

The terms mentioned in the bulletin may have been amended.

If you are reading the bulletin on the website of the Bank, please pay attention to the effective date of the information bulletin.

If you are reading the bulletin on the premises of the Bank or in a paper form, please visit the Bank's website at www.idbank.am for detailed information (paying attention at the effective date of the information bulletin), apply to any branch of the Bank or contact the Bank's Call center at 010 593333 or 060 273333.

INFORMATION BULLETIN

Honorary account

Action	Tariff
Target group	An honorary account is a special account for serving the amount of remuneration calculated to compulsory servicemen of the rank and file at the time of discharge from the military service (hereinafter also a citizen receiving remuneration), who have signed contracts to perform military service in the place and under the conditions specified by the Ministry of Defense of the Republic of Armenia, disposal of the funds available on which is restricted by the RA legislation.
Types of operations through the account	Funds transferred to the honorary account can be used only in an order and for purposes defined by RA Government Decision N 456-N dated April 12, 2018.
Account opening and servicing fee	Free
Account currency	AMD
Annual nominal interest rate	7%
Annual interest income	7,23%
Method of calculation of interest	The interest rate is calculated on daily account balance unless otherwise provided by the agreement.
Account service/maintenance	Free
Maximum remuneration amount	5.000.000 AMD, unless otherwise provided by the law
Provision of statements	Free
Provision of the second statement	Free

Closing account	Free
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1. Honorary account is opened for an indefinite term.
2. The rights and obligations of the parties in terms of opening, maintaining and cash servicing of honorary accounts are defined by the relevant agreement.
3. The money transferred to the honorary account (or the unused part of it) can be managed at the discretion of the account holder, without restrictions
4. Interest calculated on the balance of the honorary account is accumulated on a monthly basis.
5. Interest on the funds available on the honorary account is accrued for calendar days between the day of deposit of funds and the day preceding return of funds to the client or withdrawal of funds from the client's account on other basis.
6. The Bank reserves the right of a tax agent to calculate and pay income tax (10%) from interest received on account as defined by law.
7. **Attention – Interest against funds available on the client's account is calculated based on the nominal interest rate. And the annual percentage yield indicates the income to be received by the client as a result of making mandatory deposit payments and receiving the earned interest amounts at defined intervals. The order of calculation of annual percentage yield can be found at the following link [Annual percentage yield calculation](#).**
8. The annual percentage yield (APY), calculated without the income tax and with annual simple interest rate of 7%: APY= 7.23%

$$A = \sum_{n=1}^N \frac{K_n}{(1 + APY)^{\frac{D_n}{365}}}$$

where:

APY – annual percentage yield,

A – initial deposit amount,

n – serial number of cash flows against the deposit,

N – the last number of cash flows against the deposit (including cash flow at the moment of opening the deposit) after which the deposit agreement term is considered to be expired,

Kn – flows of capitalized interest amounts at the moment of opening a deposit and/or deposit opened during the term of the deposit, as well as mandatory payments if any.

Dn – the number of days between the date of opening a deposit and each n-th deposit-related cash flow included. When cash flows occur at the moment of opening a deposit, D1=0.

Example of annual percentage yield calculation:

Deposit start date	01.08.2018
Deposit amount	5,000,000 AMD
Annual interest rate	7.00%
Deposit term	365 days
Amount of income tax	10%
Calculated interest amount	$5,000,000 \times 7.00\% : 365 \times 364 = 349,041.1$
Income tax	$349,041.1 \times 10\% = 34,904.1$
Interest income received by the depositor	314,137 AMD

9. Withdrawal of funds from the Client's account is performed no later than on the banking day following submission of the relevant payment order to the Bank.

10. Funds directed to the Client’s account are credited to the Client’s account no later than within one day after admission of the relevant payment order by the Bank.

11. Honorary account statements are provided to the Client at least once every 30 days in a way preferred by the Client:

- By e-mail
- In person
- By mail

12. The Bank is not obliged to provide the account holder with an account statement if the Bank did not debit or credit the given account within the reporting period.

13. The Client has the right to communicate with the Bank through a preferred means of communication: e-mail of regular post. The electronic means of communication is the most comfortable. It is available 24/7 and is free of the risk of losing information in paper as well as ensures confidentiality.

14. In case of discovering inaccuracies in the transactions related to the account within 15 days after receiving the account statement, the Client may submit an appeal to the Bank. If no such appeals are received within the mentioned period, the Bank shall deem the statement as accepted. The appeal shall be submitted to the Bank in a written form. The Bank accepts the received appeal for processing within the prescribed period by carrying out corresponding actions as defined by rules of local and international payment systems.


15. The list of branches and ATMs of the Bank, information on their locations and working hours can be found at the following link: Branches and ATMs.

16. Remote servicing of physical entities by the Bank is rendered through the IDBanking online system. The order and tariffs on rendering remote servicing are presented in “Public terms on remote banking services”.

17. Disputed arising between the Bank and the Client are settled through negotiations between the parties. Disputes between the parties can be settled through the Financial System Mediator (in an order defined by RA law on “Financial System Mediator”) located at Elite Plaza” Business Center, 7th floor, 15 Khorenatsi str., Yerevan 0010, Armenia, e-mail: info@fsm.am, tel. (+374 60) 70-11-11. Fax (+374 10) 58-24-21, and/or through commercial arbitration (in an order defined by RA law “On Commercial Arbitration”).

18. The funds invested in the honorary account cannot be pledged, blocked (placed under a lien), seized against the client's obligations, or be used as a means of liquidation for the fulfillment of obligations in the case of the client's bankruptcy, except for the cases when these funds are the funds generated from the interest paid to the client by the bank for using facilities available on the special bank account, except for notary or other cases provided by normative legal acts.

19. Refundability of funds available on the Honorary account is guaranteed in accordance with the RA law “On Guarantee of Remuneration of Bank Deposits of Physical Entities”.

<p>Reimbursement of bank deposits of physical entities in “IDBank” CJSC is guaranteed by the “Deposit Guarantee Fund of Armenia” in the amounts of deposits subject to reimbursement, particularly:</p>			
<p>Currency structure of deposit</p>	<p>If you hold only a bank deposit in AMD in the same bank</p>	<p>If you hold only bank deposit in a foreign currency in the same bank</p>	<p>If you hold bank deposits both in AMD and in a foreign currency in the same bank</p>
			<p>If the deposit in AMD exceeds 7 million AMD</p>
		<p>If the deposit in AMD is less than 7 million AMD</p>	

Maximum amount of guaranteed deposit	AMD 16 million	AMD 7 million	AMD 16 million (only the deposit in ADM is guaranteed)	AMD 7 million (the bank deposit in AMD will be guaranteed in full, and the bank deposit in a foreign currency will be guaranteed in the amount of the difference between AMD 7 million and the bank deposit in AMD subject to reimbursement)
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20. Provisions not regulated by this information bulletin are regulated by ["Tariffs for bank accounts, transfers and other services provided by "ID Bank" CJSC"](#).

21. The list of documents required for opening an honorary account is presented in the [list of documents required to open accounts](#).

ATTENTION: THE BANK IS CONTROLLED BY THE RA CENTRAL BANK