

## PROVISIONS FOR TERM DEPOSITS

### Table of Contents

1. Terms and Abbreviations Used .....	1
2. Placement of a Deposit and Entering into the Agreement .....	1
3. Increasing the Deposit Amount .....	2
4. Interest .....	2
5. Payout of the Deposit and Interest .....	2
6. Early Withdrawal of the Deposit .....	2
7. Special Provisions .....	3
8. Automatic Extension of the Agreement .....	3
9. Termination of the Agreement .....	3

### 1. Terms and Abbreviations Used

- 1.1. **Bank** – AS "PNB Banka", unified registration No. 40003072918, registered address: 15-2 Elizabetes Street, Riga, LV-1010; email address: [info@pnbbanka.eu](mailto:info@pnbbanka.eu); website: [www.pnbbanka.eu](http://www.pnbbanka.eu), the supervision of the Bank is carried out by the Financial and Capital Market Commission (1 Kungu Street, Riga, LV-1050; email address: [ftk@ftk.lv](mailto:ftk@ftk.lv)).
- 1.2. **Deposit Account** – an account opened for the Client, to which the deposit amount and interest are transferred.
- 1.3. **Deposit** – the Client's deposit of funds with the Bank for a definite period, for which the Bank pays interest to the Client.
- 1.4. **Client** – a person who has placed or expressed a wish to place a Deposit.
- 1.5. **Account** – a Current and /or Card account.
- 1.6. **Agreement** – an agreement entered into by and between the Bank and the Client on the placement of a Deposit in the form approved by the Bank.
- 1.7. **Provisions** – these "Provisions for Term Deposits", which are Annex 6 to the Bank's "General Provisions for Transactions" (GPT).
- 1.8. If any terms or abbreviations are used in these Provisions which are not defined in this section of the Provisions, such terms or abbreviations shall be interpreted in accordance with the terms and abbreviations defined in the GPT.

### 2. Placement of a Deposit and Entering into the Agreement

- 2.1. In order to place funds in a Deposit, the Client shall enter into the Agreement with the Bank. The Client may enter into the Agreement in written (paper) form or electronic form, using PNB Internetbanka, if the Client is connected to this system.
- 2.2. The Agreement entered into in written (paper) form shall enter into force upon the signing thereof by the Parties and following the fulfilment of the Client's duty specified in Clause 2.4 of these Provisions. An application for the registration of a Deposit, submitted in PNB Internetbanka, shall enter into force on the day of submission thereof or on the next Bank's business day, if the Deposit is registered according to non-standard conditions, and a confirmation by the Bank's employee shall be necessary for ensuring its entry into force.
- 2.3. A Deposit may be placed only by the Client who has an Account opened with the Bank.
- 2.4. On the day of signing of the Agreement, the Client shall have the duty to ensure the amount of funds to be placed in a Deposit in the Account. For certain types of Deposit, the Bank may determine a precise period for ensuring the amount of funds to be placed in a Deposit in the Account.
- 2.5. If the Client has fulfilled the duty referred to in Clause 2.4 of these Provisions, the Bank shall open a Deposit Account and transfer the Deposit amount from the Account to the Deposit Account. If the Client fails to fulfil the duty determined in Clause 2.4 of these Provisions, the Agreement shall not enter into force and the Client shall enter into a new Agreement for the placement of a Deposit.
- 2.6. The Deposit amount, term, interest, penalties and other provisions, on which the Parties agree, shall be specified in the Agreement.
- 2.7. GPT, including these Provisions, and Rates & Fees shall be integral parts of the Agreement.
- 2.8. The Bank shall have the right to use the funds placed in a Deposit.
- 2.9. Upon the request of the Client, the Bank shall issue a statement of the Deposit Account or another certification regarding the placement of the Client's funds in a Deposit to the Client.
- 2.10. If the Client chooses to place funds in a Deposit and simultaneously transfer them for ensuring the fulfilment of the Client's or another person's card credit obligations to the Bank, the Client shall enter into an agreement on the provision of a collateral with the Bank. This agreement shall be entered into in written (paper) form.

### **3. Increasing the Deposit Amount**

- 3.1. Unless the Agreement states otherwise, the Client has no right to increase the amount of the placed Deposit.
- 3.2. If the Agreement states that the Deposit amount can be increased and the Client wants to increase it, the Client shall fill in the Bank's application form and submit it to the Bank (in written (paper) form or electronic form, using PNB Internetbanka, if the Client is connected to this system), as well as ensure the amount necessary for increasing the Deposit in the Account on the day of submission of the application.
- 3.3. On the day of receipt of the application for increasing the Deposit amount, the Bank shall verify whether the amount of increase specified in the application is available in the Account and, in the event of availability thereof, transfer it from the Account to the Deposit Account.

### **4. Interest**

- 4.1. The Bank shall pay interest for the placement of funds in a Deposit. The interest rate shall be specified in the Agreement.
- 4.2. Unless the Agreement states otherwise, interest shall be calculated for each calendar day on which the funds placed in a Deposit are located in the Deposit Account, but no more than until the last day of the Deposit term. The day of placement of a Deposit and the last day of a Deposit shall be deemed to be the same day.
- 4.3. Interest shall be calculated based on the actual amount of funds in the Deposit Account at the end of each day, if this amount is no less than the minimum Deposit amount determined by the Bank.
- 4.4. Unless the Agreement states otherwise, the calculated interest shall not be added to the Deposit amount and interest shall not be paid therefor.
- 4.5. If the Agreement states that the calculated interest is added to the Deposit amount every day (capitalised in the Deposit Account), interest shall be paid also for the calculated interest.
- 4.6. Unless the Agreement states otherwise, for the purposes of calculating all the interest referred to herein, it shall be assumed that a year consists of 365 (*three hundred sixty-five*) days for pound sterling, the actual number of day in a year — for Russian rouble, and 360 (*three hundred sixty*) days — for other currencies.

### **5. Payout of the Deposit and Interest**

- 5.1. The payout of the Deposit amount and calculated interest shall be carried out by the Bank transferring them to the Account specified in the Agreement.
- 5.2. The Deposit amount shall be paid on the last day of the Deposit.
- 5.3. If the Deposit term is determined in months or years, the day of the month, on which the Deposit terms expires, shall match the day of the month, on which the Deposit was placed; whereas, if there is no relevant date in the month of expiry of the Deposit term, the last date of the month, on which the Deposit term expires, shall be deemed as the last day of the Deposit term.
- 5.4. If the day of Deposit payment is other than the Bank's business day, the Bank shall make the payment on the following Bank's business day. Unless the Agreement states otherwise, interest shall be paid on the day of payment of the Deposit amount.
- 5.5. If the Agreement states that interest is paid in the form of an advance payment, interest shall be transferred to the Account on the day of placement of the Deposit.

### **6. Early Withdrawal of the Deposit**

- 6.1. If the Client withdraws the Deposit early, the Bank shall be entitled to deduct the penalty specified in the Rates & Fees for the early withdrawal of the Deposit from the amount to be paid to the Client in accordance with the Agreement.
- 6.2. In order to withdraw the Deposit early, the Client shall fill in a standardised application form of the Bank and submit it to the Bank 10 (*ten*) calendar days in advance. The Bank shall be entitled to increase the term referred to in this Clause to 60 (*sixty*) calendar days.
- 6.3. If the Client withdraws the Deposit early, for which interest was paid to the Client on the day of placement of the Deposit (in the form of an advance payment), the Bank shall be entitled to deduct the following from the amount to be paid to the Client:
  - 6.3.1. the penalty specified in the Rates & Fees for the early withdrawal of the Deposit in accordance with the Agreement;
  - 6.3.2. the overpaid interest amount;
  - 6.3.3. the Bank's Commission Fee for the use of the overpaid interest amount; likewise, the Bank shall not refund the amount of taxes, which was deducted from the interest amount paid to the Client on the day of placement of the Deposit (in the form of an advance payment) in accordance with the laws and regulations of the Republic of Latvia.
- 6.4. The overpaid interest amount shall be an interest amount for the period from the date of withdrawal of the Deposit to the end date of the Deposit. In calculating the overpaid interest amount, the Bank shall use the annual interest rate assuming that a year consists of 365 (*three hundred sixty-five*) days. The annual interest rate shall be calculated by applying the method of calculating the annual interest rate as specified in Cabinet Regulations No. 691 of 25 October 2016 ("Regulations Regarding Consumer Credit").
- 6.5. The Bank's Commission Fee for the use of the overpaid interest amount shall be calculated for each day within the period from the day of placement of the Deposit to the day of withdrawal of the Deposit. For the purposes of calculating

the Bank's Commission Fee, the annual interest rate determined in the Agreement shall be used for calculating interest for the placement of the Deposit.

- 6.6. The Bank shall be entitled to refuse from paying the Deposit amount before the Deposit deadline specified in the Agreement to the Client other than a Consumer.
- 6.7. If the Deposit is transferred to the Bank as a collateral for the fulfilment of the Client's or another person's card credit obligations towards the Bank, the Bank shall have the right to refuse from paying the Deposit pursuant to the procedures referred to herein, and the Client shall be entitled to dispose of the funds in the Deposit Account only following the fulfilment of all card credit obligations towards the Bank.

## **7. Special Provisions**

- 7.1. Upon the occurrence of the Client's obligations towards the Bank, the Client's funds placed in the Deposit and the calculated interest shall be deemed as a financial collateral for the fulfilment of any Client's obligations towards the Bank within the meaning of the Financial Collateral Law of the Republic of Latvia and they shall be pledged to the Bank as a financial pledge. In the event of occurrence of the Client's non-fulfilled obligations to the Bank, the Bank shall be entitled to write off the amount of non-fulfilled obligations from the Deposit Account without any special warning to the Client and transfer it for extinguishing the Client's non-fulfilled obligations. If necessary, the Bank shall carry out the conversion of funds according to the currency exchange rate determined on the day of performance of the Bank's operation.
- 7.2. If the Bank has exercised the rights provided for in Clause 7.1 of these Provisions and following the writing-off of the funds from the Deposit Account, the amount remaining in the Deposit Account is smaller than the minimum Deposit amount determined in the Agreement, the Bank shall have the right to terminate the operation of the Agreement pursuant to the procedures laid down herein.
- 7.3. If the Deposit amount is reduced by the Bank exercising its rights provided for in Clause 7.1 of these Provisions, the amount of funds remaining in the Deposit Account, unless it is smaller than the minimum Deposit amount determined in the Agreement, shall become a new Deposit amount.
- 7.4. If the Deposit amount is transferred to the Bank as a collateral for the fulfilment of the Client's or another person's card credit obligations towards the Bank, the Deposit shall be returned to the Client only following the fulfilment of all card credit obligations towards the Bank, in accordance with the relevant card agreement, but no earlier than in 40 (*forty*) calendar days, counting from the day when the operation of all cards issued on the basis of the referred to agreement is discontinued and the card account is closed.

## **8. Automatic Extension of the Agreement**

- 8.1. The Client shall have the right to choose the automatic extension of the Agreement, if such opportunity is provided for in the Agreement.
- 8.2. If the Client chooses the opportunity of automatic extension, the Agreement shall be automatically extended for each next period for the previous Agreement term and under the previous provisions of the Agreement, except the interest rate determined in accordance with the interest rate offered by the Bank for the relevant type of Deposit of the Bank and valid on the day of extension. The interest accrued and non-paid during the previous term of the Deposit shall be paid to the Client on the last day of the Deposit term regardless of whether the Agreement is extended or not, transferring it to the Client's Account, to which the Deposit is linked.
- 8.3. The Client may apply for the automatic extension of the Agreement upon the placement of the Deposit, specifying that in the Agreement, as well as later by filling in the Bank's application form and submitting it to the Bank, or notifying the Bank thereof through PNB Internetbanka. The Client shall notify the Bank of the automatic extension of the Agreement no later than within 1 (*one*) day prior to the expiry of the Deposit term.
- 8.4. During the period of validity of the Agreement, the Client has the right to change his or her decision with regard to the automatic extension by filling in and submitting the application specified in Clause 8.3 of these Provisions to the Bank or using PNB Internetbanka.
- 8.5. If the Client increases the Deposit amount during the period of validity of the Agreement, automatic extension shall apply to the entire Deposit amount, including the increased part, regardless of the day of registration of automatic extension.
- 8.6. If the Client wants to refuse from the registered opportunity of automatic extension of the Agreement, the Client shall submit the Bank's application for the cancellation of automatic extension of the Agreement to the Bank in writing (paper form) or submit it by using PNB Internetbanka, observing the terms specified in Clause 8.3 of these Provisions.

## **9. Termination of the Agreement**

- 9.1. The Bank shall, transferring the Deposit amount and interest to the Client's Account specified in the Agreement pursuant to the procedures laid down herein, close the Deposit Account, and in this case, the Agreement shall be deemed as terminated.
- 9.2. The Bank shall have the right to unilaterally terminate the operation of the Agreement early and to close the Deposit Account in the following cases:
  - 9.2.1. in accordance with Clause 7.2 of these Provisions;

- 9.2.2. if the Bank has received an application for the refusal from a loan or a card, for the securing of which the Client has transferred the Deposit to the Bank, or in the event of losing the right of using the card or the termination of the card agreement, regardless of the reason for its termination;
- 9.2.3. in cases determined in Clause 3.11 of GPT.
- 9.2.4. The Bank shall notify the Consumer of the termination of the Agreement in cases specified in Clauses 9.2.1 and 9.2.3 of the Provisions for Deposits, observing the cases and terms determined in the Applicable Law.
- 9.3. The Bank and the Client shall have the right to terminate the Agreement early upon mutual agreement. In this case, the Client shall pay a penalty and Commission Fees to the Bank in accordance with the Rates & Fees.
- 9.4. If the Agreement is terminated in accordance with Clause 9.2 of these Provisions, all the provisions referred to in Section 6 of these Provisions on the early withdrawal of the Deposit (including the Deposit, for the placement of which interest is paid in the form of an advance payment) shall apply.
- 9.5. If the case determined in Clause 3.11 of GPT sets in and the Deposit Account is closed upon the initiative of the Bank, the Bank may refrain from deducting the penalty specified in the Rates & Fees for the early withdrawal of the Deposit. Following the application of the conditions referred to in Section 6 of these Provisions, the remaining amount of funds shall be transferred by the Bank to the Account.

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