

Approved by

Resolution N 67/02-08.04.22

The Executive Board of ARMECONOMBANK OJSC

Dated 08.04.2022

Chairman of the Executive Board

----- A. Khachatryan

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*Terms and conditions included in Bulletin may have changed.*

*For details please call*

*Tel: (37410)8686, (37410)51-09-10 (9105)- Information Desk*

## INFORMATION BULLETIN

ON INVESTMENT AND NON- MAIN SERVICES PROVIDED BY ARMECONOMBANK OJSC

YEREVAN 2022

ARMECONOMBANK OJSC offers its customers the following types of investment and non-investment services:

## 1. Provision of investment services

- 1.1. Accepting and announcing instructions with securities from customers
- 1.2. Implementing security transactions on behalf of the Bank or the customer and on the account of the customer
- 1.3. Implementing security transactions on the account and on behalf of the Bank

## 2. Provision of non-main services

### 2.1. Custodian services

For the provision of investment and non-main services commission fees are charged from the consumer:

TYPE OF THE SERVICE	COMMISSION FEE
1. RA State bonds custody services	
1.1. Account opening/closure	Free of charge
1.2. Account maintenance (Custody fee)	AMD 5000 (annually)
1.3. Depo order fulfillment	AMD 1000
2. Rendering of investment services	
2.1. Bonds market of Armenia	
2.1.1. For physical and legal entity customers	
a) Up to AMD 50 mln and other equivalent foreign currency	0.06% of the transaction volume, min AMD 1,000.00
b) AMD 50 mln/ other equivalent foreign currency and more	0.04% of the transaction volume
2.1.2. For financial institutions	
a) Up to AMD 100 mln and other equivalent foreign currency	0.04% of the transaction volume, min AMD 1,000.00
b) AMD 100 mln/ other equivalent foreign currency and more	0.02% of the transaction volume
2.2. Securities market	
a) Up to AMD 100 mln	0.2% of the transaction volume, min AMD 3,000.00
b) AMD 100 mln and more	0.1% of the transaction volume

VAT is included ( the tariffs of stock exchanges and partners are not included)

The subdivision offering investment and non-investment services is considered the "Dealing Center" department.

The investment and non-investment services are provided in compliance with the term of the agreements signed between ARMECONOMBANK OJSC and the client **on investment services rendering /provision of RA state bonds' (Treasury) primary allocation and repurchase auction services and/or rendering of Custody services.**

The bids and agreements on the rendering of investment services are compiled in Armenian. The Agreement enters into force from the moment of being signed and is valid for one year. Should any of the Parties fail to inform in written on the intention of terminating the Agreement 10 days prior to the expiry of the Agreement, the term of the Agreement is prolonged for one year continuously. The Agreement can be unilaterally terminated by informing the other party thereof at least 10 days prior. Upon the Customer's order, the Bank is obliged to transfer the securities and monetary means to the Customer within 3 working days after the termination of the Agreement.

The orders on the execution of transactions with securities, as well as purchase and sale bids are sent to the Bank in hard copy (signed and sealed (if any) by the Customer or the latter's authorized person ) or electronically (through CBANet system, if any).

The orders on the execution of transaction with securities given by the customer are accepted and performed on the execution day specified in the orders. If the issue and fulfillment days of the orders coincide and the orders are received within the operating day after 15.30, the orders are subject to execution within one banking day.

The securities and monetary means acquired as a result of the transaction are credited to the Customer's bank/card or depo account within 1(one) banking day after the fulfillment of the order.

The Customer shall bear full responsibility to compensate the expenses and losses that the Bank suffered due to the claims submitted to the Bank by third parties regarding the transactions concluded with the third parties upon the order of the Customer, unless the basis of the claims of third parties was the provision of Investment services by the Bank that did not comply with the Client's instructions.

The customer will be provided with the statements on the implemented transactions, as well as an account statement on depo-account immediately after the execution of the transaction, but no later than the end of the day following the day of transaction.

The statements and account reports are provided in hard copy or electronically in the manner stipulated in the agreement.

For the provision of services, commission fees will be charge from the customer per ARMECONOMBANK OJSC's acting tariffs.

The information between the bank and the customer is transferred **by the secure means of information transmission.**

**The secure means of transmitting information are as follows:**

*CBANet. DealingCenterArmEconomBank/ArmEconom/CBANet, E-mail.dealing@aeb.am*

*Հեռ. +(374 10)51 09 09*

*Տեքստ. +(374 10)56 36 97*

**The place of signing the operation can be both intra-exchange and extra-exchange market.**

While investing in securities, the investors have to do with a number of risks which are different for different types of securities.

In the security market ARMECONOMBANK OJSC executes transactions with state and corporate bonds.

The main risks typical to securities are as follows:

- Market risk,
- Credit risk,
- Liquidity risk,
- Other risks.

Market risk involves foreign exchange rate, price and interest rate fluctuation risks.

Foreign exchange risk supposes possible losses arising from foreign exchange rate fluctuations.

The credit risk is the risk which may occur as a result of security issuer's non-fulfillment of its obligations fully or partially.

Liquidity risk assumes the incredibility or non-optimal implementation of security sale and purchase transactions due to the non-liquidity of the market.

Interest rate risk occurs as a result of changes in market interest rates.

Inflation risk is the risk arising as a result of inflationary pressure, due to which the income received from investments in securities decreases.

These types of risks are the main ones which may arise when investing in securities. For information on possible other risks you may apply to "ARMECONOMBANK" OJSC.

"ARMECONOMBANK" OJSC does not insure the investor against unfavorable fluctuations of the prices in the market.

### **Attention!**

In case of execution of transaction in compliance with the conditions stipulated in the Application submitted by the Customer, **the CUSTOMER BEARS THE RISK** of investment in securities. **"ARMECONOMBANK" OJSC WILL NOT REIMBURSE** the customer's losses if they aren't caused as a result of "ARMECONOMBANK" OJSC's unscrupulous behavior.

Investments in securities aren't guaranteed by Deposit Guarantee Fund, with the exceptions of bonds issued by the Bank, which are acquired by individuals in accordance with the RA Law on "Guaranteeing the Remuneration of Banking Deposits of Individuals"

Investment and non-investment services are provided pursuant to the terms of the **PROCEDURE OF PROVIDING INVESTMENT AND NOT MAIN SERVICES IN "ARMECONOMBANK" OJSC** and the **agreements signed between the Bank and the customer on Investment services rendering/ Provision of RA state (Treasury) bonds' primary allocation and repurchase services and/or Provision of state bond custody services**, which include the procedures of accepting and executing the instructions and orders of the transactions to be implemented by the consumer, terms, means and conditions of payments by the consumer, terms of concluded contracts and the order of consumer's funds remuneration in case of termination.

Investment and non-investment services are provided in compliance **with tariffs and rates fixed at ARMECONOMBANK OJSC.**

**The secure means of information transmission:**

#### **INFORMATION ABOUT THE BANK**

Full name: "ARMENIAN ECONOMY DEVELOPMENT BANK" open joint stock company

Address: 23/1 Amiryan str., Yerevan, RA

Tel: (374-10)510910,

Fax: (374-10)538904,

E-mail: [bank@aeb.am](mailto:bank@aeb.am),

State registration: 26 August 1991, registration N 0156,

License: Banking license N 1,

The license was granted by the Central Bank of the Republic of Armenia

Address: 6 Vazgen Sargsyan str., Yerevan, RA

Tel: (374-10) 583841,

Fax: (374-10)523852,

E-mail: [mcba@cba.am](mailto:mcba@cba.am)

### **Policy directed towards prevention of interest clashes**

The Bank, while making transactions in securities market, operates impartially, honestly, punctually and under the principle of mandatory disclosure to the customers on transactions with the customers' securities and monetary funds. While implementing the customers' orders, the Bank acts based solely on the customer's interest protection. The following measures are undertaken by the Bank for the prevention of interest clashes:

Every investor has an opportunity to purchase/sell bonds in the primary market with the help of the Bank (in "NASDAQ OMX ARMENIA" OJSC or in the non-regulated market), in case of availability of commission fees to be charged and sufficient amounts on the customer's account at the Bank, unless otherwise set by the Agreement.

- In case the customers (investors) submit an application to purchase bonds of the same issue at the same price and the application is satisfied partially, the Bank satisfies the customer's applications based on chronological principle ( the application submission time is mentioned in the investor's application), the priority is given to the applications submitted earlier.
- In case customer (investor) submit an application to purchase/sell bonds of the same issue at the same price and the application is satisfied partially, the Bank satisfies the customer's applications proportionally
- In case the investor and the Bank submit an application to purchase/sell bonds of the same issue at the same time and price, and the application has been satisfied partially, the Bank gives priority to the investor's application.
- In case of purchase and / or sale of bonds of the same issue at a similar price by different investors, the Bank may submit the applications in a single application form and in case of transaction execution, the applications are considered satisfied in accordance with chronological principle.
- If opposite applications are submitted, then in case of applications at the same price, the Bank makes a transaction outside the regulated market by notifying the investors in advance, with the exception of security transactions which should be executed in regulated market.

## The list of necessary documents

*The list of documents to be presented by legal entities:*

1. For the use of investment and not main services provided by the Bank, the manager, chief accountant (if any), as well as persons entitled with the right of signature, shall visit the Bank, bringing with them company's round seal and the following documents:
  - 1.1 Identification document,
  - 1.2 State registration certificate of corporate entity (the original and 1 copy),
  - 1.3 Charter (original and 1 copy bound and sealed "True copy"),
  - 1.4 Tax code (original and 1 copy),
  - 1.5 Extracts and approved copies of the resolutions on the assignments of the manager, chief accountant (if any), and other authorized officials, and in case of the manager, the copy of resolution (minutes) of his/her appointment by an authorized body. Copies of resolutions are not demanded if the above mentioned persons are registered in the submitted state registration certificate. In case of non-resident legal entities a relevant document confirming the entering into office of the manager, chief accountant, and other authorized persons.
  - 1.6 In case of account opening for liquidated (under insolvency process) corporate entity liquidation manager shall submit the relevant competent authority's decision on liquidation (insolvency).

Based on various circumstances additional documents and information may be required.

*The list of documents to be submitted by individuals (including private entrepreneurs)*

For the use of investment and not main services provided by the Bank, individuals (*private entrepreneurs*) shall apply to the Bank submitting the following documents:

1. Identification document,
2. Social card (RA residents).

3. Certificate of private entrepreneur (the original and a copy) and the stamp (if any) (required only from private entrepreneur)
4. Tax code (the original and a copy) (required only from private entrepreneur),
5. In case of opening of an account for liquidated (under insolvency process) corporate entity liquidation manager shall submit the relevant competent authority's decision on liquidation (insolvency) and the relevant competent body's resolution on his/her appointment.
6. A notarized power of attorney for the disposal of funds held in the account.

*Based on various circumstances additional documents and information may be required*