



**Евразийский Банк**

Approved by the  
Board of Directors of  
Eurasian Bank JSC  
Minutes No. 1  
dated the 5<sup>th</sup> January 2018

*for publication*

**THE RULES ON THE  
GENERAL TERMS OF CONDUCTING TRANSACTIONS**

**THE RULES**



The Rules on the general terms of conducting transactions (hereinafter – the Rules) have been developed in compliance with the requirements of the legislation of the Republic of Kazakhstan, including in compliance with the Civil Code of the Republic of Kazakhstan (hereinafter – the Civil Code), the Law of the Republic of Kazakhstan “On counter-acting legalization (laundering) of criminally obtained proceeds, and the financing of terrorism”, the Law of the Republic of Kazakhstan “On banks and banking activity in the Republic of Kazakhstan” (hereinafter – the Law on banks), the Law of the Republic of Kazakhstan “On personal data and their protection” (hereinafter – the Law on personal data), the Law of the Republic of Kazakhstan “On the order of reviewing claims of individuals and legal entities” (hereinafter – the Law on the order of reviewing claims), the US Law “Foreign Account Tax Compliance Act” (Foreign Account Tax Compliance Act – FATCA), the Rules of provision of bank services and reviewing by banks, organizations, engaged in certain banking transaction types, client claims, occurring in the process of provision of bank services, approved by the order of the Management Board of the National Bank of the Republic of Kazakhstan dated 28 July 2017 No. 136 (hereinafter – the Rules of provision of bank services), the requirements of the normative legal acts of the National Bank of the Republic of Kazakhstan, the internal documents of Eurasian Bank JSC (hereinafter – the Bank), including the Charter of the Bank, The Policy of internal normative regulation, The Instructions on the internal normative documents management.

## Section 1. GENERAL PROVISIONS

### Article 1. The main principles of conducting transactions of the Bank

1. The Rules define the main principles and terms of conducting transactions of the Bank, the procedure of work with the Bank customers, rights and liabilities of the Bank and its customers.

2. The purpose of the Rules is establishment of terms and tariffs for services/operations, rendered by the Bank, including to the persons related to the Bank.

3. The Rules constitute open information and cannot constitute commercial secrecy. This regulation shall not apply to the terms of conducting by the Bank of a certain transaction, which is in the commercial secrecy category, pursuant to the legislation of the Republic of Kazakhstan.

4. The main terms stipulated by the legislation of the Republic of Kazakhstan, electronic directory are used in the Rules, as well as the following terms and conventional notations:

1) ombudsman is an independently acting individual, settling disputes, arising out when signing a mortgage loan agreement between the Bank and the borrower (individual) at his inquiry, with the aim of reaching agreement on sustaining legally protected rights and interests of the borrower and the Bank.

2) the authorized body of the Republic of Kazakhstan – the National Bank of the Republic of Kazakhstan and other state authorized bodies, determining the requirements for the Bank’s actions in the financial market.

3) the authorized body of the Bank – the Bank committees and/or a group of persons, responsible for assistance in fulfillment of the duties of the Board of Directors of the Bank pursuant to the legislation of the Republic of Kazakhstan, carrying out their activities based on the requirements of the INDs of the Bank.

5. The Bank, its authorized bodies, managing employees shall be obliged to strictly comply with the requirements of the legislation of the Republic of Kazakhstan and the Rules when carrying out banking activities. This liability involves responsibility and necessity of implementing requirements and actions, determined by the legislation of the Republic of Kazakhstan, the Charter of the Bank, the job descriptions, when concluding deals with the Bank participation.

6. The Bank shall be obliged at the first demand of an individual and/or a legal entity (hereinafter – the client) to provide the Rules and shall not be entitled to refuse the client in provision of information on potential risks related to conducting services/transactions the client is interested in.

7. The information on rates and tariffs for banking and other services/transactions, provided to clients, is placed in the branches (the premises) in a place, available for viewing and reading, and on the WEB-site of the Bank in the Internet and is maintained in actual state, with provision of data on the date of introducing changes and/or additions to the current rates and tariffs of the services/transactions of the Bank, the details of the INDs of the Bank and of the Bank body that accepted these changes and/or additions.

8. The relations between the Bank and its customers shall be performed based on the agreements, concluded between them, unless otherwise is stipulated by the legislation of the Republic of Kazakhstan.

9. The Bank shall be obliged to observe and fulfill the requirements of the normative legal acts of the Authorized bodies of the Republic of Kazakhstan, of the prudential norms and other norms obligatory for fulfillment when carrying out banking activities.

10. The Bank shall be obliged to provide for confidentiality when it (they) conducts (conduct) banking transactions, referred to the banking secrecy pursuant to the Law on banks.

11. The Bank collects, processes and protects the client personal data in compliance with the Law on personal data.

12. The Bank at carrying out its activities shall be obliged to comply with the requirements of the Law of the Republic of Kazakhstan “On counter-acting legalization (laundering) of criminally obtained proceeds, and the financing of terrorism” and of the INDs of the Bank, regulating the procedures of work at counter-acting legalization (laundering) of criminally obtained proceeds, and the financing of terrorism.

13. The Bank shall be entitled to unilaterally refuse to implement the contract concluded with the client in the event that he does not provide it with the information or documents necessary to identify the client in order to comply with the requirements of the legislation of the Republic of Kazakhstan on combating the legalization (laundering) of criminally obtained proceeds and the financing of terrorism and of the US Foreign Account Tax Compliance Act (FATCA) or if the Bank has grounds to assume that the Client is involved in legalization (laundering) of criminally obtained proceeds and (or) the financing of terrorism, recognized in accordance with the legislation of the Republic of Kazakhstan.

13-1. It is not allowed to conclude transactions on non-market conditions, the indicators of which are established in the regulatory legal act of the authorized body of the Republic of Kazakhstan<sup>1</sup>, and namely:

1) transactions, with the exception of those carried out within the framework of the implementation of state programs, that meet one of the following conditions:

- the amount of the provided bank loan does not match the financial position and (or) income of the borrower (including co-borrowers, if any), as well as the value of the collateral;
- deferment of interest payment by the debtor and (or) repayment of the principal debt by bank transactions exceeds one year;
- the size of interest rates charged to the debtor is significantly lower than market interest rates for similar bank transactions;

2) issuance of bank guarantees or sureties for debtors' obligations for an amount that does not correspond to the financial situation and (or) income of the debtor, or without the right of demand (regress) to the debtor;

3) transactions that lead to the early satisfaction of the requirements of major shareholders and (or) bank executives;

4) transactions, the terms of which provide for the right of an individual or a legal entity that is a party to a transaction, to waiver in full or in part from their financial obligations to the Bank.

The requirements of subparagraph 1) and 2), paragraph 13-1 of the Rules apply to cases where the size of the Bank deal is 1 (one) or more percent of the Bank equity.

## Article 2. Transactions, conducted by the Bank

14. The Bank is engaged in the following types of transactions in national and foreign currency in compliance with the Law on banks based on the license issued by the Authorized body of the Republic of Kazakhstan:

- 1) banking operations:
- accepting deposits, opening and maintaining banking accounts of individuals and legal entities;
  - opening and maintaining correspondent accounts of banks and organizations, engaged in certain types of banking operations;
  - cash operations (acceptance and disbursement of cash, including exchange, conversion, recount, sorting, packing and storage of banknotes);
  - transfer operations (execution of individuals' and legal entities' payment and transfer orders);
  - discounting operations (accounting (discounting) of bills and other debt instruments of individuals and legal entities);
  - lending banking operations (loans);
  - foreign exchange transactions (cash and cashless currency);
  - collection of banknotes, coins and valuables;
  - acceptance of payment documents for collection (except for bills of exchange);

<sup>1</sup>Resolution of the Management Board of the National Bank of the Republic of Kazakhstan dated 29 October 2018 No. 275  
“On approval of the list of transactions on non-market terms, the conclusion of which is the basis for making a decision on categorizing a bank as insolvent banks

- issuance and acceptance of letters of credit, performance of liabilities under letters of credit;
- issuance of bank guarantees, warranties and other commitments for third parties, ensuring execution of payment;

2) other operations:

- purchase, taking in pledge, accounting, keeping and sale of refined precious metal bars, precious metal coins, jewelry, containing precious metals and stones;
- operations with bills (acceptance of bills for collection, payment of bills by drawees, and payment of domiciled bills, acceptance of bills by intermediation);
- leasing operations;
- issuance of own securities (except for shares);
- factoring operations (acquisition of a right to claim payment from a buyer of goods (works, services) taking a risk of non-payment);
- forfeiting operations (payment of a debt obligation of a buyer of goods (works, services) by purchasing a bill without recourse to a seller);
- trust transactions (management of funds, rights to claim on loans and refined precious metals for the benefit and by order of a principle);
- safekeeping transactions (storage of securities issued in documentary form, documents and valuables of customers, including safety deposit boxes, lockers and vaults).

15. Besides the transactions, specified by clause 14 of the Rules, pursuant to the Law on banks, the Bank shall be entitled to carry out the following types of activities:

- sale of specialized software, used for automation of activities of banks and companies engaged in certain types of banking operations, pursuant to the legislation of the Republic of Kazakhstan;
- sale of special literature on the banking activities matters on any information carriers;
- sale of own property;
- payment cards issuance, sale, distribution and servicing, acceptance of cards as a payment medium at merchants, cash issuance at ATMs and POS-terminals;
- cheque books sale and distribution;
- banking services via electronic servicing channels (Internet-banking, mobile banking);
- e-money issuance, sale, acquisition and repayment, and collection and processing of information on e-money transactions;
- sale of pledged property pursuant to the legislation of the Republic of Kazakhstan;
- financial activity consulting and training;
- representing the interests of other persons on the issues, related to banking activities, or as the representative of a holder of obligations;
- verification of correspondence of the electronic digital signature open key to the electronic digital signature closed key, and confirmation of the authenticity of the registration certificate of the Bank clients;
- concluding insurance contracts on behalf of insurance companies – residents of the Republic of Kazakhstan, at availability of an appropriate agreement between the Bank and such insurance companies;
- inter-bank clearing (collection, reconciliation, sorting and confirmation of payments, and payment offset and determining net positions of clearing participants).

16. Brokerage, dealership and custody activities is carried out by the Bank based on the license issued by the Authorized body of the Republic of Kazakhstan and in compliance with the legislation of the Republic of Kazakhstan and the INDs of the Bank.

17. The Bank shall be obliged to obtain preliminary consent of the authorized body of the Republic of Kazakhstan to offering banking services in cases and in the manner stipulated by the legislation of the Republic of Kazakhstan.

18. The Bank shall establish tariffs and fees for conducting transactions/providing services, stipulated by the Law on banks.

### Article 3. General provision on client work

19. When the client contacts the Bank to get a banking service/product, the Bank shall provide the client with the following information:

- consulting on the client's questions;

- on the rates and tariffs;
- on the terms of taking a decision on the application for getting a banking service/product (if submitting an application is required);
- on the conditions of rendering a banking service and the list of documents required to conclude an agreement on provision of such a service;
- on the responsibility and potential client's risks in case of non-fulfillment of liabilities under the agreement for provision of the banking service;
- a draft of the agreement for provision of a banking service (at the client's request) and the time for reading it.

20. The Bank shall inform the client:

- on his right to contact the Bank, authorized body of the Republic of Kazakhstan, court or a bank ombudsman (for mortgage loans) in case of disputes concerning the service received;
- on the location, postal, electronic addresses and Internet sources of the Bank, of the bank ombudsman and authorized body of the Republic of Kazakhstan.

21. The maximal term for taking a decision on provision/non-provision of banking operations (services) is 15 (fifteen) working days from the date of accepting from the client of a full set of documents. At provision of a banking service (loan) the maximal term for taking a decision on the most complex and voluminous lending projects is 30 working days from the date of accepting from the client of a full set of documents.

22. Pursuant to the Rules on provision of banking services, the Bank shall be obliged within the period of servicing the bank loan agreement at the borrower's request within three working days from the date of receipt of the request to provide the client with the written information on:

- 1) the amount of funds paid to the Bank by the borrower;
- 2) amounts and terms of regular payments;
- 3) principal debt balance on the loan;
- 4) overdue debt amount (if available);
- 5) lending limit (if available).

#### **Article 4. The procedure of reviewing client claims**

23. Client claims, received in the process of providing banking services, are reviewed by the Bank in the manner and within the terms, established by the Law on the order of reviewing claims, the Rules on provision of banking services and other INDs of the Bank. It is prohibited to refuse to accept client claims.

24. Client claims are divided by the Bank as:

- verbal, received by the Bank by the phone or at immediate client's contact with the Bank (including visiting a managing employee of the Bank);
- written, delivered to the Bank by express, post, courier companies, e-mail or WEB-site of the Bank in the Internet.

25. Verbal client claim, received by the Bank by the phone, is subject to registration in the order, established by the IND of the Bank, regulating the procedure of reviewing client claims.

Clients are accepted by the employees of the Head Bank and Branches of the Bank, authorized to accept them, according to the visiting hours, approved by the Deputy Chairman of the Management Board of the Bank and Directors of Branches, accordingly.

26. Written client claim, received by the Bank (including via the WEB-site of the Bank in the Internet) is subject to registration in the order, established by the INDs of the Bank, regulating the procedure of reviewing client claims.

If required (at the client's request) the Bank confirms receipt of a written claim.

27. Anonymous claims shall not be reviewed, except for cases, stipulated by the Law on the order of reviewing claims, the criteria for reviewing of which are stipulated in the INDs of the Bank.

28. Verbal client claim received by the Bank shall be immediately reviewed with provision of a reply to this claim.

In case the Bank cannot provide an immediate reply to the verbal client claim, this client is offered to draw up this claim in writing with the aim of reviewing this claim by the Bank as a written one. At that, the Bank informs this client on the procedures and terms of reviewing written claims and providing replies to them.

29. The term of reviewing by the Bank of written client claims is from 3 (three) to 15 (fifteen) calendar days from the date of receipt of the claim by the Bank.

30. In case if for reviewing a client claim information from officials and other persons, or a visit are required, a decision on such claims is taken within 30 (thirty) calendar days from the date of receipt by the Bank.

If it is required to carry out additional inspection or to investigate the reason for the client claim, the due date for the request may be extended to 30 (thirty) calendar days upon the consent of the Deputy Chairman of the Management Board of the Bank, which shall be notified in writing to the applicant within 3 (three) calendar days from the extension of the review period. If a decision on the issues set out in the claim requires a lengthy review period, the claim is put under additional control until its final execution, which shall be notified in writing to the applicant within 3 (three) calendar days.

31. The requirements for the content of the Bank's written response to the client claim are established by the Rules on records management.

## Section 2. SPECIAL PROVISIONS

### Article 1. The general terms for opening and maintenance of banking accounts, accepting deposits

32. Deposits are accepted by the Bank from clients on the ground of the license issued by the Authorized body of the Republic of Kazakhstan.

33. The Bank is a participant to the system of mandatory collective guaranteeing (insurance) of individual deposits in compliance with the requirements of the Law of the Republic of Kazakhstan "On mandatory guaranteeing of deposits placed in second-tier banks of the Republic of Kazakhstan".

34. The Bank accepts from the client money in national and foreign currency, both in cash and non-cash forms, with placement on demand, term and conditional deposits.

35. The Bank opens and maintains the following banking accounts:

- individual and corporate current accounts;
- individual and corporate savings accounts;
- client current accounts with payment card use;
- correspondent accounts of banks and companies engaged in certain types of banking operations.

36. The procedure of opening, maintenance and closing of client banking accounts is performed in compliance with the INDs of the Bank.

37. The Bank shall charge fees for opening and maintenance of banking accounts in compliance with the tariffs of the Bank.

38. The amount of banking accounts opened by the clients is unlimited.

39. The rate of return amount on client deposits depends on the type and currency of a deposit, regularity of interest payment, term of deposit placement and other parameters.

Rates of return on deposits are established in compliance with The Policy of assets and liabilities management, The Methodology of establishment of transfer price formation rates, The Rules of internal re-distribution of resources and other INDs of the Bank.

40. The main terms for opening deposits:

- the minimal amount of deposits accepted by the Bank is determined by the terms of the bank product;
- the minimal term of deposit placement – from one day;
- the minimal amounts and terms of demand deposits are not established;
- the maximal amount of accepted deposits are determined by the terms of the bank product;
- the maximal term of the deposit placement – 50 years;
- the minimal amount of rate of return on deposits is 0% per annum, at that the minimal rates of return in credible, annual, effective, comparable calculation is 0% per annum;
- the maximal amount of annual effective rate of return on individual deposits in national currency and in foreign currency are established subject to the new recommended maximal annual effective rate of return of the Kazakhstan Deposits Guaranteeing Fund JSC (hereinafter – the Fund).
- the maximal amount of rate of return on **corporate** deposits is 50% per annum, at that the maximal rates of return in credible, annual, effective, comparable calculation is 63.2 % per annum;
- the maximal amount of rates of return on average monthly balances on current accounts of **legal entities** is 50% per annum, at that the minimal rates of return in credible, annual, effective, comparable calculation is 63.2 % per annum;

– the minimal amount of rates of return on average monthly balances on current accounts of **legal entities** is 0% per annum, at that the minimal rates of return in credible, annual, effective, comparable calculation is 0% per annum;

- for the use of money placed on the current bank account, remuneration is not paid (effective from January 1, 2019). This provision does not apply to legal relations that have arisen between the Bank and the client until January 1, 2019, in accordance with which the Bank assumed obligations to pay remuneration for the use of money placed on the current account.

41. The amounts of rates of return on deposits, and on average monthly balances of current accounts of legal entities are approved by the Market Risks and Liquidity Management Committee of the Bank, within the limits of rates of return, approved by the Board of Directors, within the amounts of rates of return, stipulated by the Rules.

The amounts of interest rates on deposits of individuals are approved by the Market Risk and Liquidity Management Committee of the Bank and cannot exceed the maximal amount set by the Fund.

42. By all deposit types, irrespective of deposit currency, the fixed rate of return shall be established. The Bank shall not be entitled to change the interest amount on deposits in unilateral order, except for cases of extension of the deposit term, stipulated by the bank deposit agreement/offer application for opening a bank deposit/adhesion contract<sup>1-1</sup>.

43. The Bank Branches conduct transactions on deposits on the basis of Proxy issued by the Bank, provided that the Branch is prepared to conduct such transactions.

44. The Bank accepts a deposit from the client on the basis of the bank deposit agreement concluded between them/adhesion contract/offer application for opening a bank deposit, which contains all the terms of deposit acceptance, maintenance and issuance.

45. The Bank conducts transactions on deposits on the basis of:

- the depositor's orders;
- demands of third parties, on the basis of notarized proxy or equaled to a notarized one pursuant to the legislation of the Republic of Kazakhstan;
- demands of third parties, not requiring the depositor's acceptance, pursuant to the legislation of the Republic of Kazakhstan;
- the Bank order, if it does not contradict with the legislation of the Republic of Kazakhstan and the terms of the bank deposit agreement.

46. The interest on the loan is accrued depending on the deposit terms. For deposit interest accrual calculation the Bank has accepted the conventional month equal to 30 calendar days and the conventional year equal to 360 calendar days, unless otherwise is stipulated by the agreement terms.

47. The deposit can be demanded at any time within the period of validity of the bank deposit agreement by terminating it. In case of early demand by the depositor of funds on the term and conventional deposits, the deposit amount shall be fully returned by the Bank, and the amount of interest on it shall be accrued and paid at the rate of demand deposits, unless otherwise is stipulated by the bank deposit agreement/offer-application for opening a bank deposit/the adhesion contract.

The Bank shall be entitled to demand return of earlier paid interest (by deducting money from the principal deposit amount) in case of non-implementation by the depositor of the terms of the bank deposit agreement/adhesion contract/offer application for opening a bank deposit (current account).

48. In case of demand of a deposit within up to one month, calculated from the date of receipt of funds to the Bank, the amount of interest on the deposit shall not be paid, unless otherwise is stipulated by the bank deposit agreement/offer application for opening a bank deposit/the adhesion contract.

## Article 2. The general terms of conducting lending transactions

49. The lending transactions of the Bank are conducted in compliance with the Lending Policy.

50. The Bank has established the following threshold amounts for issuance of loans granted to clients:

- the minimal amount of the granted loan is 15,000 (fifteen thousand) tenge, or the equivalent amount in USD or euro;
- the minimal amount of the granted loan under accounts with the payment card use is unlimited;
- the maximal amount of the granted loan shall not exceed the amounts of 25 % from own equity of the Bank, considering the restrictions, established by the legislation of the Republic of Kazakhstan.

<sup>1-1</sup> Standard Terms for Banking and Other Services of Eurasian Bank JSC (Adhesion Contract).

51. The lending terms are established in compliance with the INDs of the Bank depending on the terms of an offered loan product.

52. Loans, granted for the period of up to 1 (one) year, are referred to the short-term ones, for the period of over 1 (one) year – to the long-term ones. At that, the Bank establishes the following maximal lending terms:

- for loans, granted to **legal entities** – not more than 20 years;
- for loans, granted to **individuals** (consumer loans) – not more than 10 years;
- for mortgage loans – not more than 30 years;
- the minimal terms for loans, granted to the Bank clients is 1 calendar day.

53. The leasing term shall not exceed 75% of the exploitation term of fixed assets. The maximal leasing term is 7 years.

54. The interest rates on the loan products are approved by the Main Credit Committee, the Loan Products and Risks Retail Committee (for retail business loan products) within the marginal interest rates provided for in this Chapter, depending on the risk factors of a loan requested, financial market state, and demand for loan resources, the Bank's acceptable rate of return for loan transactions, taking into account transfer pricing rates approved by the Market Risks and Liquidity Management Committee of the Bank.

The rates of return individually on each loan application are established in compliance with the Regulations on limits of authorities on taking credit risk-related decisions.

55. The limits on interest rates for payment credit cards are set by Appendix No. 1 to the Rules with prior review by the Loan Products and Risks Retail Committee.

56. The following minimum rates are established in the Bank:

- for loans to legal entities: interest rate from 5% per annum, annual effective rate of return - 5% per annum;
- for loans to individuals: from 0% per annum on the principal debt balance, the annual effective rate of return - 0.01% per annum for the balance of debt on the principal debt;
- for loans to customers when accepting collateral in the form of money, the Bank's margin is set at a rate of -0% per annum, the annual effective rate of return is 0% per annum;
- on guarantees, depending on the type of guarantee and security for it, according to the rates and tariffs for guarantees approved by the Board of Directors;
- on letters of credit executed by the Bank - not lower than the interest rate on credit operations;
- on leasing operations: interest rate - from 16% per annum, annual effective rate of return - 16% per annum.

57. The Bank has established the following maximal amounts of rates of return for granted loans:

- for loans, granted to **legal entities** – up to 36% per annum;
- for loans, granted to **individuals** - up to 56% per annum, on the principal debt balance, or on the initial loan amount, considering the restriction<sup>2</sup>, established by the Authorized body of the Republic of Kazakhstan;

– for loans, issued to **individuals** when taking a pledge in the form of money, the Bank margin is established in the amount – up to 10% per annum, considering the restriction, established by the Authorized body of the Republic of Kazakhstan;

– for loans, granted to **legal entities** when taking a pledge in the form of money, the Bank margin is established in the amount – up to 10% per annum.

58. The rates of return on loans, granted to **individuals** can be fixed and float. The order of calculation and the terms of the float rate of return shall be determined by the normative legal act of the Authorized body<sup>3</sup> of the Republic of Kazakhstan.

59. The Bank shall be entitled, unilaterally, to increase the rates of return established as of the date of conclusion of the bank loan agreement with **legal entities**, at:

- violation by the borrower of the obligations for submission of credible information, related to loan issuance and servicing, in cases, stipulated by the bank loan agreement/contract;
- occurrence of the Bank's right of claim for early fulfillment of obligations in cases, stipulated by the legislation of the Republic of Kazakhstan and the bank loan agreement/contract;

<sup>2</sup> The threshold (maximal) amount of annual effective rate of return on loans is established by the National bank of the Republic of Kazakhstan.

<sup>3</sup> The rules of calculation, the terms of application of the float rate of return under bank loan agreements, approved by the order of the Management Board of the Agency of the Republic of Kazakhstan for regulation and supervision of financial market and financial organizations dated 28 November 2008 No. 216.



– change in the composition of participants (shareholders) of the borrower, totally owning ten and more per cent of shares (participation shares) of a joint-stock company (economic partnership), without preliminary written notification of the Bank;

– violation by the borrower and/or the pledger of the right of the Bank, which is the pledger, to check documents and actual availability, amount, state and terms of keeping pledged property, and the fact of making by the third parties of demands to the borrower's (pledger's) property, including to the property, pledged in the Bank.

60. For the loans, granted to **individuals**, including on mortgage loans, the fixed annual rate of return, upon agreement of the parties, can be changed:

– for the float rate of return within the validity term of the agreement;  
– in the direction of increasing upon expiration of its validity term, determined by the agreement, but not earlier than three years from the date of conclusion of the bank loan agreement / contract. Each subsequent change in the direction of increasing the fixed rate of return is possible upon agreement of the parties after the expiration of the fixed rate term, but not earlier than three years from the date of the previous change in the fixed rate of return.

The fixed rate of return is not subject to change unilaterally, except for cases of its change in the direction of decreasing or temporary change in the direction of decreasing by the Bank, made in accordance with the procedure established by the Law of the Republic of Kazakhstan "On banks and banking activities". A temporary change in the rate of rate towards decreasing means a decrease in the rate of return of the Bank for a certain period after which the rate of return is set at a rate not exceeding the rate of return that was in effect before the temporary change.

61. The amount of payment made by the borrower under the bank loan agreement / contract concluded with an individual in the event that it is insufficient to fulfill the borrower's obligation under the bank loan agreement / contract, shall repay the borrower's debt in the following order of priority:

- 1) principal debt;
- 2) interest debt;
- 3) forfeit (fine, penalty) in the amount, determined by the bank loan agreement/contract;
- 4) principal debt amount for the current period of payments;
- 5) interest, accrued for the current period of payments;
- 6) the Bank's expenses on execution.

Upon expiry of one hundred eighty consecutive calendar days overdue the amount of payment made by the borrower under the bank loan agreement / contract concluded with an individual, in the event that it is insufficient to fulfill the borrower's obligation under the bank loan agreement / contract, shall repay the borrower's debt in the following order of priority:

- 1) principal debt;
- 2) interest debt;
- 3) principal debt amount for the current period of payments;
- 4) interest, accrued for the current period of payments;
- 5) forfeit (fine, penalty) in the amount, determined by the bank loan agreement/contract;
- 6) the Bank's expenses on execution.

62. Changes in the rates of return on previously granted loans and other credit instruments (guarantees, letters-of-credit) may be made by decision of the Main Credit Committee / Management Board or the Board of Directors of the Bank, based on the terms of the loan product / instrument and the bank loan agreement/contract.

63. The list of documents required for formation of the borrower's credit profile is determined by the IND of the Bank, which regulates the Bank's lending activities.

64. The bank loan agreement/contract specifies the annual effective rate of return, calculated in compliance with the requirements of the normative legal act of the Authorized body<sup>4</sup> of the Republic of Kazakhstan.

65. The procedure and terms of loan remuneration payment are established by the bank loan agreement/contract, based on the terms of the loan. For **individuals**, the bank loan agreement /contract specifies the method of the loan repayment at the borrower's discretion, to select the repayment method he is

<sup>4</sup> The rules of calculation of rates of return in credible, annual, effective, comparable calculation (real value) by deposits and loans, approved by the Order of the Management Board of the National Bank of the Republic of Kazakhstan dated 26 March 2012 года No. 137.

offered the loan repayment schedule projects calculated by the methods of differentiated and / or annuity payments before the conclusion of the bank loan agreement / contract.

66. Prior to the conclusion of the bank loan agreement with the individual not related to business, the Bank shall be obliged to provide the individual with a choice of loan terms, which do not provide for the collection of commissions and other payments that are taken into account when calculating the annual effective rate of return on the loan in accordance with the procedure, established by the normative legal act of the Authorized body, as well as credit conditions that provide for the Bank's rights, in addition to the rate of return, commissions and other payments, associated with the loan issuance and servicing stipulated by the bank loan agreement / contract.

The Bank shall be obliged to specify in the bank loan agreements / contracts the full list of commissions and other payments, as well as their amounts subject to charge in connection with the loan issuance and servicing, and shall not be entitled to unilaterally introduce new types of commissions and other payments under the concluded agreement / contract.

67. The Bank shall not be entitled to unilaterally change the terms of the bank loan agreement/contract, except for cases of their improvement for the borrower.

The improvement of the terms of the bank loan agreement/contract for the borrower within the aims of this clause shall be understood as:

- change for decreasing or full cancellation of commissions and other payments for provision of services, related to the bank loan servicing / agreement;
- change for decreasing or full cancellation of forfeit (fine, penalty);
- change for decreasing of the rate of return under the bank loan agreement/contract;
- delay and (or) installment of payments under the bank loan agreement/contract.

The bank loan agreement / contract may provide for an additional list of improving conditions for the borrower. If the Bank applies improving conditions, the borrower is notified of a change in the terms of the bank loan agreement / contract in the manner provided for in the bank loan agreement / contract. The Borrower has the right, within fourteen calendar days from the date of receipt of the notification, to refuse, in accordance with the procedure stipulated in the bank loan agreement / contract, from the improved conditions proposed by the Bank. In case of consent of the Borrower, an addendum to the bank loan agreement / contract is concluded.

68. It is prohibited for the Bank to index the client's obligations and payments under the bank loan agreement entered into with the client, issued in tenge with reference to any currency equivalent in accordance with the Law on banks.

69. The Bank shall not be entitled to charge forfeit / commission or other types of penalty sanctions for early loan repayment within 14 calendar days from the date of loan issuance and upon expiry of:

- 6 (six) months from the date of receipt of the loan, granted for the period of up to 1 (one) year;
- 1 (one) year from the date of receipt of the loan, granted for the period of over 1 (one) year.

70. The individual who received a loan not related to carrying out entrepreneurial activities for acquisition of goods, works and services shall be entitled to repay the loan with payment of the interest accrued by the Bank from the date of granting the loan within 14 (fourteen) calendar days from the date of concluding the bank loan agreement / contract, without payment of forfeit and other types of penalties for loan repayment, unless otherwise provided by the terms of the bank loan agreement / contract.

71. Fulfillment of the obligations on return of loans issued by the Bank and payment of interest on them can be ensured by provision of property (assets) of the borrower or third parties in pledge (hereinafter - the pledgers) specified in the Civil Code, including:

- deposits, placed on the savings accounts of the pledgers, opened in the Bank;
- movable property (a vehicle, liquid good production, refined precious metal bars, precious metal coins, established by the legislation of the Republic of Kazakhstan, securities and other property);
- immovable property (land allotments, as well as buildings, erected buildings and other property);
- guarantees of the Bank, legal entity or an individual, having high reliability rating;
- the individual's warranty.

72. There are the following requirements of the Bank for the pledged property, accepted as security of fulfillment of the borrower's obligations:

- the pledged property provided to the Bank must be the property of the pledger, and documents confirming the pledger's right of ownership of the property to be pledged are provided to the Bank, as well as written confirmation from the registering authority that the subject of the pledge is free from any encumbrances and claims of third parties and is not in custody;

– the pledged property must be liquid. If necessary, the Bank shall be entitled to request from the pledger the audit report on the actual value of the property pledged as collateral or to demand that the independent appraiser assess such property;

– at the request of the Bank, the property of the pledger, taken as a pledge, must be insured by the pledger / borrower (if there is a risk of damage or loss of the pledged property during the term of the pledge agreement). The need for property insurance is determined by the terms of provision of loan products and decision of the authorized body of the Bank.

73. The types and list of property, accepted by the Bank as security on granted loans, are determined by [the Pledge Policy](#) of the Bank.

74. In compliance with the Law on banks, the pledger/borrower shall be entitled to select at his own discretion an insurance company and/or an appraiser.

75. The Bank shall be entitled to unilaterally suspend issuance of new loans under the concluded bank loan agreement (agreements), in cases if:

- 1) the Bank acquired the right not to grant new loans, according to the bank loan agreement/contract;
- 2) the borrower violated his obligations to the Bank, under the bank loan agreement/contract;
- 3) the borrower's financial standing deteriorated as detected by the results of monitoring, conducted by the Bank, in compliance with the requirements of the Republic of Kazakhstan;
- 4) change in the requirements of the legislation of the Republic of Kazakhstan, affecting due implementation by the Bank of the bank loan agreement/contract.

76. The obligatory condition for concluding the bank loan agreement / contract, leasing, factoring, forfeiting, accounting for bills, issuing guarantees, warranties, opening letters-of-credit is availability of written consent of the borrower / co-borrower / client to provision of information on him and the concluded deal, as well as information related to execution by the parties of their obligations, to the credit bureau and to provision by the credit bureau to the Bank with a credit report on him, and also consent to collection and processing of personal data in accordance with the legislation of the Republic of Kazakhstan and the INDs of the Bank.

### **Article 3. The rights and liabilities of the Bank and its clients, their mutual liability**

77. The rights and liabilities of the Bank and its clients, their liability to each other are determined by the legislation of the Republic of Kazakhstan and agreements (covenants of the parties).

78. Disputes and contradictions, arising out of execution of agreements (covenants of the parties) shall be settled by negotiations, and in case of not reaching agreement between the parties – in judicial order, established by the legislation of the Republic of Kazakhstan.

79. The Bank shall guarantee compliance with the requirements for non-disclosure of information, constituting bank secrecy pursuant to the legislation of the Republic of Kazakhstan.

80. In case of receipt of the client claim by the Bank, the Bank shall be obliged to accept and review the claim received in compliance with the Law on the order of review of client claims and the Rules on provision of bank services.

81. The Bank and its clients shall be obliged to comply with the terms of agreements, fulfill the duties assumed by them according to the terms of agreements (covenants of the parties).

82. Responsibility for non-performance or undue performance of the duties, stipulated by agreements (covenants of the parties), shall be borne by the Bank and its clients in compliance with the legislation of the Republic of Kazakhstan and the terms of appropriate agreements (covenants of the parties).

83. Agreements may provide for the terms, excluding or restricting liability of the parties, for instance, force majeure circumstances, independent of the parties to the agreement (covenants of the parties).

84. In case of undue performance of payments and money transfers the Bank shall be liable pursuant to the legislation of the Republic of Kazakhstan and the agreement (covenants of the parties), concluded with the client.

85. The Bank shall be entitled to charge fee for provision of bank services/transactions in compliance with the established threshold rates and tariffs according to Appendices No. 1 and 2 to the Rules.

86. The Bank shall not be liable for payment documents erroneously formalized by the client, as a result of which untimely or erroneous write-off/crediting of client's money, as well as replacement and/or suspension of settlement documents processing later than the established terms.

87. The Bank shall charge from the client additional payment for telecommunication, postal, and other costs actually incurred under transactions and services provided.

88. The Bank shall be entitled to directly and without client order deduct from the client account fees and extra costs, caused to the Bank when providing services/transactions.

#### **Article 4. Rates and tariffs for services (transactions) of the Bank**

89. The threshold amounts of rates and tariffs for provision of bank services/transactions are approved by the Board of Directors. Their changes is referred to the authority of the Board of Directors and may not be delegated to other bodies of the Bank.

90. The basic (standard) tariffs and rates for provision of bank services/transactions, including for persons related to the Bank, are approved by decisions of the appropriate authorized committees (within threshold (minimal and maximal) amounts of tariffs/rates, established by these Rules and are reviewed as the need for their review comes.

91. The individual tariffs and rates for provision of bank services/transactions, except for cases, stipulated by clause 94 of the Rules, are approved within the threshold amounts of rates and tariffs, established by the Rules:

- for lending, leasing, factoring transactions, transactions for issuance of guarantees, warranties, letters-of-credit – by the Main Credit Committee;
- for other bank services/transactions – by the Market Risks and Liquidity Management Committee:
  - for persons, not related to the Bank;
  - for persons, related to the Bank, in case of provision of the specified services under standard terms, including, but not limited: agreement standard forms, approved by the Board of Directors of the Bank, decisions of the authorized bodies of the Bank, considering the requirements of Article 40 of the RoK Law on banks (if similar conditions are provided to not less than 2 clients, not related to the Bank).

92. The individual tariffs and rates for provision of bank services/transactions for persons not related to the Bank are approved by a decision of the Board of Directors within the threshold amounts of rates and tariffs, established by the Rules, considering the requirements of Article 40 of the RoK Law on banks (if similar conditions are provided to not less than 2 clients, not related to the Bank) by:

- bank deposits of legal entities and individual entrepreneurs, lending, leasing, factoring transactions, transactions for issuance of guarantees, warranties, letters-of-credit;
- other bank services/transactions, in case of provision of these services not under standard terms: without application of agreement standard forms, approved by the Board of Directors of the Bank, decisions of the authorized bodies of the Bank.

93. The individual tariffs and rates for provision of bank services/transactions, beyond the threshold amounts of rates and tariffs, established by the Rules, are approved by the Board of Directors of the Bank.

94. Within the framework of the threshold amounts of rates and tariffs for provision of bank services/transactions, and the threshold amounts of rates and tariffs for rates of return on deposits and loans, approved by the Board of Directors, authorized bodies of the Bank, within their authorities, there may be established the individual rates for certain clients (client categories) or by certain products.

95. At that provision of discount rates and tariffs to persons related to the Bank, is prohibited.

96. If the client is related to the Bank, the Bank determines the possibility of providing individual terms within the threshold amounts of rates and tariffs for provision of bank services/transactions, approved considering the requirements of Article 40 of the RoK Law “On banks and banking activity in the Republic of Kazakhstan” (if similar conditions are provided to not less than 2 clients, not related to the Bank).

97. The responsible subdivision of the Bank at submission of the individual rates and tariffs for review by the authorized bodies of the Bank shall be liable for check of the client as to relatedness to the Bank and in case of relatedness for tracing and non-admittance of provision of discount terms.

98. Responsibility for forecast prognosis of profitability/cost price of the tariff for bank services shall be borne by the Financial Department on the basis of the submitted data, as well as the subdivision, initiating the approval of a new one, or introduction of changes into the current rates for bank services.

99. The changes and/or additions to the tariffs for banking services (except for transactions, specified in clause 100 of the Rules), shall be informed by the Bank to the clients seven (7) calendar days prior to the date of their coming into effect, by publishing a notification on introduction of such changes and/or additions on the mass media, including the WEB-site of the Bank.

100. The changes and/or additions to the standard Bank tariffs, established for opening, maintenance and closing the accounts and other transactions conducted on current accounts, shall be informed by the Bank to the clients 15 (fifteen) calendar days prior to the date of their coming into effect; established for custodian transactions – not later than thirty (30) calendar days prior to their coming into force by publishing a notice of such changes and / or additions in the mass media, including the Bank website.

101. The threshold amounts of rates and tariffs for provision of bank services/transactions are determined by Appendices No. 1 and 2 to the Rules.

#### **Article 5. Deals with persons related to the Bank**

102. The Bank when carrying out its activities checks the client as to relatedness to the Bank, in accordance with the indicators of relatedness, which are established by the Law on Banks, as well as regulatory legal acts of the authorized body of the Republic of Kazakhstan.

An individual or legal entity may be recognized as related persons of the Bank on the basis of reasoned judgment of the authorized body of the Republic of Kazakhstan.

Deals with persons, related to the Bank are concluded, considering the requirements of the Law on banks and can be performed only upon the decision of the Board of Directors of the Bank, with review of all its terms, except for cases, when standard terms of such deals are approved by the Board of Directors of the Bank and apply to similar transactions with third parties.

103. It is prohibited to provide discount terms when concluding deals with the persons related to the Bank, pursuant to the Law on banks.

Granting preferential conditions to a related person of the Bank means making a transaction with a related person of the Bank, or in his interests, which by its nature, purpose, features and risk the Bank would not have committed with a non-related person.

The Bank checks the terms of deals / transactions for preferential terms in accordance with the criteria established by the Law on Banks and regulatory acts of the authorized body of the Republic of Kazakhstan.

103-1. It is forbidden to issue loans to members of the Board of Directors and major participants of the Bank, except for Bank loans issued in the amount not exceeding the amount established by the regulatory legal act of the authorized body of the Republic of Kazakhstan on the date of the Bank's decision to issue the loan.

104. . It is prohibited issue loans to persons related to the Bank without collateral (blank loans), with the exception of loans in the amount not exceeding the amount, established by the regulatory legal act of the authorized body of the Republic of Kazakhstan as of the date of the Bank's decision to issue a loan, as well as loans to persons that are participants in the Bank conglomerate.

105. It is prohibited to refinance the loan from the creditor related to the Bank under loans that exceed the amount established by the regulatory legal act of the authorized body of the Republic of Kazakhstan.

106. The Bank may not make a transaction with any person whose value exceeds the amount established by the regulatory legal act of the authorized body of the Republic of Kazakhstan as of the date the Bank decides to complete the transaction (except for the acquisition of shares and participation shares in the authorized capital of legal entities) of legal entities whose value exceeds 10 (ten) % of the Bank equity as of the date of the Bank's decision to complete the transaction) and which involves:

- payment of obligations to the person related to the Bank;
- purchasing any property from the person related to the Bank;
- acquiring securities, issued by the person related to the Bank, except for securities, owned by the

Bank.

#### **Section 3. CONCLUDING PROVISIONS**

107. Responsibility for non-implementation/undue implementation of the requirements of the Rules, including the Action Plan (Appendix No. 3 to the Rules) shall be assumed by the heads of structural subdivisions, participating in the process regulated by the Rules.

108. Issues, not regulated by the Rules, shall be settled in compliance with the legislation of the Republic of Kazakhstan and the INDs of the Bank.

109. When servicing clients, the Bank employees shall be guided by the legislation of the Republic of Kazakhstan, the Rules and the INDs of the Bank.

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#### APPENDICES

Appendix Number	Name of Appendix
Appendix No. 1	The threshold amounts of rates and tariffs for provision of bank services/transactions
Appendix No. 2	Excluded
Appendix No. 3	The Action Plan

#### THE SHEET OF CHANGES AND ADDITIONS

s.i. No.	Minutes Number	Minutes Date	Effective Date	Initiator of changes
1.	44	10.05.2018	11.07.2018	Treasury and ALM Department, Corporate Block
2.	67	30 June 2018		
3.	99	17 October 2018		
4.	116	29 December 2018	11.01.2019	Financial Department of Financial Block
5.	20	13.03.2019	09.04.2019	Financial Department of Financial Block