



RCB Bank Ltd

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8th August 2022

Consent notice regarding closure of deposit accounts and conversion of outstanding deposit liabilities (“Consent Notice”)

THIS NOTICE IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

Dear customer,

We, RCB Bank Ltd (“we” or “us”), refer to our General Terms and Conditions (the “Terms and Conditions”) of business under which we conduct certain banking and other financial services business with you.

Further to previous announcements that we have made about the complete winding down and phasing out of our banking operations (the “Banking Wind-down”), including the provision and maintenance of deposit accounts, we are writing to you about the credit balances in deposit accounts that you still maintain with us.

As announced on 24 March 2022, we are transforming our business. Part of that transformation includes the Banking Wind-down, surrender of the banking licence and our conversion into a financial services company that will undertake credit acquiring business and management of credit assets. This implies that your deposits cannot be held with RCB Bank Ltd anymore because of the surrender of the banking license by RCB Bank Ltd.

The steps we are taking arise out of the regulatory requirements associated with the Banking Wind-down. In relation to the deposit(s) you hold with us with by this letter we give you a 60 (sixty) days’ notice of the “Proposed Changes” from the date of this letter, that:

- a. the Terms and Conditions shall cease to govern your relationship with us as banker and thus the business relationships with you governed by the Terms and Conditions shall be terminated;
- b. all the remaining bank accounts held by you with us shall be closed;
- c. the deposit liability we owe to you, whether it is an on-demand/sight deposit or a fixed term deposit, will be converted into a Loan from you to us. The terms of this Loan, including the terms on which we will repay the Loan, are set out in Annex B (Loan Terms) (“Loan Terms”) as published under [\[the link\]](#) on the web site of RCB Bank Ltd. There are a number of risks associated with the Loans and these are set out in Annex C (Risk factors and disclosures) as published under [\[the link\]](#) on the web site of RCB Bank Ltd; and
- d. prior to such conversion of the deposits, RCB Bank shall be entitled to exercise any applicable set-off rights with respect to any amounts due by you to us.

This notice supersedes all other notices that you may have received from us with respect to the Banking Wind-down. This notice is important as it changes the nature of our relationship as respects deposits. You must therefore act as soon as practicable and in any event on or before 7th October 2022. The Proposed Changes will take effect on and from the Effective Date (as defined in the Loan Terms). Alternatively you can transfer all your remaining deposits with us to your accounts with other financial institutions prior to 7th October 2022 at the latest.

This Consent Notice, the Loan Terms set out in Annex B and published under [\[the link\]](#) on the web site of RCB Bank Ltd and the Risk factors and disclosures set out in Annex C and published under [\[the link\]](#) on the web site of RCB Bank Ltd are integral parts of your acceptance of the Consent Notice with the Proposed Changes and entry into Agreement. Please print and sign the acceptance notice that is appended at Annex A (Acceptance) and deliver it to us as soon as reasonably practical. We will inform you in due course that the Effective Date has occurred and of your credit balance with us.

Summary of the Loan Terms

The legal terms on which each Loan will be provided to us is as follows:

- we will not be seeking any payment or charge in respect of the conversion of the deposit liability to a loan;
- after surrender of the banking license by RCB Bank Ltd, the entity RCB Ltd will be the sole borrower;
- the principal amount of a Loan will be equal to the credit balance held in any account as at the Effective Date subject to any set-off rights and interest accrued until expiration date in case of fixed term deposits;
- the Loan will be denominated in the currency of the deposit account to which it relates, and where you have more than one account with a credit balance, in the currency of each respective account;
- payments will be made in cash in the Loan currency to the account nominated by you;
- the Borrower shall pay interest on the Loan at the percentage rate per annum of 0.1%. Interest on the Loan shall accrue daily and will be capitalised on Maturity;
- the Loan will be on demand, which means you can call for immediate repayment of all outstanding principal of the Loan. No partial prepayments are permitted;
- the Loan in any event will be repaid on or before expiration of 90 calendar days' from the Effective Date, subject to any Sanctions Conditions;
- the Loan is unsecured;
- the Loan will be unassignable.

Sanctions Condition

Notwithstanding anything contained in this consent notice, if the entry into or the transactions contemplated under the Loan Terms would contravene Sanctions (as defined in the Loan Terms), the Proposed Changes will not take effect until a Sanctions Condition (as defined in the Loan Terms) is satisfied and we have notified you that the Proposed Changes are effective in accordance with the Loan Terms.

No investment advice or fiduciary obligations

None of this consent notice is, or purports to be, investment advice or a recommendation. We assume no duty as adviser or any fiduciary obligation to you.

Tax

We make no representation or warrant as to the tax consequences of entry into the Loan Terms or the tax consequences of acquisition, holding, any payment or repayment under any Loan.

Yours faithfully,
RCB Bank Ltd