IDBank reference rate (IBRR)

Effective starting from 01/01/2022

Currency	IBRR	Effective until
AMD	10.1%	30.06.2022
USD	4.1%	30.06.2022
EUR	2.4%	30.06.2022

Chapter 1. The procedure and components of IBRR according to currencies

1. Based on the IBRR the basic interest rates for loans provided in AMD, USD and EUR with the Bank's own resources can be defined.
2. **IBRR** calculated for AMD, USD:

$$IBRR = WAIR$$

Where:

- **WAIR** – is the weighted average interest rate of deposits attracted by commercial banks from physical and legal entities for a term of "more than one year" for the corresponding currency published by the RA Central Bank rounded to 1 /one/ digit after comma.
  The "WAIR" is published in "Monetary and Financial Statistics" section on the official website of the Central Bank (https://www.cba.am/am/SitePages/statmonetaryfinancial.aspx).

3. **IBRR** calculated for EUR:

$$IBRR = AIRE$$

Where:

- **AIRE** – is the average interest rate of deposits attracted by commercial banks from physical and legal entities for a term of "one to five years" in EUR published by the RA Central Bank rounded to 1 /one/ digit after comma.
  The "AIRE" is published in "Monetary and Financial Statistics" section on the official website of the Central Bank (https://www.cba.am/am/SitePages/statmonetaryfinancial.aspx).

Chapter 2. Definition and application of IBRR

4. The IBRR is defined by the Bank twice a year, in May and November, based on the most recent relevant interest rates preceding the given month published by RA Central Bank and European Central Bank.

5. In case if the RA Central Bank does not publish the weighted average interest rate of deposits attracted by commercial banks from physical and legal entities for a term of "more than one year" within 6 months the calculation of the IBRR will be performed as follows:

$$IBRR = WAIR^{*} + Correction\ factor$$

Where:

- **WAIR*** – is the weighted average interest rate of deposits attracted by commercial banks from physical and legal entities for a term of "181 days to 1 year" for the corresponding currency published by the RA Central Bank rounded to 1 /one/ digit after comma.
  The "WAIR*" is published in **"Monetary and Financial Statistics" section** on the official website of the Central Bank (https://www.cba.am/am/SitePages/statmonetaryfinancial.aspx).

- **Correction factor** – the value "**$WAIR_{n-m}$ – $WAIR_{n-m}$*"** as of the period preceding the moment of transition to alternative floating interest rate, **where**:
  - ✓ **n** is the moment of transition to the alternative floating interest rate,
  - ✓ **m** is the period preceding the moment of transition to the alternative floating interest rate during which the abovementioned interest rates have been published,
- By the way, the correction factor is calculated only at the moment of transition to the alternative floating interest rate and is set as a constant value during the application of the alternative floating interest rate.

6. In case if the RA Central Bank does not publish interest rate **for EUR** within 6 months the calculation of the IBRR will be performed as follows:

IBRR = AIRE* + Correction factor

Where:

- **AIRE* -** is calculated as follows: 50% ESTR or €STR (euro short-term rate) + 50% IBRR calculated for USD
- **ESTR or €STR** – is the actual overnight interest rate for EUR published by European Central Bank which amounts to the weighted average interest rate of actual transactions in EUR in the international market rounded to 1 /one/ digit after comma.
- **"ESTR"** is published in **"Financial markets and interest rates" section** of the European Central Bank (www.ecb.europa.eu/stats/financial_markets_and_interest_rates/euro_short-term_rate/html/index.en.html)
- **Correction factor** – the value "**$AIRE_{n-m}$ – $AIRE_{n-m}$*"** as of the period preceding the moment of transition to alternative floating interest rate, **where**:
  - ✓ **n** is the moment of transition to the alternative floating interest rate,
  - ✓ **m** is the period preceding the moment of transition to the alternative floating interest rate during which the abovementioned interest rates have been published,

- By the way, the correction factor is calculated only at the moment of transition to the alternative floating interest rate and is set as a constant value during the application of the alternative floating interest rate.

7. The IBRR is changed in case if the interest rate underlying the IBRR has changed by 1% and more interest points for AMD and 0.5% and more interest points for USD and EUR as compared to the interest rates underlying the previous IBRR published by the Bank.