can be more than one person according to the agreement, in that case the agreement is signed by all and the deposit is managed and used with the right of joint ownership.
3. If depositors are more than one person the Deposit and accrued interests are paid to all depositors proportionally, or to one of them on the basis of a notarized power of attorney signed by the others.
4. Any person can enter sums to the deposit account if the account details are available while withdrawals are made only by the client or by a person authorized by him.
5. The depositor can open the deposit in the name of a third person according to the legislation of RA and internal normative acts of the Bank.
6. The deposit can be opened online (without the possibility of making a deposit in favor of a third party) via Online Banking system <https://conversebank.am/en/internet-banking/>.

Calculation and Payment of Interests

1. The interests are calculated against the actual balance of the deposit from the day of opening of the deposit until the day preceding the day of its return to the depositor or withdrawal from the depositor’s account on other grounds.
2. The Bank calculates the interests at a simple interest rate, taking 365 days in a year or 366 days in a leap year as a divisor.
3. The interest amount is calculated on a daily basis against the account balance.
4. Where the time deposit is opened with a foreign currency, the interests are paid to the depositor with AMD at the respective buy rate set by the Bank at the date of payment for the respective currency or, at the depositor’s discretion, with the currency of the deposit.
5. The interests calculated against the deposit, unless the depositor has received in the period set in the deposit agreement, are paid by the Bank to the depositor on the latter’s demand.
6. Unless the depositor demand the redemption of the deposit and the payment of the calculated interest after expiry, the agreement is deemed renewed on the terms and conditions of time deposits applied by the Bank at that point, unless otherwise required in the customer’s deposit agreement or based on the customer’s written instruction.

Additional information

1. Time deposit accounts are opened and serviced free of charge.
2. The deposit account is closed once the deposit agreement expires.
3. No current banking transactions can be executed on the deposit account other than opening and redemption of the deposit.
4. The deposit is opened at branches from the savings account with the currency of the deposit; in the absence thereof, the deposit is opened free of opening and service charge.
5. The interests accrued on the deposit and the funds credited to the deposit account are paid to the depositor free of any commission.
6. The information about the deposit opened with the Bank is deemed bank secrecy and the Bank guarantees its confidentiality.

Early Termination of Deposit Agreement

1. Where the time deposit is returned on the depositor’s demand before expiry or before the occurrence of circumstances stated in the deposit agreement, the interests are recalculated based on the application, on below terms:
 - Upon termination of the deposit with a fixed interest rate, a recalculation is made at the demand deposit rate applied by the Bank (currently 0.1%).
 - CBR deposit:
 - Upon termination of the deposit before the end of the 1st year from the day of opening, the recalculation is made at the interest rate applied by the Bank to demand deposit at that point; except for partial termination when the recalculation interest rate is based on the rate set for the partial termination of the deposit.
 - Upon termination of the deposit after the end of the 1st year, the interests are recalculated in the following manner: the interests accrued and paid in 1 year preceding the termination date are recalculated in the manner set in the above paragraph; and the interests calculated and accrued before that (the final day of the year preceding the start of the previous 1 year) are not recalculated.
2. When the depositor dissolves the FX time deposit agreement on the condition of directly concluding a time deposit agreement with AMD on similar terms, the interests are not recalculated.

Communication with the Bank

You can communicate with Converse Bank CJSC either by mail or by email, whichever you prefer. Electronic correspondence is the most convenient, it is 24/7 accessible, is free of any risk of loss of paper-based information and ensures confidentiality. Furthermore, the Bank will provide you with information about the changes of the nominal interest rate, the general service terms and other fees, the method of communication, the legal acts having direct impact on the rights, obligations and responsibility arising from the agreement and other circumstances, including the transfer of data to the credit bureau throughout the effective period of the agreement in any other manner preferred by you (e.g. mail, at the Bank in person, etc.).

Tariffs for issuance of statements and references

Handover of statements ¹ at the Bank (VAT included)	
Individuals	<ul style="list-style-type: none"> ✓ Issuance of statement to customer in periods set under the RA laws and/or the agreement: AMD 0 ✓ Issuance of electronic statement to customer in periods set under the RA laws and/or the agreement: additional issuance at the customer’s discretion by the method and for the period preferred thereby (1 statement per period): AMD 0 ✓ In addition to the periods set above: <ul style="list-style-type: none"> - for up to 3-year period: AMD 1,000 - for 3-year and longer period: AMD 3,000 (if stored by the Bank)

Legal entities	<p>Once (regardless the periodicity) ` AMD 0</p> <p>If copied:</p> <ul style="list-style-type: none"> - up to 1-month period– AMD 1,800 - from 2-month to 1-year period - AMD 3,000 - from 1-year to 3-year period– AMD 12,000 - from 3-year and longer period - AMD 24,000 (if stored by the Bank)

References to be submitted to various institutions ¹ (VAT included)	
For deposits opened in 1 month²	AMD 5,000
For deposits opened earlier	AMD 3,000
Based on online application in the Bank’s site	AMD 3,000

¹For the simultaneous issuance of a reference and a statement to the same customer, the charge is applied only to the reference if such charge is set.

² In the presence of several accounts, the date of opening of the earliest account is considered, irrespective of being included in the reference.

Copies of Documents, Transaction Grounds and Other Information (VAT included)	
For up to 1-month period	AMD 1,800 per document
For up to 1-year period	AMD 3,000 per document
For over 1-year period	AMD 12,000 per document

Postal Delivery of Statement (VAT included)	
In Armenia and Artsakh	<p>Individuals - AMD 0</p> <p>Legal entities – AMD 500</p>
International	<p>Delivery service provider’s rate in cases under the law and the agreement</p> <p>In other cases, Delivery service provider’s rate + AMD 1,500</p>

Delivery of Statements by Registered Mail (VAT included)	
In Armenia and Artsakh	AMD 3,000
International	Delivery service provider’s rate + AMD 3,000

NOTE

The Bank cannot unilaterally decrease the interest rate set under the deposit agreement for the deposit, which the individual has opened on the condition to receive it back at the expiration of a specific period or upon the occurrence of circumstances set under the agreement.

The Bank has the right to unilaterally change the amount of interest set under the deposit agreement, which the legal entity has deposited after the expiration of a certain period or upon reaching the circumstances stipulated in the agreement, by notifying the depositor legal entity within seven days after the change. The change in the amount of interest rate comes into force on the 31st calendar day after notifying the depositor-legal entity in written form. In case the customer does not agree to the new terms, the agreement is terminated, and Bank pays the customer the deposit amount and the accrued interests.

The Bank can revise and amend Tariffs and Rates for additional services by giving a notice to the customers in the manner set under the agreement: by posting a message on the Bank’s website

(www.conversebank.am), by making the information available in the Bank's premises, by post delivery and by other methods offered by the Bank and selected by the Customer, which shall be deemed the proper notification of the Customer.

For the purpose of the Customer's due diligence in compliance with the RA Law on Combating Money Laundering and Financing of Terrorism, the Bank can demand additional documents or other information from the consumer and as well ask additional questions to the customer on "Know your customer" principle.

Based on the Foreign Account Tax Compliance Act (FATCA) Agreement concluded with the USA, the Bank can collect additional information to clear out your status of a US taxpayer.

The Customer's rights to dispose the account and the cash on the latter can be restricted by the court decision based on the claims filed by the Enforcement Service or tax authorities or any other competent authority specified in the law.

The funds can be confiscated from the account without the Customer's instruction by the court decision based on the claims filed by the Enforcement Service or tax authorities. They are reflected in the customer's bank account statements, which the Bank issues to the Customer in the manner agreed between the Bank and the Customer.

List of Required Documents

For individuals (except for private entrepreneurs):

- An ID card
- Public Service Number (PSN) or reference to the absence of PSN (only for RA residents and/or citizens); is not needed if the customer discloses an ID card bearing the PSN

For a resident legal entity, an organization that is not a legal entity / does not have the status of a legal entity (hereinafter referred to as a legal entity)

Statute:

The Decision of the founder set by the RA legislation or minutes of the general meeting of the founders for the corresponding organizational-legal type of legal entities, if the information on the founder's (shareholders, participants) shares and other data is missing in the statute, moreover:

- If the shareholders or participants are individuals, information on the number of shares, ID card information, registration address, telephone number (if available),
- In case the shareholders or participants are legal entities, the statute of the organization, state registration certificate, in case of a joint stock company, a certificate on shareholders possessing more than 5% share from the Central Depository of Armenia, VAT number, if it is not included in the state registration certificate,
 Provided that the client deals with activities subject to licensing defined by the RA Law on Licensing, the relevant license (if available),
 State registration certificate issued by the RA State Register of Legal Entities Agency,
 Registration number of a taxpayer (VAT / tax code), if it is not included in the state registration certificate of the legal entity
 Copies of the ID document (s) of the executive officers set by the statute.

For non-resident legal entity

Statute:

Founding documents in accordance with the legislation of the country (certificate of incumbency, certificate of incorporation, etc.)

Information about shareholders, participants, if not mentioned in the statute, moreover:

- If the shareholders or participants are individuals, information on the number of the shares, the details of the identity document, registration address, telephone number (if available)

- If the shareholders or participants are legal entities, the statute of the organization, the state registration certificate, in case of a joint-stock company a certificate on the shareholders possessing more than 5% share, VAT number
 Provided that the client deals with activities subject to licensing defined by the RA Law on Licensing, the relevant license (if available),
 Certificate of state registration issued by the relevant authority of the given country,
 Copies of the ID document (s) of the executive officers set by the statute.

For private entrepreneurs

- State registration certificate issued by the RA State Register of Legal Entities Agency
- Provided that the client deals with activities subject to licensing defined by the RA Law on Licensing, the relevant license (if available),
- VAT number (tax code), if it is not included in the state registration certificate
- ID card
- Public service number or a reference of not having PSN (required only from RA residents and / or citizens) is not required if the customer presents an identification card bearing PSN.

In addition to the aforementioned documents, the Customer has to disclose the proofs of origin of the amount and/or a declaration on the origin of the financial resources if the deposited sum, as well as the total sum of the previous deposits and the currently deposited sum are in excess of AMD 5 M or the equivalent FX.

The aforementioned documents are not required from the Bank's accountholder customers, whose legal files contain the relevant documents and proofs of the origin of the financial resources.

Unless the documents are disclosed in Armenian, English or Russian, the apostille or notarized translation into the particular languages is needed.

Your Financial Adviser

“Your Financial Adviser” is an electronic system for search and comparison and selection of the most efficient option of services offered to individuals: <https://www.fininfo.am/compare-deposit>

Notice on Guaranteed Deposit Terms and Conditions

Deposit Guarantee Fund of Armenia is the guarantor of your deposit.

Deposit currency structure		Max guaranteed deposit
If you have only AMD deposit with the same bank		AMD 16 M
If you have only FX deposit with the same bank		AMD 7 M
If you have both AMD and FX deposits with the same bank	If AMD deposit is above AMD 7 M	AMD 16 M (only AMD deposit is guaranteed)
	If AMD deposit is below AMD 7 M	AMD 7 M (AMD deposit is guaranteed totally and FX deposit – to the amount of the difference between AMD 7 M and reimbursable AMD deposit)

Location: 15 Khorenatsi, Yerevan (Elite Plaza business center)

Tel. +374 10 583514

Settlement of Disputes

Any dispute between the Customer and the Bank, unless settled through negotiations, is resolved in compliance with the RA laws both judicially and through the Financial System Mediator (for individuals).

Notice on Financial System Mediator

Please be advised that based on the RA Law on Financial System Mediator, the disputes relating to a property claim for up to AMD 10 M or equivalent FX amount arising with regard to the services rendered to you by Converse Bank CJSC can be settled through the Financial System Mediator.

Based on the agreement concluded between the Bank and the Financial System Mediator, the Bank abandons the right to dispute the resolutions of the Financial System Mediator only for property claims not surpassing AMD 250,000 (two hundred fifty thousand) or the equivalent FX, and the amount of the transaction not surpassing AMD 500,000 (five hundred thousand) or equivalent FX.

Location: 15 M. Khorenatsi, 0010 Yerevan

Floor 7, Elite Plaza business Center

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Contact the Bank

For additional information, please

- Visit the Bank's website <https://www.conversebank.am>
 - Visit the Customer Service Office at the Head Office or any branch of the Bank
 - Call +374 10 511211
 - Viber +374 95 511211
- Skype: conversebank-callcenter