

## **GENERAL BUSINESS REGULATIONS OF PROCREDIT BANK A.D. BELGRADE APPLICABLE IN BUSINESS OPERATIONS WITH PRIVATE INDIVIDUALS– PART THAT REGULATES DEPOSITS**

### **VII DEPOSITS**

#### **1. General provisions**

Deposit represents a monetary liability of the Bank, whether in RSD or a foreign currency, resulting from depositing of funds into the current or other monetary account, based on which the Bank's legal or contractual obligation to return such funds arises. The terms for acceptance of deposits, rights and obligations of the Bank and the client are provided for by the deposit agreement. The Bank shall pay to the client depositing funds with the Bank an interest in the amount set under the deposit agreement, Price List and other general acts of the Bank.

#### **2. Types of deposits and period for which the Bank accepts deposits**

The Bank shall open and maintain all-purpose and special-purpose. The Bank provides savings options primarily to clients who have an current account opened with the Bank.

Deposit accounts may be indexed in local currency (RSD) or foreign currency (EUR, USD). The Bank does not index private individuals' deposits.

Savings for private individuals may be Flex savings or Classic term deposit.

Effective Interest Rates (EIR) in the Price List for Private Individuals which refer to FX savings are net, from which capital gains tax has been deducted, in accordance with the Individual Income Tax Law. Interest rates for RSD savings are net and are exempt from tax.

Term deposits represent depositing of funds for a fixed term. Such term shall commence on the date when such deposit was credited to the deposit account and shall end on the last day of the agreed term deposit period.

If the client chooses the option to automatically extend the non-dedicated term deposit, in the event of which the principal shall be automatically deposited for the same term after expiry of the term period, at the interest rate prevailing on the date of such automatic term depositing, whereas the accrued interest shall be transferred to the client's current account. At the client's request, the amount of the pertaining accrued interest under current account may be added to the principal in the term deposit account. In case of a dedicated term deposit for FlexFund and credit cards, the principal shall be automatically extended for the same term after expiry of the term period, at the interest rate prevailing on the date of such automatic term extension and the accrued interest shall be transferred to the client's current account.

In the above-mentioned cases deposit shall be treated as a new term deposit with the same (existing) account number.

If the client does not wish automatic renewal of all-purpose term deposit, after expiry of the term deposit period, the principal and interest shall on the day of term deposit expiry be transferred into the client's current account.

If the client does not wish automatic term deposit renewal for Flex minus and credit cards after expiry of the term deposit period, the principal and interest shall be transferred into the client's current account, after expiry of 30-day period following return of the primary and all additional cards issued in accordance with the provisions of the Main agreement and full settlement of the client's liabilities to the Bank under the Main agreement.

The Bank shall agree all-purpose term depositing of funds with the client for term deposit periods of 12, 18, 25 or 36 months for private individuals, and the term deposit period in case of special-purpose deposits shall be agreed in line with the maturity term of the underlying transaction for collateral for which the special-purpose deposit has been made.

In case of automatic renewal of all-purpose term deposit, as well as special-purpose deposit for Flex minus and credit cards, the Bank shall no later than 15 days prior to expiry of the term deposit period inform the client about the period for which the deposit agreement shall be extended and about the new interest rate. The client has the right to terminate the agreement no later than within 30 days from the day of receipt of the notification, free-of-charge and with the agreed interest for the lapsed term deposit period.

The Bank has the right not to extend the term deposit period, provided she has informed the client thereof in writing no later than 15 days prior to expiry of the term deposit period, in which case the client shall be entitled to the agreed interest for the lapsed term deposit period.

#### **3. Minimum deposit amount accepted by the Bank and currencies in which the client may deposit funds**

Minimum amount of private individual's funds which the Bank shall accept as a deposit under Flex savings account is EUR 10, USD 10, RSD 1,200, or EUR 5,000, USD 5,000, RSD 600,000 in case of Classic savings account.

Minimum amount of a special-purpose term deposit has not been determined.

The Bank reserves the right not to accept a deposit exceeding EUR 500,000.

All deviations from the standard conditions require special approval of the Bank in accordance with the authorisation.

#### **4. Types of nominal interest rates the Bank applies to deposits**

In case of deposits with the agreed automatic savings renewal, the Bank shall calculate interest for each following term deposit period at the nominal interest rate defined for the respective new period.

Nominal interest rate for term deposits shall be fixed and may not be changed during the agreed term. For deposits with agreed automatic extension of deposit term, the Bank shall calculate interest for each new deposit term by applying a nominal interest rate which shall be defined with respect to term, amount and currency by the Bank's Price List for private individuals in effect on the date of commencement of such new term.

#### **5. Amount of nominal annual interest rates**

Nominal annual interest rate is expressed in gross amount, at the annual level, and it depends on the type of deposit, currency and period for which the funds are deposited with the Bank.

The Bank shall inform the client that the amount of the nominal annual interest rate for deposits is specified in the Price List for Private Individuals.

The Bank shall on behalf and for account of the client, and at his/her expense, pursuant to the Individual Income Tax Law, calculate and pay tax on interest income, except for interests on RSD funds under savings and other deposits, term deposits or demand deposits, by deducting it from the amount of the gross accrued interest. If applicable legislation should prescribe that the specified types of income shall be tax exempt, the Bank shall not, pursuant to the law, perform tax calculation and payment.

For amounts exceeding EUR 500,000 the amount of interest rate shall be determined in agreement with the Bank within the range of nominal annual interest rates of ProCredit Bank.

#### **6. Method of interest calculation and accrual**

For the purpose of the calculating and payment of interest the Bank shall apply simple (proportional) method of calculation, on the basis of the actual number of days in the month and a 365/366-day year. Interest shall be calculated per annum starting from the date the deposit is made into the deposit account until the maturity date, and shall be accrued monthly at the end of the calendar month, and shall be transferred to the client's current account.

#### **7. Manner and terms of client's disposal of deposited funds**

By entering into a term deposit agreement, the client undertakes to deposit the agreed amount into the account held with the Bank for a fixed term. Duration of the term for term deposits and the date of commencement and expiry of such term shall be provided upon entering into agreement.

Term deposit shall be terminated at maturity or should either Contractual Party prematurely terminate the Agreement (in the event of the deactivation of services on behalf of the client via web application).

During the validity term of this agreement, the client has the right to break term deposit early, prior to expiry of the agreed term deposit period. The client shall be obliged to inform the Bank about his/her intention to break the term deposit early, and that in written form, which includes e-banking.

The client shall for the duration of Flex savings be entitled to dispose of maximum amount accounting for 100% of the initial term deposit amount, except for the amount envisaged as minimum deposit required to open Flex savings account (EUR 10/USD 1,200). During the validity term of this agreement the client shall have the right to deposit additional funds into the account, and to use those funds freely, without any limitations. The client shall be entitled to break the term deposit early within the validity term of the individual agreement on Flex savings, i.e. prior to expiry of the agreed term deposit period, with accrued interest calculated until the day of the agreement termination.

For the Bank's Classic savings service, the Client shall, during the validity term of the individual agreement, have the right to break term deposit early, prior to expiry of the agreed term deposit period, and the Bank shall in that case decrease the client's principal by the amount of the interest that has been previously calculated, accrued and placed at the client's disposal on a monthly basis, under the current account. The client may not close the special-purpose term deposit account prior to expiry of the term deposit period envisaged by the agreement concluded between the Bank and the client.

The rights and obligations between the client and the Bank are defined in more detail in the individual agreement.

#### **8. Types and amounts, and/or range of all fees and other costs included in the calculation of effective interest rate and charged to the client**

The effective interest rate, in addition to the nominal interest rate and Bank's deposit maturity, with the by-laws of the National Bank of Serbia, should also include the following

- cost of opening and maintaining current/savings/total account,
- tax on interest income (only in the case of fx savings).

The types and amounts of all fees and other costs given in the Price List are subject to change and shall be determined quarterly in accordance with the Provisions of the General Business Regulations.

### **9. The amount of insured deposit**

At the moment of adopting the General Business Regulations, the provisions of the Law on deposit insurance envisages that in case of initiating a bankruptcy procedure or liquidation of a bank, the Deposit Insurance Agency is obliged, through the bank of the payer, to make the payment of the insured deposit amount up to EUR 50,000.00 per deponent in the bank based on the following deposits: insured dinar deposit in dinar equivalent according to the official middle dinar / euro exchange rate valid on the day of initiating the bankruptcy procedure, i.e. liquidation over the bank, insured foreign currency deposits in euro, as well as insured foreign currency deposits in other currencies (not euro), calculated in euro, at the euro exchange rate toward each individual currency in which the deposits were made, calculated based on the official middle exchange rate of the dinar toward euro and the official middle exchange rate of the dinar toward that currency, valid on the day of initiating the bankruptcy procedure, i.e. liquidation over the bank.

**Published on 27.07.2018.**

**Effective as of 01.10.2018.**

