



**PROGRAM PROSPECTUS**

**ABOUT BONDS ISSUED BY**

**«ID BANK»**

**CLOSED JOINT-STOCK COMPANY**

Yerevan 2023

Program Prospectus  
“ID Bank”  
Closed Joint-Stock Company  
Trade name and organization-legal type of the issuer

13 Vardanants, Yerevan 0010, RA  
Tel. (+37410) 59 33 33  
e-mail: [info@idbank.am](mailto:info@idbank.am)  
Web-site: [www.idbank.am](http://www.idbank.am)

“ID Bank” Closed Joint-Stock Company  
Trade name and organization-legal type of the principle underwriter

13 Vardanants, Yerevan 0010, RA  
Tel. (+37410) 59 33 33  
e-mail: [info@idbank.am](mailto:info@idbank.am)  
Web-site: [www.idbank.am](http://www.idbank.am)

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**Registration of the policy by the Central Bank of RA does not ensure safety of  
investments, correctness or verity of the information submitted**

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Type of securities	registered coupon Bond
Form of securities	non-documentary
Number of Bonds	To be determined by the executive body of the (Management Board) of the Issuer
Nominal cost of securities	To be determined by the executive body of the (Management Board) of the Issuer
Issuance volume of securities	50,000,000 (fifty million) USD, 20,000,000 (twenty million) EUR, 10,000,000,000 (ten billion) AMD
Coupon	To be determined by the executive body of the (Management Board) of the Issuer
Term of circulation	To be determined by the executive body of the (Management Board) of the Issuer
Frequency of payment of coupons	To be determined by the executive body of the (Management Board) of the Issuer

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## RESPONSIBLE PERSONS

We, the undersigned, assure that we have made every reasonable effort to ascertain that the information contained in the prospectus is correct and full. Therefore, we assure that on our best knowledge the information contained in the prospectus is correct and full, free of any omissions which may distort the content of the prospectus.

Vartan Dilanyan

Chairman of the Council of "ID Bank" CJSC      signature      Date

Karen Margaryan

Member of the Council of "ID Bank" CJSC      signature      Date

Aleksandr Khachaturyan

Member of the Council of "ID Bank" CJSC      signature      Date

Elena Khachvankyan

Member of the Council of "ID Bank" CJSC      signature      Date

Aleksey Komar

Member of the Council of "ID Bank" CJSC      signature      Date

Mher Abrahamyan

Chairman of the Management Board of "ID Bank" CJSC      signature      Date

Arman Asatryan

Financial Director "ID Bank" CJSC      signature      Date

Rafik Suvaryan,

Risk management director of "ID Bank" CJSC,  
member of the Management Board      signature      Date

Anushik Khachatryan

Chief Accountant of "ID Bank" CJSC,  
member of the Management Board      signature      Date

Karen Nalbandyan

Business Development director of "ID Bank" CJSC,  
member of the Management Board      signature      Date

Sergey Arakelyan

Digital banking director of "ID Bank" CJSC,  
member of the Management Board      signature      Date

Tigran Mkhitarian  
Corporate Banking director of "ID Bank" CJSC,  
member of the Management Board

signature      Date

Lilit Grigoryan  
Operational director of "ID Bank" CJSC

signature      Date

## SECTION 1: SUMMARY

### NOTICE TO INVESTORS

#### THE SUMMARY SHALL BE CONSIDERED BRIEF INTRODUCTORY DESCRIPTION OF THE PROSPECTUS AND THE DECISION OF INVESTORS TO INVEST IN SECURITIES SHALL BE BASED ON THE FULL PROSPECTUS

The person responsible for execution of the Summary shall bear civil responsibility for incompleteness or misleading nature of the information contained in the summary (including due to translation) if it is incomplete or misleading in case of its consideration with other parts of the Prospectus.

Investors may obtain the hard copies of the documents attached to the Prospectus from the head-office of the Bank and branches and their electronic copies are available in the Web-page of the Bank [www.idbank.am](http://www.idbank.am).

#### 1.1. Brief information about the Issuer and its activities

##### 1.1.1. Name and contacts of the Issuer

###### 1.1.1.1. Name of the Bank

Full name of the Bank:

in Armenian: «ԱյԴԻ Բանկ» Փակ Բաժնետիրական Ընկերություն

in Russian: Закрытое Акционерное Общество “АйДи Банк”

in English: «ID BANK» Closed Joint-Stock Company

Brief name of the Bank:

in Armenian: «ԱյԴԻ Բանկ» ՓԲԸ

in Russian: ЗАО “АйДи Банк”

in English: «ID BANK» CJSC

1.1.1.2. Place of state registration of the Bank is 13 Vardanants, Yerevan, RA, registration number is 9. Location of the bank is 13 Vardanants, Yerevan, RA.

1.1.1.3. Contacts: Tel. (+37410) 59 33 33, e-mail: [info@idbank.am](mailto:info@idbank.am), Web-site: [www.idbank.am](http://www.idbank.am). In case of any questions related to investments in Bonds the investors may contact the Treasurer of the «ID Bank» CJSC Vahan Hayrapetyan by telephone No +37410 593395 (3275), e-mail to [vahan.hayrapetyan@idbank.am](mailto:vahan.hayrapetyan@idbank.am):

##### 1.1.2. Brief history of the Issuer

“ID Bank” CJSC is the successor of «Anelik Bank», which was established on 01.08.1990 by the light industry enterprises as a share commercial bank. In 1996 the «Anelik» stockholding commercial bank was registered as « Anelik Bank» LLC (License No 9 of the CB of RA). In 2007 the « Anelik Bank» LLC was reorganized in « Anelik Bank» CJSC. In June 2018 « Anelik Bank» CJSC was renamed to “ID Bank” CJSC. From 2013 to September 2016 the sole shareholder of the «ID Bank» CJSC was Lebanon «Creditbank» S.A.L. In October 2016 the composition of the shareholders of the Bank was changed and a new shareholder, «Fistoco» LTD., was involved. By

the time of presentation of this prospectus the 59.68% of the Bank's shares belong to «Fistoco» LTD and 40.32% to «Creditbank» S.A.L.

### 1.1.3. Authorized capital of the Issuer

The authorized capital of the «ID Bank» CJSC as of 31.12.2019 constituted 33,971,850 KAMD, number of shares - 679,437 ordinary shares with par value 50,000AMD each.

### 1.1.4. Strategy of the Issuer

The Bank continually studies the needs of its clients, seeking to be at the forefront of global changes in the financial services sector. The main strategic direction of the Bank in 2020 is the development of digital channels and the provision of distance services. The Bank will continue to improve the services provided to retail and corporate clients by making them simpler and more convenient. Securities operations will continue, in particular bond issuance, thus diversifying the sources of funds attracted by the Bank. As part of its innovative strategy, the Bank also highlights the digitalisation of investment business as digital technologies.

### 1.1.5. Brief description of the Issuer's business

«ID Bank» carries out its activities in the capital of RA and in 4 regions, through 14 branches. In particular, in Yerevan the branches of the Bank are located in the administrative districts Kentron (3), Arabkir(2), Davtashen (1), Erebuni (1), Nor Nork (1), South-Western district (1) and in regions in the Abovyan (1), Gyumri (1), Vanadzor(1), and Echmiadzin (1) cities. As of 31.03.2021 the number of ATMs serviced by the Bank constituted 56, of which 49 in Yerevan, 7 in the regions of RA. The number of POS terminals installed is 467. The activities of the Bank are mostly directed to providing bank services to the target segments defined by it whereupon corresponding business directions have been formed in the Bank, i.e. retail bank services and corporate bank services.

- **Corporate bank operations:** the principal task of the Bank is to detect the main financial problems, business features of SMSE and on this base to develop simple and convenient bank services. In particular, the credits providing with commercial purposes, bank instruments issuing to finance trade are permanently correlated with the clients' demands as well as with the terms of similar instruments offered in market in order to offer to the clients the best optimal solution;

- **Retail bank operations:** at providing bank services to natural persons the Bank mostly focuses on providing services by simple procedures enabling clients to obtain bank service corresponding to their demands within soon as practicable.

### 1.1.6. Organizational structure of the Bank

The organizational structure of the Bank is shown in Annex 1 to this Prospectus.

## 1.2. Brief description of risks related to the Issuer and securities



Investments in Bonds of any economic entity, including those of banks, are connected with certain risks. Investors shall carefully consider the brief description of risks presented below and all other data included in the Prospectus before taking decision on purchase of the Bonds offered.

The Bank passed over the comments regarding indicators, forecast, and information presented in the Prospectus in order that the investors may examine them independently to take decision whether to purchase or no. The risks are events of any type that may significantly affect the Bank's activities. The following may be specified as possible risks:

- **extremely competitive bank services market in RA** due to which the Bank may not ensure that the planned income will be earned;
- **Bonds liquidity risk** which may arise due to leap of market situation or worsening of financial situation of the Bank;
- **currency risk** which may arise due to great fluctuation of exchange rate, improper management of risks related to the assets and liabilities in foreign currency, insufficient information about the instrument offered to the investors in form Bonds in foreign currency;
- **Interest rate risk**, which may be a consequence of a sharp change in interest rates on the market; as well as a result of receiving insufficient information from investors about the proposed instrument in foreign currency, improper risk management of assets and liabilities in foreign currency bonds,
- **Interest rate risk** that may be associated with a sharp change in market interest rates
- **risk related to changes in legal field** due to change of legislation which may affect both the Bank's activities and market situation.
- **Regional risk** that may arise due to changes in the regional, internal political situation, which, in turn, negatively affects the macroeconomic situation in the country. The unfavorable macroeconomic situation in the country, in turn, may negatively affect the normal profitability of the issuer.
- **The risk of declaring a state of emergency in the country / world** (for example, the risk of a pandemic), which may be borne by both the issuer and the investor. In such a situation, the macroeconomic situation in the country may change, which will negatively affect the main indicators of the issuer, and the investor, in turn, investing in bonds, to some extent, assumes this risk.

### 1.3. Changes of development of the Issuer's activities and its financial situation

The activities of the Bank are always in the spotlight of the Bank's Council and executive body which promptly react to the changes of market situation adjusting the Bank's activities depending on the market requirements as well as reducing the negative influence of different risk factors.

The structure of the Bank's assets by 30.06.2023 is given below:

Name of the asset	Value as of 30.06.2023 (KAMD)	Ratio in total assets %
Cash	12,158,334	3.82%
Funds placed in the CBA	32,355,443	10.15%
Requirements to banks	27,806,410	8.73%
Financial assets at fair value through profit or loss	448,223	0.14%
Amounts received on reverse repurchase agreements	10,360,076	3.25%
Loans to customers	152,922,484	47.99%
Financial assets available for sale	9,833,978	3.09%
Investments held to maturity	47,701,092	14.97%
Fixed assets and intangible assets	9,821,560	3.08%
Extended tax assets	-	0.00%
Charged assets	2,729,565	0.86%
Other assets	12,499,951	3.92%
<b>Other assets</b>	<b>318,637,116</b>	<b>100.00%</b>

All licenses and licenses required for the activity are valid.

The Bank's governance model is geared towards enhancing the efficiency of business processes, and therefore, the Bank's management, as appropriate, makes organizational changes to continually improve work efficiency.

At the same time it should be mentioned that the adjustment of the organizational structure of the Bank according to the rules of conduct of contemporary business is permanently in the spotlight of the Bank's management whereupon changes of organizational structure of the Bank are possible with purpose of improving the Bank's activities and increasing of effectiveness and profitability .

#### 1.4. Brief information about the auditor and advisors of the Issuer

In 2016, 2017 and 2018 the audit of the Bank was carried out and in 2019 it is planned that the audit to be carried out by KPMG Armenia CJSC. KPMG Armenia CJSC is the member to independent KPMG network included in KPMG International Cooperative. The address of the KPMG Armenia CJSC is RA, c. Yerevan, 0010 Vazgen Sargsyan street 26/1 Erebuni Plaza Business Center, 8th floor, tel.: +37410 566762 Erebuni Plaza, www.kpmg.am e-mail: general@kpmg.co.am. The Director of KPMG Armenia CJSC is Tigran Gasparyan.

No resignation letters were submitted by any employees of the auditor of the Bank within 3 preceding years.

## 1.5. Members of the administration of the Issuer

- 1.5.1. The following administrative bodies are provided under the Charter of the Bank:
- General meeting of the Bank's shareholders (hereinafter General Meeting)
  - Council of the Bank (hereinafter Council)
  - Management Board of the Bank and Chairman of the Management Board of the

Bank

1.5.2. From 2013 to September 2016 the sole shareholder of the «ID Bank» CJSC was Lebanon «Creditbank» S.A.L. In October 2016 the composition of the shareholders of the Bank was changed and a new shareholder, «Fistoco» LTD., was involved. By the time of issuance of this prospectus the shareholding capital of the Bank was comprised of 679,437 shares, the 59.68% of which belong to «Fistoco» LTD and 40.32% to «Creditbank» S.A.L.

1.5.3. The Bank's Council consists of 5 members. The members of the Bank's Council are:

- Vartan Dilanyan (Chairman of the Council)
- Karen Margaryan (Member of the Council)
- Aleksandr Khachatryan (Member of the Council)
- Elena Khachvankyan (Member of the Council)
- Aleksey Komar (Member of the Council)

1.5.4. The Management Board of the Bank consists of 7 members. Members of the Management Board of the Bank are:

- Mher Abrahamyan (Chairman of the Management Board)
- Arman Asatryan (Financial director, member of the Management Board)
- Anushik Khachatryan Chief Accountant, member of the Management Board)
- Rafik Suvaryan (Risk Management Director, member of the Management Board)
- Karen Nalbandyan (Business development Director, member of the Management Board)
- Sergey Arakelyan (Digital Banking Director, member of the Management Board)
- Tigran Mkhitaryan (Corporate banking director, member of the Management Board)

1.5.5. As of 31.03.2021 number of the Bank employees was 576.

## 1.6. Information about the securities issued by the Issuer

Up today the Bank has issued shares and bonds. The authorized capital of the Bank as of 30.06.2023 constituted 33,971,850 AMD and the share capital consisted of 679,437 shares with 50,000AMD par value each. Taking into the account the organizational-legal form of the Bank the shares issued by it are not circulated in the regulating market. The shares of the Bank are issued without limitation in term.

Within the program Prospectus approved by the resolution Council of the Bank N 2 on March 20, 2020, and registered by the resolution of the Chairman of the CBA N 1/291U as of June 5, 2020 the Bank has issued 2 tranches over 2020 in the amount of USD 10,000,000.00, which are traded in the regulated market. .

Within the program Prospectus approved by the resolution Council of the Bank N 02 on March 20, 2020 and registered by the resolution of the Chairman of the CBA N 1/291U as of June 5, 2020 the Bank has issued in 2021 1 tranche in the amount of USD 5,000,000.00, which are traded in the regulated market.

Within the program Prospectus approved by the resolution Council of the Bank N 6 on June 25, 2021 and registered by the resolution of the Chairman of the CBA N 1/392U as of July 23, 2021 the Bank has issued in 2021 2 tranches in the amount of USD 10,000,000.00, which are traded in the regulated market.

Within the program Prospectus approved by the resolution Council of the Bank N 6 on June 25, 2021 and registered by the resolution of the Chairman of the CBA N 1/392U as of July 23, 2021 the Bank has issued in 2022 3 tranches in the amount of USD 5,614,000.00 and AMD 1,500,000,000.00, which are traded in the regulated market.

Within the program Prospectus approved by the resolution Council of the Bank N 10 on August 23, 2022, and registered by the resolution of the Chairman of the CBA N 1/489U as of October 7, 2022 the Bank has issued in 2022 3 tranches in the amount of USD 10,000,000.00 and AMD 500,000,000.00, which are traded in the regulated market.

Within the program Prospectus approved by the resolution of Council of the Bank N 10 on August 23, 2022, and registered by the resolution of the Chairman of the CBA N 1/489U as of October 7, 2022 the Bank has placed two bonds in USD in the amount of USD 8,000,000.00.

### 1.7. Comprehensive description of Shares

Bond type	Nominal, coupon
Form	Non-documentary
Convertibility	Non-convertible
Nominal value of 1 Bond	To be determined by the executive body of the Issuer (Management Board) for each tranche of the bonds
Currency of issue	USD/EUR/AMD
Total volume of issue	50.000.00 (fifty million) USD, 20,000,000 (twenty million) EUR, 10,000,000,000 (ten billion AMD)
Total number of placed bonds	Shall be determined by the executive body (Management Board) of the Issuer for each tranche
Date of placement	Shall be determined by the executive body (Management Board) of the Issuer for each tranche
Frequency of payment on coupon	Shall be determined by the executive body (Management Board) of the Issuer for each tranche
Amount of the annual coupon	Shall be determined by the executive body (Board) of the Issuer for each tranche

Circulation period	Shall be determined by the executive body (Board) of the Issuer for each tranche
Circulation form	Free circulation
Security of Bonds	Unsecured

The final conditions of issue, placement, circulation of Bonds shall be determined by the Management Board of the Bank.

For each bond issue, the Bank's Management Board may also approve the possibility of early redemption of bonds at the initiative of the issuer/call option.

The final issue conditions for each issue of the Bonds shall be submitted to the CB of RA and published at least 2(two) days before the placement.

The main goal of placement of the Bonds by the Bank is attraction of funds from the market. The monetary funds attracted as a result of the placement will be directed to the credit arrangements.

### 1.8. Summary of financial data

KAMD

Name of indicator	30.06.2023 (unaudited ) KAMD	31.12.2022	31.12.2021 (unaudited	31.12.2020 (audited) KAMD
<b>Net profit after reduction of expenses related to profit tax</b>	15,128,272	13,516,449	1,542,023	1,171,462
<b>Average size of own equity</b>	62,924,892	51,473,657	44,975,189	42,912,423
<b>Profitability of equity (ROE), %</b>	24.04	26.26	3.43	2.73
<b>Average of total assets</b>	313,496,293	243,857,559	186,732,451	163,493,525
<b>Assets profitability (ROA), %</b>	4.83	5.54	0.83	0.72
<b>Net profit after reduction of expenses related to profit tax</b>	15,128,272	13,516,449	1,542,023	1,171,462
<b>Operational income</b>	14,435,936	28,663,557	10,776,419	10,417,697
<b>Net profit margin (NPM), %</b>	104.80	47.16	14.31	11.24
<b>Operational income</b>	14,435,936	28,663,557	10,776,419	10,417,697
<b>Average amount of total assets</b>	313,496,293	243,857,559	186,732,451	163,493,525
<b>Rate of assets' use (AU), %</b>	4.60	11.75	5.77	6.37

<b>Average amount of total assets</b>	313,496,293	243,857,559	186,732,451	163,493,525
<b>Average amount of equity</b>	62,924,892	51,473,657	44,975,189	42,912,423
<b>Equity multiplier (EM)</b>	4.98	4.74	4.15	3.81
<b>Net interest income</b>	8,803,855	13,033,265	9,570,616	8,225,452
<b>Average amount of earning assets</b>	238,428,172	181,440,032	147,740,214	135,160,417
<b>Net interest margin (NIM), %</b>	3.69	7.18	6.48	6.09
<b>Interest income</b>	12,101,701	19,919,227	16,029,030	13,491,380
<b>Average amount of earning assets</b>	238,428,172	181,440,032	147,740,214	135,160,417
<b>Profitability of earning assets, %</b>	5.08	10.98	10.85	9.98
<b>Interest expenses</b>	- 3,297,846	- 6,885,962	- 6,458,414	- 5,265,928
<b>Liabilities generating interest expenses</b>	240,174,059	185,365,152	129,377,276	108,367,958
<b>Cost-intensity of liabilities generating interest expenses, %</b>	- 1.37	- 3.71	- 4.99	- 4.86
<b>Net profit after reduction of expenses related to profit tax</b>	15,128,272	13,516,449	1,542,023	1,171,462
<b>Weighted average number of shares</b>	679,437	679,437	679,437	679,437
<b>Earnings per share (EPS)</b>	22.27	19.89	2.27	1.72
<b>Spread, %</b>	6.45	14.69	15.84	14.84

## SECTION 2. INFORMATION ABOUT BONDS

### 2.1. Risk factors

2.1.1. **Market risk:** investments in Bonds like investments in other securities are connected with certain risks due to the financial-economic situation of issuers and results of their activities (**issuer risk**) and the situation in the financial market (**market risk**). Investors shall carefully study and analyze the possible risks related to the investment and disclosed in this document as well as other information presented before taking decision on investment. The market risk arises as a result of changes of factors affecting the price of Bonds which may result in investors' losses. It shall be also considered that the list of risks presented in this document is not full and manifestation of an event/risk of unforeseen nature is possible (other risks) which may have adverse influence on investments recovery or cost. At taking decision on investment the investors shall fully understand the nature of the investment and be also governed his/her own experience, goals, and expectations. The principal types of market risk are interest risk and foreign currency risk. The interest risk arises due to change of market interest rates whereupon the Bonds' price reduces in case of increase of interest rate resulting in possible losses of investors if they sell the Bonds before their redemption or failure to receive the incomes expected. The foreign currency risk arises due to fluctuation of exchange rate of national currency and may negatively affect the incomes of investors to be earned from Bonds when the investors evaluate the income to be earned from Bonds in AMD (for example, for investment the investor has exchanged AMD to foreign currency and will exchange the foreign currency received after the redemption of Bonds in AMD). In particular, in case of appreciation of the national currency, in case of exchange of the amounts received after the redemption of the Bonds in foreign currency (including interest) the income in AMD may be less than expected (negative).

2.1.2. **Risk of Bonds' liquidity:** under the conditions of low level of development of Bonds' market any abrupt change of market situation as well as worsening of the Bank's financial situation may result in a situation when the Bond holder face difficulties with sale of Bonds. In particular, it is possible that the Bond holder will not be able to sell the Bond when he/she wants or have to sell it at lower price and suffer losses.

2.1.3. **Inflation risk:** at assessment of nominal coupon profitability offered against Bonds in USD or RR issued by the Issuer the investors shall consider that the real profitability at redemption may be lower than nominal coupon profitability.

2.1.4. In addition to the aforesaid risks the Issuer may also meet other risks which the latter has considered not material to be specified herein.

### 2.2. Basic information

The goal of issue and farther placement of the Bonds by the Bank is attraction of funds to be directed to financing of the principal business of the Bank, i.e. credit arrangements. In addition, the goal of issue of Bonds by the Bank is to reduce the price of resources directed to crediting and therefore, the interest rates of the credit products developed by it. As a result of attraction of funds due to issue of Bonds the Bank will be able to increase the effectiveness of management of its liabilities and diversify the funds' sources.

### 2.2.1. Form of publication of final conditions

The final conditions of issue, placement, circulation of Bonds shall be determined by the Management Board of the Bank.

For each bond issue, the Bank's Management Board may also approve the possibility of early redemption of bonds at the initiative of the issuer/call option.

The final issue conditions for each issue of the Bonds shall be submitted to the CB of RA and published at least 2(two) days before the placement of each tranche.

The Issuer undertakes to publish the final conditions of each issue of bonds in its Internet-site.

### 2.3. Information about securities

<b>Type and class of securities</b>	Nominal, coupon, irredeemable, non-documentary, and non-convertible Bonds. The Bonds to be issued have not yet identification code
<b>Nominal value of securities</b>	To be determined by the executive body of the Issuer (the Management Board)
<b>Currency</b>	AMD, USD, EUR
<b>Total volume of securities</b>	10,000,000.00 (ten billion) AMD, 50,000,000.00 (fifty million) USD, 10,000,000.00 (ten million) EUR
<b>Governing law</b>	the issue is carried out pursuant to the requirements of the legislation of the Republic of Armenia and the disputes arisen on them, including judicial, shall be settled in the manner deafened under the legislation of RA
<b>Form of securities</b>	the Bonds issued are non-documentary and the Bonds' register will be maintained by the «Central Depository of Armenia» OJSC, in compliance with the respective rules and procedures
<b>Nominal price and number of securities</b>	To be determined by the executive body of the Issuer (the Management Board) for each tranche
<b>Currency of issue</b>	the Bonds are issued in USD/EUR/ AMD according to the volume given herein.

#### 2.3.1. Information about classification of the securities offered

Pursuant to the RA Law on “Banks, Credit Organizations, Investment Companies, Investment Funds Administrators, and Insurance Companies Bankruptcy”, in case of bankruptcy of the Issuer the claims of its creditors shall be satisfied in the following order:

- **First:** Necessary and substantiated costs (including salaries) incurred by the administration and/or the liquidator in discharging powers vested in them by CB of RA,
- **Second:** Claims of the creditors who has provided credits, loans to the Bank or made deposits in the Bank or credit monetary funds to the bank accounts after the appointment of administration, with exception for the cases defined under the contracts concluded between the creditor and CB of RA



- **Third:** Bank deposits and bank accounts balances of the citizens of the Republic of Armenia, foreign citizens as well as persons without citizenship which do not exceed 16mln. AMD and in case of deposits (accounts) in foreign currency up to the amount equivalent to 7mln. AMD. At that, if the amount of claim exceeds 16mln. AMD (equivalent to 7 mln. AMD if the claim is in foreign currency) the claim of that person up to 16mln. AMD (equivalent to 7 mln. AMD if the claim is in foreign currency) shall be satisfied in the third and over that in the fourth;

- **Fourth:** Other liabilities of the Bank, including the expenses related to the organization of repayment by the «Deposit Guarantee Fund» , with exception for the deposits and balances on bank accounts included in the second clause.

- **Fifth:** liabilities of the Bank to the state budget and budgets of communities, other mandatory payments defined under the legislation of RA;

- **Sixth:** claims arisen from inferior loans;

- **Seventh:** claims of the members of the Bank.

The claims of each level of the holders of Bonds offered by the Bank shall be satisfied after the full satisfaction of the claims of the previous level.

Pursuant to the law of RA on guarantee of bank deposits of natural persons and other legal acts adopted on the base of the said law the monetary funds involved from the natural persons (including private entrepreneurs) by registered securities issued by banks, in this case – Bonds, shall be considered bank deposits whose repayment is guaranteed in the manner and under the conditions defined by the same law, in the following amounts:

- if the Bonds of an investor in the insolvent bank are only in AMD then the amount of the monetary funds secured is 10mln. AMD;

- if the Bonds of an investor in the insolvent bank are only in foreign currency then the amount of the monetary funds secured is 5mln. AMD;

- if the Bonds of an investor in the insolvent bank are both in AMD and foreign currency and the cost of the AMD Bonds is over 5 mln. AMD then only the amount of the AMD Bonds is secured up to 10mln. AMD.

- if the deposits of a depositor in the insolvent bank are both in AMD and foreign currency and the cost of the AMD deposit is less than 5 mln. AMD then the AMD bank deposit in full and the foreign currency bank deposit at the amount of the difference of 5mln. AMD and compensated AMD bank deposit are secured.

All AMD deposits of the investor in the same bank, including the investments in Bonds, shall be considered one deposit, with exception for not secured deposits, and all deposits in foreign currency of the investor in the same bank, including the investments in Bonds, shall be considered one deposit, with exception for not secured deposits.

At calculating the amount of the secured deposit to be repaid the AMD deposits shall be calculated first of all and the deposits in foreign currency shall be calculated thereafter.

Declaration of bank insolvent in the manner defined under the RA Law on “Banks, Credit Organizations, Investment Companies, Investment Funds Administrators, and Insurance Companies Bankruptcy” and confirmation of the fact by the Council of CBA that the bank is not able to return deposits within the terms defined by law and under contracts or declaration of bank bankrupt in the manner defined under the “Banks, Credit Organizations, Investment Companies, Investment Funds Administrators, and Insurance Companies Bankruptcy” Act of RA (hereinafter for all cases – Insolvent Bank) shall be considered the repayment event of secured deposits.

The Bonds may be re-classified in case of issue of new securities if they will be considered superior and only for the part not related to the Deposits Guarantee Fund.

**2.3.2. Description of the rights arisen from securities:** the following rights have been defined under the resolution on issue of Bonds:

- to receive coupon incomes provided by Bonds and the redemption amount in the manner defined. The investors shall not perform any additional actions in order to exercise the right to receive the coupon income and the redemption amount at the end of the circulation period and the Bonds coupon income/Bond redemption amount is remitted by the Issuer to the bank account of the investor;

- to undertake legal actions to satisfy the requirements following from the ownership to the Bonds if the Issuer delays to remit Bonds coupon income/Bond redemption amount;

- to pledge the Bonds in the manner defined by law;

- to alienate the Bonds in stock exchange (if they are listed and transferable) or in foreign exchange in the manner defined by law, at that the investors shall take into account that the securities transferable in the regulated market may not be sold out the regulated market with exception for:

- the transactions concluding by CB of RA which are possible transactions between CB of RA and special-purpose companies of the financial market.

- the transactions on buy-back and purchase of securities issued by the Issuer.

Meanwhile, the Bond holder shall remit the amounts necessary for purchase of Bonds to the corresponding bank account (will be published under the final conditions for each tranche) within the terms defined under the conditions of Bonds issue, to fulfil any liability in AMD and in other currency arisen from purchase, alienation and other actions with Bonds as well as incur other liabilities provided by law.

The rights arising of the bonds are not limited.

### **2.3.3. Interest rate of coupon and conditions of its payment**

**2.3.3.1.** Coupon nominal income will be calculated and paid against Bonds which shall be determined by the Board of the Bank.

**2.3.3.2.** The proposed coupon yield on the bonds will be paid for each bond tranche at the rate approved by the Issuer's Executive Body (Management Board).

**2.3.3.3.** The coupon nominal income provided for Bonds to be issued in USD and EUR will be calculated in USD and EUR respectively but will be paid to the investors in AMD, according the average market exchange rate to USD and EUR published by the CB of RA on the day preceding the payment day.

**2.3.3.4.** The coupons will be paid to the Bonds holders and/or nominal holders on the coupons calculation day. If the calculation day is not working the first working day after it shall be considered payment day.

**2.3.3.5.** The persons registered in the registry of Bonds holders/nominal holders as of the date preceding the day of calculation of Bonds coupons at closing of the registry of Bonds holders/nominal holders are entitled to receive coupons (interests). The registry of Bonds holders/nominal holders shall be closed at 18:00 of the day preceding the day of routine calculation of Bonds coupons, i.e. the Bonds holders/nominal holders who have been registered in the registry after the time specified are not entitled to receive coupon payment for the previous coupon period (previous six months).

**2.3.3.6.** The Issuer shall prepare a prospectus about the persons (holders or nominal holders) who are entitled to receive Bonds coupon payments on the day of coupon redemption on the base of the register of Bonds holders and/or nominal holders including the data necessary for remittance of the coupon payments.

**2.3.3.7.** The amounts provided for coupon payments shall be paid to the Bonds holders/nominal holders to 10 AMD (at that the rounding shall be carried out according to the

rules of arithmetic rounding, to the nearest decimal integer). Rule of arithmetic rounding is the method when the integer is not changed if the rounding decimal unit is from 0 to 4 and is increased by 1 unit if the rounding decimal unit is from 5 to 9.

2.3.3.8. The Issuer will pay the coupon amounts not in cash, remitting them to the bank accounts specified in the register of Bonds holders and/or nominal holders.

2.3.3.9. If the bank account numbers specified in the register of Bonds holders and/or nominal holders are wrong the Bank inquires the Central Depository of RA in order to specify the bank account and carry out the corresponding remittance. If the right account number is not available in the registry the investor is paid personally, in the Head office of the Bank.

2.3.3.10. The accumulated coupon income will be carried out according to the following formula:

$$AI = FV \times \frac{C}{k} \times \frac{DCS}{DCC}$$

- AI is the accumulated coupon income;
- FV is the nominal value of one Bond;
- C is the annual coupon interest rate in %;
- k is the number of coupons to paid in one year, i.e. frequency of payment (in case of semi-annual payment k=2);

– Convention of calculation of days for the Bonds of the Issuer is Actual/Actual, at that:

– DCS is number of days between the date of coupon redemption/beginning of coupon accumulation preceding the settlement and the trade date in case of respective convention [D2M2Y2-D1M1Y1];

– DCC is the number of days in coupon phase in case of respective convention [D3M3Y3-D1M1Y1];

– D1M1Y1 is the date of coupon redemption/beginning of coupon accumulation preceding the transaction;

– D2M2Y2 is the date of transaction, and

– D3M3Y3 is the date of coupon redemption/beginning of coupon accumulation following the transaction.

2.3.4. **Date and value of coupon redemption.** the day of redemption of Bonds shall be determined by the Board of the Bank at least 5(five) working days before the placement of the Bonds. The register of Bonds holders/nominal holders register shall be closed at 18:00 of the day preceding the day of redemption of Bonds, i.e. only the persons registered in the register of Bonds holders/nominal holders before closing the register are entitled to the Bonds' redemption amount. The Bonds' redemption amount shall be paid to the Bonds holders/nominal holders on the Bonds holders/nominal holders during the Bonds' redemption day, i.e. during the first working day after the closing day of the register of Bonds holders/nominal holders. The Issuer will pay the coupon amounts not in cash, remitting them to the bank accounts specified in the register of Bonds holders and/or nominal holders. If the bank account numbers specified in the register of Bonds holders and/or nominal holders are wrong the Bank inquires the Central

Depository of RA in order to specify the bank account and carry out the corresponding remittance. If the right account number is not available in the registry the investor is paid personally, in the Head office of the Bank. The Bonds redemption shall be paid in the currency of issue. Depending on the currency of the Bonds' nominal value and necessity of possible interbank remittance related to the Bonds' redemption (if the USD or EUR account of the investor is not in the settlement bank) the investors shall take into account that the commissions on remittance of redemption amounts (interbank remittances) shall be carried out at the investors' expense, so such investors will receive the redemption amounts with deductions, in compliance with the rates applicable in the respective bank and other intermediary banks (if any). Along with the fulfilment of payment/redemption orders the Issuer shall give notice to the depository making respective arrangements on redemption of Bonds.

If the final conditions of the bonds issue by the issuer's Management Board stipulate the possibility of early redemption at the initiative of the issuer (call option), the issuer shall pay the redemption amounts of the bonds in a non-cash form, transferring them to the bank accounts specified in the register of bondholders/nominees, according to the redemption requests submitted by the clients. Bond redemption payments will be made in the currency of the bond issue. In case of early redemption of bonds at the initiative of the issuer (call option) the register of nominees is closed at 6:00 p.m. on the day before the day of early redemption of bonds, i.e. applications for early redemption of bonds can be submitted by those bondholders who are registered in the register as bondholders until the moment of closing the register.

**2.3.5. Annual profitability of securities:** the profitability of coupon (interests) shall be determined by the Board of the Bank, according to the formula under the clause 2.4.3. herein.

**2.3.6. Brief information about new issue:** Decision on issuance of bonds was made on 04/09/2023 by the meeting of the Management Board (Minutes No.301-L ) and approved by the Council of the Bank on 13/09/2023 protocol N 7, according to which the procedure for the placement of the Bonds and including the nominal value of the bonds, the frequency of coupon payments, the inclusion of additional placeholders, subsequent listing and placement in the regulatory market for bonds after the placement is deemed to have been approved by the Management Board of the Bank.

**2.3.7. Description of restrictions on free circulation of securities:** According to the Charter of the Issuer or corresponding resolution of the respective authorized body of the Issuer concerning the issue of Bonds no restrictions are defined on issue of Bonds as well as regarding the investors in vesting in Bonds except for the limitation of the volume of the Bonds purchased by one investor at the Bonds' placing. According to the conditions defined by the Issuer at Bonds' placing one investor may not purchase less than 10 Bonds. Free circulation of the Bonds is not somehow restricted with exception for the cases defined by law and regulations. The Issuer will apply to list the Bond in the regulated market and pursuant to the legislation of RA in force in case of Bonds' listing they may circulate thereafter only in regulated market. For each bond issue, the Bank's Management Board may also approve the possibility of early redemption of bonds at the initiative of the issuer / call option.

**2.3.8. Full and detailed description of taxation of incomes earned from securities:** The income earned from the Bonds of the Issuer is subject of profit tax (for legal entities) and income tax (for natural persons).

- **Procedure and description of profit taxation :** RA residents and non-residents are subject to profit tax in RA (are taxpayers) with exception for state administrative bodies of RA, bodies of local self-administration of RA, governmental non-commercial organizations and CBA.

– *taxation of resident legal entities.* taxable profit earned in the territory of RA and out of its borders is considered taxation object for residents. The taxable profit is positive difference of the gross income of the taxpayer and deductions defined by article 104 of «Profit Tax» Act of RA and article 110 of the «Profit Tax» Act of RA the interest and other compensations received from loans, incomes earned financing of debts or commercial transactions, other factoring operations are considered gross income. The amount of the profit tax for resident legal entities is calculated for taxable profit at 18% rate;

– *taxation of non-resident legal entities.* taxable profit earned from Armenian sources is considered taxation object for non-residents. Pursuant to the “Profit Tax” Act of RA passive incomes earned by non-residents from residents or non-residents are also classified as incomes earned from Armenian sources. At that, the incomes earned only from activities of other persons in the territory of RA as a result of investment (provision) of property or other assets by non-resident are considered passive incomes, i.e. shares, interests, royalties and other passive incomes. In RA the incomes of the non-residents earned from Armenian sources are taxed by tax agents, at the source of payment of the income. In RA the tax agents levy profit tax from the incomes of non-residents at the income payment source in the manner defined under the “Profit tax” Act of RA, at 5% rate.

• **Procedure and description of income taxation:** Natural persons - RA residents and non-residents are subject to income tax in RA (are taxpayers) at that pursuant to article 24 of “Income Tax” Act of RA a resident is considered to be the natural person who has resided in the Republic of Armenia for a total of 183 or more days or who has the center of vital interests located in the Republic of Armenia, as well as the natural person who is a state servant of the Republic of Armenia and works temporarily away from the territory of the Republic of Armenia. The location where the family or economic interests of the individual are concentrated shall be deemed as the center of vital interests. In particular, it is considered that the center of vital interests of the individual is located in the Republic of Armenia if the house or apartment where the individual's family reside and his or her (family's) main personal or family property is maintained, or the place of his or her core economic (professional) activity is based in the Republic of Armenia.

– *taxation of resident natural persons.* taxable income earned in the territory of RA and out of its borders is considered taxation object for residents. Incomes earned from Bonds – surplus of capital, are not taxable, and for interests the income tax is calculated at 10% rate. At paying incomes the of income tax is levied at each payment of interest;

- Income tax withholding (collection) is payable on each interest payment (Provision effective until February 1, 2020).

From March 1, 2020;

- In accordance with Article 149 of the Tax Code, income from shares, bonds or other securities listed on a stock exchange operating in the Republic of Armenia, except for bonds issued by banks whose taxable amount is less than 2 years from the date of placement until redemption are not subject to taxation on tax on profit.

*taxation of non-resident natural persons.* taxable income earned from Armenian sources is considered taxation object for non-residents. The taxable income is positive difference of the gross income of the taxpayer and deductions defined by article 141 of «Income Tax» Law of RA and article 147 of «Income Tax» Law of RA. Taxation rules of incomes earned from Bonds and the applicable rate of income tax is the same for non-residents. The Issuer is the tax agent for

resident and non-resident natural persons (for income tax) and resident and non-resident legal entities (for profit tax).

## **2.4. Terms and conditions of the offer**

### **2.4.1. Conditions, schedule of the offer and actions necessary to make use of the offer:**

2.4.1.1. The date of beginning of Bonds' placement shall be determined by the Board of the Bank.

2.4.1.2. For each bond issue, the Bank's Management Board may also approve the possibility of early redemption of bonds at the initiative of the issuer/call option.

2.4.1.3. The payment for purchase of Bonds shall be made during the day of submission of each application-order but not later than 16:45 of the same working day.

2.4.1.4. The payment for purchase of Bonds shall be considered properly made upon crediting monetary funds to the bank accounts opened by the Issuer and specified under the final conditions of the issue.

2.4.1.5. If the client credits the amounts to the corresponding accounts later than the term specified under the clause 2.4.1.2 (next day until 16:45) the application is considered satisfied at the price defined for the next day, at the number of securities equivalent to the funds credited subject to the remittance of the balance to the client's account and the his/her notification by any communication facilities.

2.4.1.6. The persons who present application-order for purchase of Bonds shall be informed that if their applications-orders are not accepted or are partially accepted retention of the amount paid for purchase of Bonds on the special account until their refunding in compliance with the conditions of the Bonds' issue is not considered illegal retention of funds or failure to refund them and no interest may be accrued on them.

2.4.1.7. In case payment for purchase of Bonds by means of bank remittance the investors shall bear expenses related to the possible bank commissions at their expense.

2.4.1.8. The applications-orders of the investors who have not paid after their submission within the period defined shall be considered invalid.

2.4.1.9. The monetary funds for purchase of the number of Bonds specified in the application-order shall be credited on the Bonds' placement funds collection corresponding accounts denominated in AMD 11800083843300, USD 11800082588500 EUR 11800094856200 opened by the Underwriter in the "ID Bank" CJSC.

2.4.1.10. The amount of the monetary funds necessary to pay for purchase of the number of Bonds specified in the application-order for purchase of Bonds is calculated by the following formula:

$V = P \times Q$ , where

- V is the amount of the monetary funds necessary to pay for purchase of the number of Bonds specified in the application-order for purchase of Bonds;
- P is price of the Bond as of the date of submission of the application for purchase of Bonds which is calculated in compliance with the clause 2.4.3 of the Prospectus;
- Q is the number of Bonds which the investor wants to purchase.

#### **2.4.1.11. Beginning and end of implementation of the offer**



The precise period, including the date of beginning and end of the placement of the Bonds, as well as the possibility of early redemption of bonds at the initiative of the issuer/call option/ shall be determined by the executive body (Management Board) of the Issuer.

Offer of Bonds as well their placement may be postponed or canceled by the Issue only in case of Force Majeure.

If the Issuer supplements the Prospectus during placement due to appearance of any material new circumstance of fact thereby significantly changing the information contained in it then on demand of the investor it shall cancel the acceptance of investor and return the funds received from the latter during subscription or buy back the securities sold to the investor before such supplement at least at the price of their purchase. The repurchase claim shall be given to the underwriter in written. The said claim may be presented at most within 5 working days upon publication of the supplement to the Prospectus.

Repurchase of securities and repayment of the funds received during placement shall be carried out by the Bank within 3 working days upon taking decision on postponement or cancelation.

In case of termination of placement the amounts received during placement shall be returned to the investors with the coupon incomes accumulated. In such cases the coupon income shall be calculated for the period from the first day of placement until the day of taking decision on its termination.

The CB of RA may suspend the placement of Bonds pursuant to the «Security Market» Act of RA (hereinafter – Act).

The placement may be suspended on initiative of the Underwriter only with consent of the CB of RA, at most for 10(ten) working days.

If the placement is not continued within 1 day upon the completion of the suspension period then the Bank shall take decision of termination of placement and repay the funds received during the placement to the persons who have purchased the securities in the manner defined by Act, within 10(ten) working days upon the completion of the suspension period.

#### **2.4.1.12. Description of the procedure on application to make use of the offer**

In order to purchase Bonds the investors shall complete applications-orders (Annex 3, Annex 4) in the manner defined and properly submit them to the Bank thereby confirming their readiness to accept the conditions of Bonds' issue and thus they become binding for them.

Immediately after the monetary funds are credited to the corresponding account opened in the Bank the latter shall present Bonds placement order to the Central Depository in order to transfer respective number of Bonds from the account of the Issuer to the securities' account of the investor or nominal investor.

Upon receiving corresponding confirmation about transfer of Bonds from Depository to the Depo account of the investor or nominal investor the Bank makes the monetary funds specified in the **respective** application-order and remitted to the corresponding transit account opened by the Bank for issue accessible for its use.

After the deadline provided for placement of Bonds the amounts received on the corresponding transit account opened for issue shall be returned and the corresponding applications-orders may not be satisfied regardless their delivery time and/or time of receipt by the Bank.

The application-order for purchase of Bonds shall be considered properly delivered to the Bank if it is delivered to the Bank through one of the Underwriter's contacts specified below (or is handed in Bank) and its receipt is confirmed by the addressee. Contacts of the Issuer:

- Address: 13 Vardanants, Yerevan 0010, RA. «ID Bank» CJSC, treasury, treasurer Vahan Hayrapetyan, or
- e-mail: e-mail: [vahan.hayrapetyan@idbank.am](mailto:vahan.hayrapetyan@idbank.am),
- **Financial Market Department IDBank/CBANet@CBANet**,
- any branch where the application-order may be completed with employee of the clients' service division
- additional means of communication approved by the final terms of each bond issue by the Issuer's Executive Body (Management Board)
- Natural persons and/or legal entities who want to take part in purchase of Bonds may submit more than one application-order.

2.4.1.13. **Recall period:** the applications-orders of the investors who have not paid after the submission of the applications-orders within the period defined are considered invalid and do not participate in placement. With exception for those cases, the investors may not recall the applications-orders after they have properly delivered them, received the confirmation/notice on their receipt from the Bank and paid for them.

2.4.1.14. **Minimum and maximum amounts of purchase applications:** Number and amount limits are established for purchase of Bonds during this issue. Minimum 10 (ten) Bonds may be sold to one investor during the placement. Maximum limit is not defined and is limited only by the total number of Bonds under issue.

2.4.1.15. **Methods to pay for securities:** Legal entities and/or natural persons pay for purchase of Bonds issued by the Issuer to the corresponding transit account opened by the “ID Bank” CJSC. After satisfaction of **respective** applications-orders the investors may receive extract about ownership to the securities from the Custodian or Account Operator after they are given notice about satisfaction of their applications-orders by the Issuer.

2.4.1.16. **Full description of the publication form and terms of the offer's results:** the results of placement shall be published in the manner and terms defined by Legislation.

2.4.1.17. **Description of execution of the right of priority:** the Bonds will be placed according to the priority of applications-orders for Bonds purchase and receipt of payments on them, i.e. investors whose payments according to the applications-orders have been credited to the corresponding transit account opened in the “ID Bank” for issue early will enjoy priority. There are not any persons who have priority to purchase Bonds to be issued.

## 2.4.2. Bonds' placement plan

2.4.2.1. **Target groups of investors:** the offer is purposed to the RA resident and non-resident natural persons and legal entities. The offer for registered Bonds of the Bank will be carried out in form of free sale, through the head office and branches.

2.4.2.2. **Ways of notification about satisfaction of applications:** the investors shall be notified by the Issuer about satisfaction of their applications-orders before end of the working day following the day of submission of their applications-orders. The investors shall be notified about satisfaction of their applications-orders through the same communication facilities through which they submit their applications-orders. Investors who had visited any of the branches of the Bank and completed the applications-orders with help of the branches' employees shall visit the Bank and be informed about the satisfaction of their applications-orders by the employees who had completed the applications-orders.

2.4.3. **Price of the offer:** the full price of Bonds for each 100 units of nominal cost shall be calculated from the first day of placement, as follows:



$$DP = \frac{C}{f} \sum_{t=1}^N \frac{1}{\left(1 + \frac{y}{100 * f}\right)^{t-1+\tau}} + \frac{100}{\left(1 + \frac{y}{100 * f}\right)^{N-1+\tau}}$$

$$\tau = \frac{DSN}{DCC}$$

where:

- DP is the price of Bond;
- DSN is the number of days from the trade date (settlement/trade date) until the date of the next coupon payment under the respective convention;
- DCC is the number of days from the date of previous coupon payment preceding the settlement until the date of the next coupon payment under the respective convention;
  - f is the frequency of coupon payments (in case of semi-annual payment f=2);
  - N is number of coupon payments remaining at the time of settlement;
  - C is the annual coupon for 100 units of nominal value;
  - Y is yield before redemption.

After the registration of Prospectus until the beginning of placement the placement price of Bonds will be published in the Internet-site of the Bank per days, for full period of placement. In case of payment for purchase of Bond by bank remittance the investors shall bear expenses related to the possible bank commissions at their expense. The investors shall also open personal depo account for registration of securities with Depository or other licensed sub-custodian and bear expenses thereof.

#### 2.4.4. Placement

2.4.4.1. The underwriter of the bonds issued under this Prospectus shall be “Id Bank” CJSC.

2.4.4.2. The Issuer shall have the right to involve an additional underwriter for the issuance of each Bond Tranche by the decision of the Executive Body of the Bank (Management Board) by concluding secured or unsecured placement contracts.

2.4.4.3. **List of banks accepting payments:** the payment for the Bond shall be remitted to the corresponding transit account opened in the «ID Bank» CJSC (13 Vardanants, Yerevan 0010, RA). If the investor purchases Bonds through his/her broker company the details of payment shall be specified with the broker. Accounting and/or registration of the rights to the Bonds of the Issuer (keeping of the register of owners/nominal owners) shall be carried out by the Depository which will act as General Custodian in accordance with the legislation of RA and rules of the organization. The Bonds may be also accounted by any custodian licensed by the CB of RA (sub-custodian of Depository) by opening and maintaining securities' account for the owner/nominal owner with that custodian. The address of the Depository is Yerevan 0010, Vazgen Sargsyan 26/1, Erebuni Plaza business center, 5<sup>th</sup> floor, (tel. +374 60 615555). Account Operator of the Bonds Registry in the «ID Bank» CJSC. Before purchase of Bonds the investors shall open personal depo account on registration of Bonds with Depository or other licensed sub-custodian.

## **2.5. Trade permit and trade organization**

**2.5.1. Trade permit:** After registration of this prospectus by the CB of RA and placement of Bonds the Bank will apply to the «Armenia Securities Exchange» OJSC in order to list the placed Bonds in the regulated market and obtain trade permit. If the trade permit is not granted the placement will be considered annulled in case of Bonds in foreign currency, in the manner defined under the clause 2.4.1.11 approved hereby.

**2.5.2. Trade markets:** at present the Bonds to be registered by the Issuer according to this prospectus are not permitted for public trade in any trade market.

**2.5.3. Market makers:** after the completion of placement of Bonds the Bank will conclude respective contract with a trader in secondary market in order to create market of the Bank's Bonds. The trader will quote purchase and sale of Bonds in the « Armenia Securities Exchange » OJSC.

## **2.6. Additional information**

**2.6.1. Advisors involved:** at preparing this prospectus the Issuer has not use services of other advisors.

**2.6.2. Auditor's conclusion:** information represented in this prospectus has not been audited by any independent auditing companies with exception for the historic financial statement presented by the Issuer in this prospectus which have been audited by independent auditing companies. The copies of statements and respective conclusions of the independent auditing organizations are presented under the Annex hereto.

**2.6.3. Information obtained from third persons:** any third person has not been involved as a source of information presented herein.

**2.6.4. Ratings granted:** any rating has not been granted to the Bonds to be issued.

## SECTION 3. INFORMATION ABOUT THE ISSUER OF BONDS

### 3.1. Independent auditors

3.1.1. In 2015 the audit of the Bank was carried out by the “Grant Thornton” CJSC auditing organization. “Grant Thornton” CJSC is a member of the “Grant Thornton International”. The address of the “Grant Thornton” CJSC is Vagharshyan str. 8/1, Yerevan 0012, RA, tel. +37410 260954, web-site [www.grantthornton.am](http://www.grantthornton.am). Gagik Gyulbudaghyan is the Director-Shareholder of the Organization.

In 2016, 2017 the audit of the Bank was carried out by KPMG Armenia CJSC. KPMG Armenia CJSC is the member to independent KPMG network included in KPMG International Cooperative. The address of the KPMG Armenia CJSC is RA, c. Yerevan, 0010 Vazgen Sargsyan street 26/1 Erebuni Plaza Business Center, 8th floor, tel.: +37410 566762 Erebuni Plaza, [www.kpmg.am](http://www.kpmg.am), e-mail: [general@kpmg.co.am](mailto:general@kpmg.co.am). The Director of KPMG Armenia CJSC is Tigran Gasparyan.

3.1.2. During the last 3 years the auditor of the Bank has not ever refused to work.

### 3.2. Risk factors

3.2.1. Investments in Bonds of any economic entity, including those of the Bank, are connected with certain risks. Investors shall carefully consider the brief description of risks presented bellow and all other data included in this document before taking decision on purchase of the Bonds offered. The investor shall understand that the risks detected are not all risks that the Bank may ever incur. The Bank presents only the risks which it considers material. Probably, additional risks may exist which the Bank does not consider material at the time being or are unknown to it and any such risk may result in full or partial loss of the amount invested by the investor.

3.2.2. A modern system of risks management is operated in the Bank whose purpose is to disclose and manage the risks available in the Bank. The following principal types of risks are monitored and managed in the Bank:

- ✓ credit risk;
- ✓ liquidity risk;
- ✓ interest risk;
- ✓ currency risk;
- ✓ operational risk.
- ✓ Country risk

3.2.3. Management of credit risk: the management of credit risk has two directions in the Bank:

- assessment, restraint of risks related to the credits granting process and definition of limits;
  - assessment of the risks related to the credit portfolio, disclosure of high-risk segments, definition of limits (by clients, economy branches, regions, heavy debtors etc.);
- During the crediting procedure the Bank bases on the following crediting principles:
- availability of the credit's purpose and repayment sources ;
  - availability of pledge object and its sensibility to the economic and market developments as well as correspondence to the limits of credit/pledge ratio;
  - credit history of the possible borrower;

- current situation of the economy field of activities of the possible borrower, experience of the applicant in activities in that filed, his/her/its position in that filed, competition degree and competition therein;
- terms and conditions offered for the credit and partners' conditions, including the contracts which are directed to limit the future changes of the risk level of the borrower;
- availability of operating business of the possible borrower and/or positive credit history;
- availability of stable level of net gross incomes of the possible borrowers of mortgage and consumers credits and/or positive credit history;
- definition of limits of indicators describing the financial situation of the possible borrower.

Management of credit risk is also implemented by definition of the credit risk appetite and assessment of the credits related to the general portfolio of the Bank.

At present the Bank is in process of constant development of management of credit risks and introduction of modern methods, in particular new modern policies and calculation models of credit risk management, scoring systems of retail crediting, credits pricing system based on the risk levels of clients (Advances Risk-Based Pricing (RBP) model), new mechanisms of analysis of the credit portfolio (generation analysis of portfolios by credits types and forecast of NPL, forecast of profitability of credit portfolios by branches and credit specialists, disclosure of risky segments of portfolio and change of the portfolio's vectors etc.) are being introduced in the Bank. At least once a year, the Bank tests existing score cards in the Bank on the basis of historical series.

Analysis of Assets Containing Credit Risk by Economy Segments as of 30.06.2023

<b>Loans as of 30.06.2023</b>	<b>Balance of loans given to the customers (KAMD)</b>
<b>Trade and Finance</b>	28,250,035
<b>Industry</b>	8,266,747
<b>Leisure</b>	11,469,077
<b>Energetics</b>	4,320,285
<b>Construction</b>	2,099,178
<b>Transport and communication</b>	1,601,158
<b>Agriculture, forestry and wood processing</b>	10,980
<b>Service</b>	2,360,482
<b>Other</b>	9,694,598
<b>Loans to individuals</b>	89,949,691
<b>Total</b>	<b>158,022,231</b>
<b>Reserve for impairment</b>	<b>-5,099,747</b>

Below is an analysis of the quality of assets that include credit risk as of 30/06/2023.

Loans as of 30.06.2023, including	Balance of the loans given to the clients KAMD	Depreciation reserve on loans KAMD
<b>Loans to individuals, including</b>	<b>89,949,691</b>	<b>1,633,010</b>
Basket 1	87,248,681	747,127
Basket 2	1,127,093	153,923
Basket 3	1,573,917	731,960
<b>Corporate loans including</b>	<b>68,072,540</b>	<b>3,466,736</b>
Basket 1	65,082,127	1,638,078
Basket 2	11,788	667
Basket 3	2,978,625	1,827,991
<b>Total</b>	<b>131,447,171</b>	<b>5,009,747</b>

- Basket 1 includes working financial instruments with a slight increase in risk from the date of issue,
- Basket 2 includes performing financial instruments with a significant increase in risk from the date of issue
- Basket 3 includes Financial Instruments by default and / or impaired

3.2.3 The table below presents the information required to assess the financial condition of the Bank in accordance with the main economic standards established by the Central Bank in order to control banking activities, in particular, by potential investors:

	Allowable cost of the Central Bank of Armenia	Actual cost as of 30/06/2023	Actual cost as of 31/12/2022	Actual cost as of 31/12/2021	Actual cost as of 31/03/2020
The margin ratio of the bank's total capital to risk-weighted assets	Minimum 12%	35.88%	38.34%	28.61%	24.61%
Margin ratio of highly liquid assets of the Bank to total assets	Minimum 15%	40.29%	31.10%	26.93%	22.79%
Minimum ratio of the Bank's highly liquid assets to demand liabilities	Minimum 60%	75.93%	86.55%	86.52%	109.62%

\*From June 1, 2023, a new capital adequacy ratio N1 is in effect, with the minimum threshold set at 11%

**3.2.4. Management of liquidity risk:** In order to assess and limit the liquidity risk the Bank implements daily calculations of the principal economic liquidity normatives whereupon corresponding decisions are taken. The Bank manages the liquidity risk through the following principal models:

- GAP model;
- analysis of liquidity normatives, including LCR, NSFR;
- stress testing.

LCR is the liquidity coverage ratio, calculated as the ratio of the bank's net liquid assets to the net cash outflow. Net cash outflow is the difference between the sum of all expected cash outflows and inflows over the next 30 days.

NSFR - net ratio of sustainable financing, calculated as the marginal ratio of stable funds available to the bank and stable funds required by the bank.

Values of LCR and NSFR coefficients as of 30.06.2023 amounted to 198% and 131% respectively, with a minimum limit of 100%.

According to the stress tests conducted, in the event of an outflow of funds calculated using the LCR methodology as of 30.06.2023 (excluding inflows), the liquidity ratio of Bank N 21 is 37.18%

**3.2.5. Interest risk management:** in order to assess and limit the interest risk the Bank takes into account the interest rates available in the market, assess them and adjust with the indicators acting in the market, permanently controls the gap between the terms of interest sensible assets and liabilities, and in case of any change of market interest rates immediately reacts to minimize the risk of possible losses due to such changes.

**3.2.6. Management of foreign currency risk:** In this view the Bank tries to avoid foreign currency risks and basically carries on closed position foreign currency policy. According to the stress tests conducted, in case of 10% fluctuation of USD exchange rate as of 30.06.23, the Bank's loss will not exceed 2.23% of total capital, even in case of position reduction as a result of 10% of all monetary liabilities in foreign currency.

**3.2.7. The operational risks in the Bank** are managed through the risks management integrated systems. It means that the operational risk in the Bank is managed/settled through such procedures defined which consist of the stages of operational risks disclosure, assessment/evaluation, submission of complex reports on operational risk and monitoring, as well as operational risks management policies and principal methods.

In order to disclose and classify the operational risks the Bank implements self-assessment of risks, collection of data base on operational events and disclosure of fraud risk (reports on executes, changes and removed transactions, FPD/SPD/TPD data and permanent monitoring of transactions in the Bank).

Before the introduction of new products, new and reviewing internal legal acts, bank operations, actions, and systems the Bank provides the examination of the potential risks from the point of view of disclosure of OR and defines the degrees of risk tendency among the processes' sequences.

The Bank regularly assesses the measure of Operational risks impact which may occur in different risky situations as well as probabilities of occurrence of the latter.

The risk exceeding the OR risk appetite defined by the Board of the Bank is passed by the Bank to the insurance organization licensed by the CB of RA according to the contract concluded between the Bank and that organization ("Bank risks complex insurance contract (BBB)).

**3.2.8** In case of concluding active transactions with organizations registered and / or operating in other countries for the purpose of Country Risk Management in the total amount of foreign currency equivalent to AMD 4 billion, opening of correspondent accounts and off-balance sheet contingent liabilities, at the time of the first transaction with that country, the Bank assesses the country risk.

The Bank's assessment for the country is based on the rating given by one of the international rating companies (Moody's, Standard & Poor's, Fitch).

Based on the rating given by the international rating companies to the given country, the Bank sets the maximum benchmarks for the sum of correspondent account balances in that country and the total assets (including off-balance sheet contingent liabilities) in that country.

**3.2.9** Risk of an emergency in the country / world (for example, the risk of a pandemic), which may also be borne by the issuer. In such a situation, the macroeconomic situation in the country may change, which will negatively affect the main indicators of the issuer. Thus, the issuer could incur losses, which, in turn, could adversely affect profitability.

**3.2.10** The investor must understand that the described risks are not all the risks that the Bank may ever incur. The Bank identified only those risks that it considered significant. There may be additional risks that the Bank does not currently consider to be significant or that are not

currently known to it; any such risk could result in partial or total loss of the investor's investment.

### 3.3. Information about the Bank

#### 3.3.1. History and development of the Bank

##### 3.3.1.1. Name, organizational-legal form, registered trademark of the Issuer

Full name of the Bank:

in Armenian: «ԱյԴԻ Բանկ» Փակ Բաժնետիրական Ընկերություն

in Russian: Закрытое Акционерное Общество “АйДи Банк”

in English: «ID BANK» Closed Joint-Stock Company

Brief name of the Bank:

in Armenian: «ԱյԴԻ Բանկ» ՓԲԸ

in Russian: ЗАО “АйДи Банк”

in English: «ID BANK» CJSC

Trade mark of the Bank is:



**3.3.1.2. Place of state registration of the Issuer:** Place of state registration of the Bank is 13 Vardanants, Yerevan, RA, registration number is 9.

**3.3.1.3. Information about establishment of the Issuer:** «Anelik Bank» was established on 01.08.1990 by the light industry enterprises as a share commercial bank. In 1996 the «Anelik» stockholding commercial bank was registered as « Anelik Bank» LLC (License No 9 of the CB of RA). In 2007 the « Anelik Bank» LLC was reorganized in « Anelik Bank» CJSC. In June 2018 « Anelik Bank» CJSC was renamed to “ID Bank” CJSC. From 2013 to September 2016 the sole shareholder of the «ID Bank» CJSC was Lebanon «Creditbank» S.A.L. In October 2016 the composition of the shareholders of the Bank was changed and a new shareholder, «Fistoco» LTD., was involved. By the time of presentation of this prospectus the 59.68% of the Bank's shares belong to «Fistoco» LTD

**3.3.1.4. Location, contacts of the Issuer:** Location of the bank is 13 Vardanants, Yerevan 0010, RA. Contacts: Tel. (+37410) 59 33 33, e-mail: [info@idbank.am](mailto:info@idbank.am), Web-site: [www.idbank.am](http://www.idbank.am).

As of 30.06.2023 the Bank had 13 branches 4 of which were located in the regions of RA and 8 in Yerevan. All branches of the Bank carry out full package of financial operations without any limitation. The branches and their respective address are presented in the table below:

Branch	Address
Vardanants	с. Yerevan, Vardanants 13.3



Baghramyan	c. Yerevan, Baghramyan 75
Kentron	c. Yerevan, Northern Avenue 6, area 10.
Kentron EXCHANGE	c. Yerevan, Northern Avenue 6, area 10.
Arabkir	c. Yerevan, Komitas 56/162
Nor Nork	c. Yerevan, Gay 17/1
Erebuni	c. Yerevan, Erebuni 7/60
Davtashen	c. Yerevan, Davtashen, 4 <sup>th</sup> district, 11/91
Malatia	c. Yerevan, Raffi 39/61
Shengavit	c. Yerevan, Bagratunyats 13
Abovyan	c. Abovyan, Tartu str. 1/1
Gyumri	c. Gyumri, Independence square 6
Echmiadzin	c. Echmiadzin, Movses Khorenatsi 16
Vanadzor	c. Vanadzor, Tigran mets 73

The Bank has not registered representations in RA and out of its territory.

3.3.1.5. **Significant events:** as of 30.06.2023 no such event that a reasonable investor may consider as important in the view of evaluation of the Issuer's liquidity has happened in the Bank.

On 06.07.2023 the ownership right of «ID Bank» CJSC to 24% of shares of Idram LLC was registered.

### 3.4. Description of business

#### 3.4.1. Principal business

##### 3.4.1.1. Description of principal business

Attraction and distribution of financial funds are the most important and target activities for the Bank. However, the Bank also carries out such auxiliary operations as providing services through payment-settlement systems, settlement-cash operations.

**Attraction of funds:** the Bank carries out its funds attraction policies by attraction of term and on demand deposits from natural persons and legal entities, attraction of resources from international financial organizations as well as implementation of credit refinancing programs.

**Distribution of funds:** the principal directions of funds' distribution are credit instruments and investments in securities. At developing credit instruments the Bank is led by deep market studies and disclosure of clients' demands. During the last period of the Bank activities card credits providing to natural persons and program and universal business credits directed to the development of SMSE have been the most marketable ones.

**Operations with payment cards:** the Bank issues ArCA, Visa, and MasterCard payment cards whereto the Bank constantly defines service conditions of high competitiveness as well increases the safety of their use through permanently improving systems.

**Remittance systems:** the remittance is one of the traditional operations of the Bank. During the last years the Bank has integrated numerous new remittance systems enabling to

service much greater number of clients as well as provide variety of services. The Bank is a member of the SWIFT international remittance system carrying out transfers for natural persons and legal entities in case of availability of bank accounts.

**Settlement-cash service:** due to the software systems introduced the Bank accepts payments for public utilities, payments on property tax as well as carries out foreign currency exchange operations.

**Bond Issuance:** The Bank has been issuing bonds since the end of 2016. The latter is one of the key directions of the Bank's operations, and in this way the Bank diversifies its liabilities structure by offering its clients alternative investment options in addition to deposit products.

#### 3.1.1.1 **Provision of new services**

The Bank is constantly researching the market for new banking services as well as for making the existing service conditions more competitive. The introduction and sale of new banking services in the Bank is regulated by the applicable internal legal acts, which enable the continuous process of business development of banking services. Along with the development of digital channels, since 2018 the Bank is also expanding its network of 24/7 self-service systems to make banking services more convenient and accessible.

### **3.4.2. Principal markets**

#### **3.4.2.1. Description of principal service markets of the Issuer**

“ID Bank” CJSC is a universal bank carrying out activities in the corporative and retail banking services market. At present the Bank is able to offer a number of deposit and credit products, variety of remittance systems, convenience of operations by payment cards.

#### **3.4.2.2. Description of the competitive position of the Issuer**

The basic advantages of the competitive position of the Bank are:

- Active post-rebranding campaigns, as well as ongoing public events shape the reputation of the innovative and modern Bank
- By choosing the Bank's digitalization path the Bank's shareholders, are making continuous investments in both expanding and improving the quality of services provided by long-distance services and automating the Bank's internal processes.
- measures permanently undertaken to improve the business processes of the Bank. continuous improvement of the corporative management system which clearly separates the functions of the structural subdivisions as well as communication channels;
- effective system of risks management of the Bank which allows to promptly disclose the risks arisen, levels of their possible impact and to apply respective preventive measures;
- geographic position of the Bank's branches and their accessibility in the target markets;
- satisfactory level of professionalism of the Bank's employees as well as permanent retraining programs directed to the development of human resources.
- • BSI has granted the Bank an ISO 9001: 2015 Quality Management Certificate, which has been reaffirmed in 2018, as well as an ISO / IEC 27001: 2013 Information Security Certificate
- International rating agency Moody's has upgraded ID Bank's rating “Long-term deposits in national currency” from B3 to B2, the outlook is stable.

- The agency also changed its Partner Long Term Risk Assessment (CRR) rating from B2 to B1. The Bank's primary credit rating (BCA) is B2 and the long-term partner risk rating is B1 (cr).

### **3.5. Structure of the Issuer**

From 2013 to 2016 the sole shareholder of the «ID Bank» CJSC was Lebanon «Creditbank» S.A.L. which had in its group “ID Bank” CJSC in Armenia, “Anelik Ru” LLC in Russia and “Credex” insurance company in Lebanon. In October 2016 the composition of the shareholders of the Bank was changed and «Fistoco» LTD became a new shareholder of the “ID Bank” with 59.68% share. The Bank has not any subsidiaries in its structure.

The Org Chart of the Bank is given in Annex 1.

### **3.6. Last tendencies of development**

In keeping with its vision of becoming a leading digital bank, the Bank has set itself the following goals:

- Providing the best quality of customer service;
- Become the best bank for payments;
- Entering new markets.

Guided by the goals set, the Bank .

- ✓ Constantly develops the tools of the digital platform, offering customers all the necessary services online;
- ✓ Continues to expand the base of active clients, while ensuring their high level of satisfaction and increasing the activity of using banking services through the digital platform.

### **3.7. Profit forecast or assessment**

#### **3.7.1. Basic principles of profit forecast**

The expectations of the shareholders of the Bank and opportunities to enlarge the Bank and/or reduce the losses within their framework due to the changes of the macroeconomic environment as well as potential to ensure the Bank’s competitiveness are in the base of the Bank’s profit planning. From this point of view the Bank has managed to provided the programmed level of profit.

For forecast of the business and profit for the next years the Bank bases on the following principles:

- to prevent those dangers which in previous years resulted in the low yield of the Bank;
- to direct the activities of the Bank according to the principle of yield providing with purpose of increasing the market price of the business;
  - to distribute the resources of the Bank in high yield assets at that keeping the risks of the on acceptable level, observing the economic standards on regulation of banking activities defined by the Central Bank of RA;
- to develop new profitable Bank services;

- to provide the accessibility of the Bank for its clients by development of internet banking;
- to carry out constant improvement of business processes on the base of the principle of processes automation.

3.7.2. The main projections of profitability indicators are carried out within the framework of the Bank's Prospective Development Program, and in this respect the Bank has managed to achieve the planned level of profitability in 2016-2018

### 3.7.3. Influence of the managerial bodies of the Bank of the factors:

The managerial bodies of the Bank **may influence** on the principal factors reflecting in the activities and profit of the Bank as follows:

- management of the volumes of the funds attracting and distributing by the Bank;
- maintenance and management of the Bank's risks on acceptable level;
- investments in update of the technical-technological and information base of the Bank;
- management of remuneration, training and re-training of the Bank's staff;
- management of expenses for the Bank's activities.
- Implementation of new banking instruments.

The managerial bodies of the Bank may respond but **may not be able to influence** on the following principal factors which exert impact of the Bank's activities and profit:

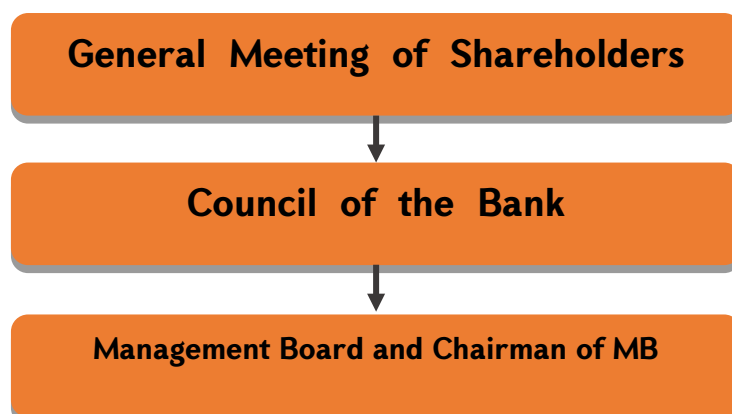
- change of offer and demand regarding bank deposits and credits and interest rates thereof;
- inflation and currency exchange rate;
- force-majeure factors (announcement of emergency situation, termination of work of communication facilities, acts of God, war, acts of governmental bodies etc. which make impossible the normal activities of the Bank).

### 3.8. Management bodies of the Bank and their members

3.8.1. According to the Charter of the Bank Management bodies of the Bank are:

- General Meeting of the Bank's Shareholders;
- Council of the Bank;
- Management Board of the Bank and Chairman of the Management Board of the Bank.

In addition to the management bodies specified above the Bank also has Chief Accountant



and subdivision of internal audit.

3.8.1.1. The following issues are under the exclusive competence of the Bank's General Meeting fall:

- approval of the Bank Charter and making alterations and amendments to it;
- Bank's reorganization
- Bank's liquidation;
- approval of summary, interim and liquidation balance sheets, appointment of liquidation commission
- approval of the number of the Bank Council members, their election and early termination of their powers. Matter of the Bank Council members' election may be exclusively considered at the Bank Participants' annual General Meetings. Matter on the Bank Council Members election shall be discussed on Special General Meeting of the Bank if the Special General Meeting of the Bank Participants has taken a decision on advance termination of the Bank Council's or some of its members' powers;
  - determination of maximum size of declared share and increase of charter capital
  - approval of the External auditor nominated by the Council;
  - approval of annual reports, balance sheets, profit and loss distribution, approval of annual dividends size and taking decision on the order of their payment;
  - Approval of the procedures of the General Meetings;
  - concentration and split of shares
  - Establishment of Subsidiary or dependent companies
  - Participation in Subsidiary or dependent companies;
  - Organization of unions of commercial organizations
  - Participation in unions of commercial organizations
  - Determination of remuneration for the members of Council;
  - conclusion of transactions with interest in cases stipulated by legislation
  - in cases stipulated by the Law, conclusion of large-scale transactions related to the Bank property alienation and acquisition (exceeds 50% of the Bank assets' book cost) as well as in case of 25 up to 50% of Bank assets' book cost in case when the Council didn't take a decision unanimously and the matter has been discussed on the General Meeting), taking decision on non-execution of priority right on purchase of shares in cases provided by law.

3.8.1.2. The following issues are under the competence of the **Council of the Bank:**

- determination of the main trends of the Bank activities, including approval of the bank's future project development;
- Calling of annual and extraordinary General Meetings as well as approval of the agenda, resolution of matters related to preparation and convocation of the Participants' General Meeting;
- Appointment of Management Board members, pre-term cessation of their authorities and determination of their remuneration size;
- Establishment of the bank's internal control standards, formation of the Bank's internal audit subdivision, approval of its annual work project; pre-term cessation of Internal audit officers' powers and determination of their remuneration size;
- Approval of annual expenses estimate and its execution and approval of the bank's internal administrative organizational structure and manning table.

- Increase of the authorized capital of the Bank if such authority is provided to it by the Charter of decision of the general meeting.
- presentation of suggestions on payment of dividends at the General Meeting, including list of members of the Bank eligible to receive dividends for each payment. The list shall include the members that have been involved in the register book of the bank participants by the day of making the list.
- preliminary approval of annual financial statements of the bank and its submission to the General meeting
- presentation of the external auditor to the General meeting for approval and determination of the size of remuneration of the external auditor
- Organization of measures for liquidation of insufficiency disclosed during the bank audit and control on their implementation.
- adoption of internal legal acts which specify order for performing financial transactions stipulated by law and approval of charters of the bank's territorial and separate structural subdivisions, distribution of operational obligations among the separate structural subdivisions of the bank.
- in cases stipulated by legislation conclusion of large-scale transactions relating to property alienation and acquisition (25-50% of the Bank assets' book cost), which shall be accepted unanimously, and taking decision on discussing the matter at general meeting unless not accepted unanimously
  - conclusion of related party transactions in cases defined by legislation;
  - determination of market price for the property in the manner established by legislation
  - taking other decisions provided by law.
  - reorganization of the Bank, establishment of subsidiaries of dependent companies, unions of commercial organizations, participation in them as well as presentation of issues concerning remuneration of the council's members of the general meeting.
- taking decision on placement of Bank's Bonds and other securities, use of the bank's reserve and other funds;
  - establishment of branches, representations and institutions of the Bank;
  - determination of principles, fundamentals, ways, forms and regulations of the bank's accounting policy applied for accounting and preparation financial statements as well as taking other decisions provided by law;
- at least once per year the Council of the Bank shall deliberate the report of the external auditor (letter to the management) as well as deliberate and review (if necessary) the principal direction of the Bank's activities, its strategy, regulations and internal legal acts;
- at least once per quarter the Council of the Bank shall consider the reports of the department of internal audit, Chairman of the Management Board (Management Board) and Chief Accountant in manner and for defined.

### **3.8.2.1. Management Board of the Bank**

- approves the procedures describing the process of executing certain operations or providing of services, conditions and prices of financial instruments/services in compliance with the requirements of the Regulations "About the internal regulatory acts of the Bank";
  - defines the conditions of crediting, attraction of deposits, prices and rates of the services providing by the Bank;
  - ensures the reliability of the Banks' financial and non-financial statements, their timely submission to the Council and other bodies as well as controls the activities of subdivisions;

- ensures effective management of risks providing the fulfilment of the requirements defined by the internal legal acts which describe the risk management system of the Bank;
- deliberates in advance the questions to be presented to the general meeting of the members and the Council of the Bank;
- considers the materials concerning revisions, audits, reports, proposals, reports of the heads of the Bank's subdivisions;
- provides the fulfilment of the strategic program approved by the Council of the Bank, annual costs and incomes (budget) and requirements of other internal legal acts;
- presents proposals to the council about change of the administrative-organizational structure in case of material changes of the inter control system or the Bank's business environment;
- controls the activities of the structural and local subdivisions, requires from the heads of the subdivisions to control the activities of their employees;
- provides fulfilment of the requirements defined under the standard of internal control and approved by the Council of the Bank, is responsible for effective application of the risks management system as well as policies, regulations and other internal legal acts approved by the Council;
- submits proposals to the Bank's Council about change of the internal control system, its certain elements (if necessary) taking into the account the nature of the Bank's activities, present and possible risks, requirements of laws and other legal acts, business environment of the Bank;
- carries out other authorities related to the management of the daily activities of the Bank.

The issues which by laws or Bank's Charter are not under the competence of the general meeting, council or internal audit subdivision are under the competence of the Board of the Bank.

The Chairman of the Board of the Bank represents the Bank in the Republic of Armenia and foreign countries, concludes transactions on behalf of the Bank, acts on behalf of the Bank without power of attorney, issues powers of attorney.

The Board of the Bank regularly but not less than once per quarter presents to Bank's Council a report about its activities in the manner defined by the Council of the Bank.

#### **3.8.2.2. The Chairman of the Management board shall:**

- manage the Bank property, including financial means, within his/her authorities issue orders, instructions, give directions obligatory for fulfilment and effect control over their performance;
- take on and dismiss bank branch managers, their deputies, chief accountants, employees, Head office employees, except for the employees whose taking on or dismissal is under the exclusive competence of the Meeting or Council
- approves the manning table within the framework of the estimate of the Bank's annual expenses approved by the Council
- enforce disciplinary sanctions and encourages the Bank employees
- Regularly but not less than once a quarter Chairman of the Board of the Bank shall present to Bank's Council a report about his/her activities in the manner defined by the Council of the Bank.

#### **3.8.3. Information about the members of the management bodies of the Bank**



Name, surname	Positions	Address	Other activities
<b>Vartan Dilanyan</b>	Chairman of the Council	Moscow city, RF	Head of the regional representation of the “Accenture» company, RF
<b>Karen Margaryan</b>	Member of the Council	Moscow city, RF	1. Chairman of the Board of Directors of IQG Asset Management shareholding company (Moscow), 2. Lecturer at Moscow Institute for finance and jurisprudence (Moscow), 3. Director of Global Economics SRI
Aleksandr Khachatryan	Member of the Council	c. Yerevan, RA	1. Partner, TK & Partners CJSC 2. Lecturer at the French University of Armenia 3. Member of the Council, Armenian Agency for Energetics
Elena Khachvankyan	Member of the Council	c. Yerevan, RA	Tax and budget expert, advisor, Asian Development Bank Business advisor, TK & Partners CJSC
Aleksey Komar	Member of the Council		
Mher Abrahamyan	Chairman of the Management Board	c. Yerevan, RA	N/A
Arman Asatryan	Financial Director member of the Management Board	c. Yerevan, RA	N/A
Anushik Khachatryan	Chief Accountant, member of the Management Board,	c. Yerevan, RA	N/A
Rafik Suvaryan	Risk management director, member of the Management Board	c. Yerevan, RA	N/A
Karen Nalbandyan	Business Development director, member of the	c. Yerevan, RA	N/A



	Management Board		
Sergey Arakelyan	Digital banking director, member of the Management Board	c. Yerevan, RA	N/A
Tigran Mkhitarian	Corporate banking director, member of the Management Board	c. Yerevan, RA	N/A
Lilit Grigoryan	Operations Director, member of the Management Board	c. Yerevan, RA	N/A

The authorities and responsibilities of the management bodies of the Bank are defined under the Charter of the Bank.

#### 3.8.4. **Branch managers of the Issuer**

At the moment of presentation of the prospectus 10 and more % of the assets of the Bank is not concentrated in any branch of the Bank.

#### 3.8.5. **Conflict of interests**

At the moment of presentation of prospectus, no conflict of interests exists between the Bank and persons taking part in its management.

### **Controlling parties**

At the moment of presentation of prospectus, the Bank is under the direct control of «Creditbank» S.A.L. and «Fistoco» LTD as they dispose the 40.32% and 59.68% of the shared of the Bank respectively, As well as the Bank is under the indirect control of the said persons: Tarek Khalife (address: Sursok 76 St., Habana Bibge 6 Floor, Tarasiba Ashrlch) through Credit Bank S.A.L. and Vartan Dilanyan through FISTOCO LTD.

### **3.9. Information about the assets and liabilities, financial situation, incomes and expenses of the Issuer**

#### **3.9.1. Historical financial information**

The annual financial statements of the Bank for 2020-2022 with independent audit opinions are presented in Appendix 8 of this prospectus. Reports can also be downloaded from the Bank's website.

#### **3.9.2. Interim financial information**

The Bank's 2023 report approved by the Bank's management body is set out in Appendix 8 to this prospectus. Reports can also be downloaded from the Bank's website

### **3.9.3. Material changes of the financial situation of the Bank**

As of 30.06.2023 no changes significantly affecting the financial condition of the Issuer did not take place.

On 06.07.2023 the ownership right of ID Bank CJSC to 24% of shares of Idram LLC was registered.

### **3.9.4. Information on litigation, arbitration and administrative procedures**

The Company is not involved in litigation, arbitration and / or administrative proceedings that may have a material effect on the financial condition or profitability of the Company and / or may have or have recently had a material effect.

## **3.10. Significant contracts**

During one year preceding the presentation of the prospectus the Bank has not concluded any contracts out of the routine framework of activities which are already in force and whose price exceed 5% of the equity specified under the financial statements of the Bank for the last accountable period.

## **3.11. Professional opinion of experts, appraisers, advisors or accountants and information taken from third persons**

Except for the audited financial statements of the Bank presented herein any professional opinion of accountants, appraisers, advisors or other experts is not used in any part of this prospectus.

## **3.12. Other information**

The Charter of the Bank, its intermediate and annual financial statements as well as annual conclusions of independent auditors, issuing annual and intermediate accounts-analysis provided for investors are publicly accessible both in electronic for and in hard copies during the whole period of application of the prospectus. The electronic versions of the said documents are available in the home-page of the Bank and to be issued the hard copies the investors may apply to the head office of the Bank.

## **WARNING**

**HAVING READ THIS PROSPECTUS THE INVESTOR SHALL INDEPENDENTLY ASSESS THE RISK OF HIS/HER INVESTMENT IN THESE SECURITIES BEFORE TAKING DECISION ON PURCHASE**

## ANNEXES

**Annex 1:** Organizational structure of «ID Bank» CJSC

**Annex 2:** Final conditions of issue

**Annex 3:** Application-order on purchase of Bonds issued by the «ID Bank» CJSC (for physical persons)

**Annex 4:** Application-order on purchase of Bonds issued by the «ID Bank» CJSC (for legal entities)

Annex 5: Application-order on purchase of Bonds issued by the «ID Bank» CJSC on a digital platform (for natural persons)

Annex 6: Application-order for redemption of bonds issued by “ID Bank” CJSC

Annex 7: Financial ratio calculation formulas

Annex 8: Financial statements of the “ID Bank” CJSC



## Annex 2: Final conditions of issue

### FINAL CONDITIONS OF ISSUE

202

-----  
day

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month

-----  
year

#### «ID BANK» CLOSED JOINT-STOCK COMPANY

Issuer

Registered, coupon, non-documentary, non-convertible Bonds  
*type of securities*

In order to obtain full information about the Issuer and securities to be issued the program prospectus (registered on \_\_\_\_\_ 2023) , its supplements and final conditions of this issue shall be considered in aggregate. The program prospectus, its supplements are available in the «ID Bank» CJSC, at 13 Vardanants str., Yerevan 0010, RA.

GENERAL INFORMATION	
(Information which is not applicable, shall be labelled as N/A. In case if securities with different main conditions (emission currency, nominal value etc.) are being issued under the same series, the different conditions for the group of securities meeting each condition shall be presented separately).	
1.	Issuer (name of the Issuer) "IDBank" CJSC
2.	Guarantor The Issuer does not intend to involve a guarantor
3.	Series (the number and year of just another emission based on the given program prospectus)
4.	Total amount of this emission of the given series
5.	Information on classification of securities: from the point of view of sequence of repayment of the Issuer's liabilities (subordination) including the volume of each emission under this series according to subordination The requirements of each turn of owners of bonds offered by the Issuer shall be met only after completely meeting the requirement of the previous turn. In case of the offered bonds, the requirements of owners shall be met only after meeting the requirements of subparagraph a) and b) of paragraph 2 of article 31 of the RA law "On bankruptcy of banks, credit organizations, investment companies and insurance companies". Requirements arising from bonds are not subject to reclassification from the point of view of the order of repayment of an organization's liabilities.
6.	Emission currency USD/EUR/AMD
7.	Offer price The full price of bonds against nominal value of each 100 units from the very first day of placement is calculated as follows: $DP = \frac{C}{f} \sum_{t=1}^N \frac{1}{\left(1 + \frac{y}{100 * f}\right)^{t-1}}$

		<p>where: <math>\tau = \frac{DSN}{DCC}</math></p> <p>DP – bond price,  DSN – number of days between the settlement/trade date till payment of the next coupon in case of relevant conditionality,  DCC – number of days between the coupon payment date preceding the transaction and the coupon payment date following the transaction in case of relevant conditionality,  F – frequency of payment of coupon (for 4 quarterly payments),  N – number of coupon payments remaining at the moment of calculation,  C – annual coupon against 100 unit of nominal value,  Y – yield to maturity.</p> <p>During placement the full bond price for each day is published on the Issuer's website.</p>
8.	Nominal value	
9.	Quantity	
10.	Offer start date (including any possible term changes)	
11.	Offer end date (including any possible term changes)	
12.	Security's identification number (ISIN) or other similar identification number	
13	The competent body that passed the decision on emission and placement and the date of decision (completed in case if a separate decision has been passed for the given public offer, otherwise put down N/A)	Decision No 1 of the Council of "ID Bank" CJSC as of February 1, 2019. Decision No 5-L of the Management Board of "IDBank" CJSC as of January 29, 2019.
<b>INFORMATION ON THE COUPON</b>		
2.2.	First day of coupon calculation	
2.3	The interest rate and payment frequency of the coupon, if the interest rate is floating, present information on the indicator (its changes) that the amount of the interest rate depends on, as well as information on where the information on that indicator (its changes) can be obtained.	The coupon interest rate and payment frequency are subject to determination by the management board of the Issuer
2.3	Specific days of coupon payment (date, month, year)	
2.4	The order of calculation of coupon days (e.g. 30/360, Act/Act, Act/360 etc.)	Actual days during the coupon stage/actual days during the year (Actual/Actual)

2.5	The entity implementing the floating coupon calculation	N/A
2.6	Other essential conditions of coupon calculation	
2.7	Provision on zero coupon (discounted) securities (specify ""Applicable" or "Non-applicable")	N/A
3.	<b>INFORMATION ON REPAYMENT OF PRINCIPAL AMOUNT</b>	
3.1.	Repayment (partial repayments) term	
3.2	In case if it's impossible to mention the repayment (partial repayments) value, the calculation methodology shall be mentioned	
3.3	Change of repayment value (includes all those conditions under which change of repayment value is possible)	N/A
3.4.	Early repayment opportunity at the initiative of the Emitter /call option (state "Applicable" or "Non-applicable")	Subject to the decision of the Issuer's authorized management body (Management Board).
3.4.1	<i>Term(s)</i>	Subject to the decision of the Issuer's authorized management body (Management Board).
3.4.2	<i>The Option price, calculation method (if any)</i>	Subject to the decision of the Issuer's authorized management body (Management Board).
3.4.3	<i>In case of possibility of partial repayment, the minimum and maximum repayment values</i>	Subject to the decision of the Issuer's authorized management body (Management Board).
3.4.4	<i>Other information</i>	N/A
3.5	Early repayment opportunity at the initiative of the investor/put option (state "Applicable" or "Non-applicable")	N/A
3.5.1	<i>Term(s)</i>	N/A
3.5.2	<i>The Option price, calculation method (if any)</i>	N/A
3.5.3	<i>Other information (notification period)</i>	N/A
	<b>4.INFORMATION ON PLACEMENT</b>	
26.	Dealer name and location	"IDBank" CJSC, 13 Vardanants St., Yerevan 0010
27.	Other placement conditions (not included in the prospectus)	
	<b>5.OTHER INFORMATION</b>	
28.	Availability of the permission for trade in the regulated market for securities of the given class (names of corresponding regulated markets, permission date)	Securities are not yet allowed for trade in the regulated market
29.	If permission for trade in the regulated market shall be further requested, corresponding information shall be mentioned in that regard (name of market, as well as a provision stating that the request for permission for trade can be rejected, expected date of permission (if possible))	The Emitter is going to apply for listing of bonds in the regulated market and according to the current RA legislation in case of listing of bonds further circulation of the latter can only be implemented in the regulated market. In terms of regulated market, the Emitter means the "ARMENIA SECURITIES EXCHANGE" OJSC.
30.	Securities rating	Securities are not rated.
31.	Methods (frequency, bank accounts etc.) and terms of making payments for securities, as well as methods and terms of receiving securities, the form of receiving statements	For obtaining bonds issued by the Emitter a legal and/or physical entity makes a payment to the transit account opened at "IDBank" CJSC for the purpose of emission.

The Issuer is responsible for the information included in this “Final terms of emission” The Issuer assures that the information included in this document correspond to the information (the presented general methodology) included in the program prospectus and supplements thereto, as well as is accurate (to the extent known) and no fact has been omitted or distorted.

**Mher Abrahamyan**

Chairman of the Management Board  
of “IDBank” CJSC

**Arman Asatryan**

Financial Director  
of “IDBank” CJSC

**Anushik Khachatryan**

Chief Accountant,  
Management Board member  
of “IDBank” CJSC

**Rafik Suvaryan**

Risk Management Director,  
Management Board member  
of “IDBank” CJSC

**Karen Nalbandyan**

Business Development Director,  
Management Board member  
of “IDBank” CJSC

**Sergey Arakelyan**

Digital Banking Director,  
Management Board member  
of “IDBank” CJSC

**Tigran Mkhitarian**

Corporate Banking Director,  
Management Board member  
of “IDBank” CJSC

**Lilit Grigoryan**

Operations Director,  
Management Board member  
of “IDBank” CJSC

I certify the signatures

**Mher Abrahamyan**

Chairman of the Management Board  
“IDBank” CJSC

(signature)

(date)



### Annex 3: Application-order on purchase of Bonds issued by the «ID Bank» CJSC (for natural persons)

*Date and time of submission of request to the Bank*

<input type="text"/>	<i>Time</i>	<input type="text"/>
----------------------	-------------	----------------------

*Name of applicant*

*Identification document details*

<input type="text"/>	<input type="text"/>	<input type="text"/>
<i>(passport number)</i>	<i>(date of issue)</i>	<i>(residency)</i>

*Registration address*

By submitting this request-order we accept the offer of "IDBank" CJSC (hereinafter the Bank) thus expressing desire to purchase the issued coupon bonds under the following conditions:

*Quantity of purchased bonds*

<input type="text"/>	<input type="text"/>
	<i>(quantity in words)</i>

*Purchase price of the bonds to be purchased*

<input type="text"/>	USD	<input type="text"/>
		<i>(price in words)</i>

*Total amount paid for purchase of bonds*

<input type="text"/>	USD	<input type="text"/>
		<i>(amount in words)</i>

*Bank reference of the physical entity*

*Account in USD*

*Account in AMD*

<input type="text"/>	<input type="text"/>
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*Bank name*

*Name of entity maintaining records of the securities account*

*Securities account number*

I hereby certify that prior to submitting the request-order I have read the Prospectus of the Bank's public offer on bonds, which constitutes an integral part thereof, accept and agree with the terms mentioned therein, and assume the responsibilities and possible risks related to investing in such bonds.

We are aware that investments in bonds are guaranteed by the means of Deposit Guarantee Fund in the amounts defined by the RA legislation, I have been notified, received and agree with the terms and procedure of the Deposit Guarantee Fund.

I hereby affirm that the funds transferred to the Bank have been lawfully obtained and are in no way related to terrorism financing, drug trafficking, human trafficking, tax evasion and other criminal activity.

Disputes and disagreements between the Parties are resolved through mutual negotiations, and in case of failure to reach an agreement, in accordance with the procedure defined by RA legislation.

We have been informed that disputed and disagreements arising in case of property claims, the amount of which do not exceed ten million AMD or equivalent in a foreign currency, can be resolved through the Financial System Mediator\*.

Upon receipt/acceptance of this Request by the Bank, it shall be deemed as a binding contract signed between the Parties.

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### To be filled in by the Bank

*ISIN of purchased bonds*

AMANLBB28ER9

*Total number of issued bonds*

(quantity in words)

*Date of transfer/deposit of funds*

---

*First Name, Last Name*

(signature)

### **Reminder**

If the investor transfers the financial means for purchase of bonds in the Bank's account before 16:45 of the given business day, the financial means shall be deemed as accepted on that very day, and if the financial means are paid after 16:45 of the given business day, they shall be deemed as accepted on the first business day following the payment day.

*\*According to RA legislation private entrepreneurs cannot take advantage of the opportunity to submit its claims to the Financial System Mediator.*

**Annex 4: Application-order on purchase of Bonds issued by the «ID Bank» CJSC (for legal entities)**

*Date and time of submission of request to the Bank*

<input type="text"/>	<i>Time</i>	<input type="text"/>
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*Name of legal entity*

*Number of state registration certificate*

*Registration date*

*Legal address*

*Physical address*

*TIN*

*Residency*

By submitting this request-order we accept the offer of "IDBank" CJSC (hereinafter the Bank) thus expressing desire to purchase the issued coupon bonds under the following conditions:

*Quantity of purchased bonds*

*(quantity in words)*

*Purchase price of the bonds to be purchased*

USD

*(price in words)*

*Total amount paid for purchase of bonds*

USD

*(amount in words)*

*Bank reference of the legal entity*

*Account in USD*

*Account in AMD*

<input type="text"/>	<input type="text"/>
----------------------	----------------------

*Bank name*

*Name of entity maintaining records of the securities account*

*Securities account number*

We hereby certify that prior to submitting the Application-order we have read the Prospectus of the Bank's public offer on bonds, which constitutes an integral part thereof, we accept and agree with the terms mentioned therein, and assume the responsibilities and possible risks related to investing in such bonds.

We hereby affirm that the funds transferred to the Bank have been lawfully obtained and are in no way related to terrorism financing, drug trafficking, human trafficking, tax evasion and other criminal activity.

We hereby acknowledge that upon receipt/acceptance of this Request, it shall be deemed as a binding contract signed between the Parties.

---

### To be filled in by the Bank

*ISIN of purchased bonds*

*Total number of issued bonds*

*(quantity in words)*

*Date of transfer/deposit of funds*

---

*First Name and Last Name of the representative or authorized person of the legal entity*

(signature)

L.S.

### **Reminder**

If the investor transfers the financial means for purchase of bonds in the Bank's account before 16:45 of the given business day, the financial means shall be deemed as accepted on that very day, and if the financial means are paid after 16:45 of the given business day, they shall be deemed as accepted on the first business day following the payment day.

## Annex 5: Application-order on purchase of Bonds issued by the «ID Bank» CJSC on a digital platform (for natural persons)

*Date and time of submission of request to the Bank*

*Time*

*Applicant's name*

*Identity document details*

*(Passport number)*

*(Date of issue)*

*(Residency)*

*Registration address*

By submitting this request-order I accept the public offer of "ID Bank" CJSC (hereinafter the Bank) thus expressing desire to purchase the issued coupon bonds under the following conditions:

*Quantity of purchased bonds*

*(quantity in words)*

*Purchase price of the bonds to be purchased*

*(Price in words)*

*Total amount paid for purchase of bonds*

*(Amount in words)*

*Bank details of the physical entity*

*Account*

*Bank name*

"ID Bank" CJSC

*Name of entity maintaining records of the securities account*

"ID Bank" CJSC

*ISIN of purchased bonds*

---

*Total number of issued bonds*

(quantity in words)

*Date of transfer/deposit of funds*

*Date of transfer/deposit of funds*

I hereby certify that prior to submitting the request-order I have read the Prospectus of the Bank's public offer on bonds, which constitutes an integral part thereof, accept and agree with the terms mentioned therein, and assume the responsibilities and possible risks related to investing in such bonds.

I am aware that investments in bonds are guaranteed by the means of Deposit Guarantee Fund in the amounts defined by the RA legislation, I have been notified, received and agree with the terms and procedure of the Deposit Guarantee Fund.

I hereby affirm that the funds transferred to the Bank have been lawfully obtained and are in no way related to terrorism financing, drug trafficking, human trafficking, tax evasion and other criminal activity.

Disputes and disagreements between the Parties are resolved through mutual negotiations, and in case of failure to reach an agreement, in an order defined by RA legislation.

I have been informed that disputed and disagreements arising in case of property claims, the amount of which do not exceed ten million AMD or equivalent in a foreign currency, can be resolved through the Financial System Mediator.

I understand that by clicking the "Sign" button in the Bank's online system and entering the PIN code of the client registered in the Bank's online system I submit an offer to purchase coupon bonds, and that the display of bonds on my securities account, after payment for the purchase of bonds, constitutes the Bank's acceptance of the offer submitted by me. Upon receipt/acceptance of this Request by the Bank, it shall be deemed as a binding contract signed between me and the Bank.

*Date and time of submission of the application to the Bank*

<input type="text"/>	<i>Time</i>	<input type="text"/>
----------------------	-------------	----------------------

*Applicant's data*

*Identity document details*

<input type="text"/> <i>(Passport number)</i>	<input type="text"/> <i>(Date of issue)</i>	<input type="text"/> <i>(Residency)</i>
--	--	--

*Registration address*

By submitting this application-order we accept the offer of "ID Bank" CJSC (hereinafter referred to as the Bank), according to which we wish to participate in the redemption of coupon bonds issued by the Bank under the following conditions:

*Quantity of purchased bonds*

<input type="text"/>	<input type="text"/> <i>(Quantity in words)</i>
----------------------	--

*Purchase price of the bonds to be purchased*

<input type="text"/>	<input type="text"/> <i>(Price in words)</i>
----------------------	---

*Total amount paid for purchase of bonds*

<input type="text"/>	<input type="text"/> <i>(Amount in words)</i>
----------------------	--

*Bank details of the physical entity*

*Account in USD*

*Account in AMD*

<input type="text"/>	<input type="text"/>
----------------------	----------------------

*Bank name*

*Name of entity maintaining records of the securities account*

*Securities account number*

I hereby certify that prior to submitting the request-order I have read the Prospectus of the Bank's offer on redemption of bonds, which constitutes an integral part thereof, accept and agree with the terms mentioned therein, and assume the responsibilities and possible risks related to investing in such bonds.

Disputes and disagreements between the Parties are resolved through mutual negotiations, and in case of failure to

reach an agreement, in accordance with the procedure defined by RA legislation.

We have been informed that disputes and disagreements arising in case of property claims, the amount of which do not exceed AMD ten million or equivalent in a foreign currency, can be resolved through the Financial System Mediator\*.

Upon receipt/acceptance of this Application-Order by the Bank, it shall be deemed as a binding contract signed between the Parties.

---

To be filled in by the Bank  
ISIN of purchased bonds

*Total number of bonds to be redeemed*

*(Quantity in words)*

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*Name, Last name*

*(Signature)*

*\* A private entrepreneur does not have the option of presenting claims to the Financial System Mediator under RA legislation.*



Annex 7: Financial ratio calculation formulas

Return on Equity (ROE) = (Earnings after deductions of expenses on profit tax/Average amount of Equity)x100
Return on Assets (ROA) =( Earnings after deductions of expenses on profit tax/Average amount of total assets)x100
Net profit margin (NPM)= (Earnings after deductions of expenses on profit tax/operational income)
Assets use ratio(AU)= (Operational income/average amount of total assets)
Equity multiplier (EM) =( average amount of total assets/ Average amount of Equity)
Net interest margin (NIM)=(net interest income/average amount of earning assets)
Yield of earning assets = Interest incomes/average amount of earning assets
Cost-intensity of liabilities generating interest expenses=Interest expenses/ liabilities generating interest expenses
Earnings per share (EPS)= (Earnings after deductions of expenses on profit tax/average weighted number of shares)
Spread=(Interest income/average amount of earning assets) – (Interest expenses/ liabilities generating interest expenses)

## **Annex 8: Financial statements of the «ID Bank» CJSC**