

TERMS AND PROCEDURE OF GUARANTEEING DEPOSITS IN THE BANK

DEAR DEPOSITOR,

ATTENTION. Please get acquainted with the provisions of this document prior to signing the loan agreement:

The guarantor of compensating Your deposit is the Deposit Guarantee Fund (hereinafter-Fund).

The location of the fund-RA, c.Yerevan, Khorenatsi 15, "Elite Plaza" business center.

Phone- (374 10) 58-35-14

Website- www.adgf.am

All the definitions of this notification correspond to the definitions of the law of the Republic of Armenia" On guaranteeing the compensation of bank deposits of physical entities" (hereinafter referred to as the Law).

The case of compensation

The deposit guaranteed by You is subject to compensation in the following cases:

- If the bank is recognized as insolvent in accordance with the legislation of the Republic of Armenia and the decision of the board of the Central Bank of the Republic of Armenia (hereinafter referred to as the Central Bank) confirms the fact that the bank is unable to return deposits within the time limits set by law and agreements, or:
- If the bank has been declared bankrupt in accordance with the RA legislation (hereinafter-insolvent bank).

The maximum amount and procedure for calculation of the guaranteed deposit

The procedure for calculating the guaranteed deposits is defined by number 261-N resolution of August 26 2008 of the Board of the Central Bank of the Republic of Armenia.

ATTENTION: All your dram deposits with the same bank are considered as one dram deposit, except for unguaranteed deposits, and all your foreign currency deposits with the same bank are considered as one foreign currency deposit, except for unguaranteed deposits.

In case when Your bank deposit has been formed as a result of the merging of one or more banks, then your bank deposit in each merging bank is considered as a separate bank deposit in accordance with the Law.

The limits guaranteeing the deposits are as follows:

The currency structure of deposit		The maximum amount of guaranteeing the deposit
In case you have only an AMD deposit in the same bank		AMD 16 mln.
In case you have only a foreign currency deposit in the same bank		AMD 7 mln.
If you have a deposit both in AMD and foreign currency in the same bank	If the dram deposit is more than AMD 7 mln.	AMD 16 mln. ^[1]
	In case the dram deposit is less than AMD 7 mln.	AMD 7 mln. ^[2]

If you have a separate bank deposit in the insolvent bank and are the owner of the joint bank deposit invested in the same bank and the sum of Your portion in the joint bank deposit in the manner and amount defined by the Law.

If you have a liability in question towards the insolvent bank, then the amount subject to the refundable amount will be calculated based on the positive difference between your bank deposit and the liability in question. A liability in question is considered the liability of Yours, the repayment of the main amount (or its part) or the payment of interests of which has been delayed by You for more than 90 days from the term specified in the agreement.

The joint bank deposit of two or more depositors is considered as a separate bank deposit of each person in the amount of shares defined by the agreement of the depositor. If the shares of depositors of joint bank deposit are not defined by the agreement, then the joint bank deposit is divided equally among the depositors.

The compensation of bank deposit is made only in AMD. The monetary equivalence of foreign currency bank deposit is determined at the average exchange rate formed at currency markets as of the date of occurrence of the case of compensation of deposits published by the Central Bank.

Your bank deposit is not refunded if that deposit is less than AMD 1000 as of the date of occurrence of the case of compensation.

Unguaranteed bank deposit

Your bank deposit is not guaranteed if:

1. You are a manager of that bank and(or) a family member of the latter,
2. You are a person having a significant participation in the bank and (or) a family member of the latter,
3. You have relinquished ownership of Your portion of the deposit as an owner(co-owner) of the deposit,
4. Your deposit has been recognized as criminally obtained amount in accordance with the law and other legal acts, unless You have proved otherwise,
5. Your deposit has been invested at the bank at the time of depositing a bank deposit with an interest rate at least 1.5 times higher than the interest rate of similar bank deposits provided by the offer to sign a public agreement by that bank,
6. Your deposit is invested at the branches of the bank located out of the Republic of Armenia.

The procedure and terms for compensating the guaranteed deposits

The Fund publishes a post regarding the case of compensation within three working days following the case of compensation. The Fund begins to implement your deposit refund process through an insolvent bank or other bank beginning from the 20th working day following the case of compensation. You may submit a request in writing or electronically no later than within 3 years following the day of compensation. In case of not submitting a written request by You within the mentioned period no compensation of Your guaranteed deposit will be implemented by the Fund. The Fund should carry out the compensations at the depositors' requests within three working days following the day of submission of the request in writing or electronically, except for the cases stipulated by the Law.

After compensating the compensation of the guaranteed amount of deposits your monetary demand towards the insolvent Bank is considered as satisfied in the amount of the refunded amount. The amount exceeding the amount of compensation is considered the obligation of the insolvent Bank towards you.

[1] Only the dram deposit is guaranteed.

[2] The dram deposit is guaranteed in full and the foreign currency deposit in the amount of the difference between seven million drams and the reimbursable dram deposit.