

## INFORMATION "REGARDING INVESTMENT AND NON-MAIN SERVICES RENDERED BY ARMECONOMBANK OJSC"

### Provision of investment services

1. Accepting and announcing instructions for security transactions from customers
2. Implementing securities transactions on behalf of the Bank or the customer and on the account of the customer
3. Implementing security transactions on the account and on behalf of the Bank

### Provision of non-core services

1. Custodian services

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

The investment and non-core services are provided in compliance with the terms of the agreements signed between ARMECONOMBANK OJSC and the customer. Applications for the provision of services are drawn up in **Armenian** and can be accepted both in paper form and electronically through the CBANet interbank network.

The customer is provided with reports on the operations performed, including on the deposit account, immediately after the transaction is completed, but no later than the end of the next business day after the transaction is concluded. Reports and statements are provided in paper or electronic form:

**Within the scope of providing investment services, the Bank does not have control over the customer's funds.**

For the provision of services, commission fees will be charged from the customer per the tariffs acting at the bank.

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

**The place of conclusion of the transaction can be both the stock market and the over-the-counter market.**

Investment and non-core services are provided in accordance with the "Provision of Investment and Non-core Services at ARMECONOMBANK OJSC", which includes the necessary measures to prevent conflicts of interest between cUSTOMERS.

**Policy directed towards prevention of conflicts of interest**

The Bank, while making transactions in securities market, operates impartially, honestly, punctually and under the principle of mandatory notification 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 conflicts of interests:

Every investor has an opportunity to purchase/sell bonds in the primary and/or secondary markets with the help of the Bank (regulated in ARMENIA SECURITIES EXCHANGE OJSC or in the non-regulated market), in case of availability of sufficient amounts and commission fees to be charged 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 of acquisition/sale of securities and the application is satisfied partially, the the customer's applications are satisfied based on chronological principle ( the application submission time is mentioned in the investor's application), the priority is given to the applications submitted earlier.
- i. In case customers (investors) submit an application to purchase/sell shares 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 shares of the same issue at the same time and price, and the application has been satisfied partially, the Bank gives priority to satisfying the investor's application.
- ii. In case of receiving applications for purchase and / or sale of shares 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 as well.
- 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 thereof in advance, with the exception of security transactions which should be executed in regulated market.

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

Investments in bonds and stocks are associated with certain risks, so before making a decision to invest, investors should carefully study and analyze the potential risks associated with the investment.

The risks associated with investments in bonds are:

a) **Liquidity risk**, which may arise as a result of a sharp change in the situation in the market or a deterioration in the financial condition of the bond issuer, as a result of which the bonds may lose their attractiveness, leading to a decrease in their price. Due to the low liquidity of the bonds in a given market situation, the investor may not be able to sell the bonds without significant losses or may not be able to sell them at all.

b) **Foreign exchange risk**, which may arise as a result of sharp fluctuations in the exchange rate and lead to possible losses.

c) **Interest rate risk**, which may arise as a result of sharp changes in interest rates in the market.

d) **Issuer reputation risk**, which has a direct impact on the attractiveness and price of bonds.

e) **Credit/default risk**: it can arise as a result of the full or partial non-fulfillment of obligations by the issuer of bonds.

f) **Rating change risk**: other things being equal, the price of a bond usually directly depends on the rating(s) describing the credit risk of the bond issuer. As a result of a rating downgrade, the price of the bond usually falls or, conversely, expectations are formed about the increase in the yield of the bond.

g) Other risks: the list of risks listed above is not exhaustive.

The risks associated with investing in shares are:

a) **Liquidity risk**, which may arise as a result of a sharp change in the market situation or a deterioration in the financial condition of the issuer of shares, as a result of which the shares may lose their attractiveness, leading to a decline in their price. Due to the low liquidity of the shares in the given market situation, the investor may not be able to sell the shares without significant losses or may not be able to sell them at all.

b) **Foreign exchange risk**, which may arise as a result of sharp exchange rate fluctuations, which may significantly affect both the Issuer and the securities market. Since shares in the Republic of Armenia are quoted and paid in AMD, these shares contain significant foreign exchange risks for investors whose financial flows are in other currencies.

c) **Interest rate risk**, which may be a consequence of a sharp change in market interest rates, which, as an alternative investment direction, indirectly affects share prices.

d) **Equity price risk** is the risk of financial losses incurred by the investor due to adverse changes in market prices.

e) **Issuer reputation risk**, which has a direct impact on the attractiveness and price of shares.

f) **Credit/default risk**: it may arise as a result of a full or partial failure of the issuer to fulfill its obligations.

g) **Rating change risk:** other things being equal, the share price is usually directly dependent on the rating(s) describing the credit risk of the share issuer. As a result of a rating downgrade, the share price usually falls.

h) **Other risks:** the list of risks listed above is not exhaustive. Investment activities may also be accompanied by other risks.

For information on other possible other risks you may apply to ARMECONOMBANK OJSC.

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 banks, which are acquired by individuals and are guaranteed in accordance with the RA Law on “Guaranteeing the Compensation of Banking Deposits of Individuals”.

When investing in securities that are the subject of a public offering, if a prospectus has been published for that purpose, the Bank shall provide the customer with information on where the prospectus has been published or where it can be obtained.

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

Investment and non-main services are provided pursuant to the PROCEDURE OF PROVIDING INVESTMENT AND NON- CORE SERVICES IN ARMECONOMBANK OJSC which include terms, means and deadlines of payments by the consumer, and the order of consumer's funds refund in case of termination of concluded agreements.

The secure means of transmitting information

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## INFORMATION ABOUT THE BANK

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STOCK COMPANY

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