



## **On approval of the Rules on loans of final instance, provided by the National Bank of the Republic of Kazakhstan**

### *Invalidated Unofficial translation*

Resolution of the Board of the National Bank of the Republic of Kazakhstan of September 27, 2018 No. 227. Registered with the Ministry of Justice of the Republic of Kazakhstan on November 5, 2018 No. 17691.

Unofficial translation

**Footnote. Expired by resolution of the Board of the National Bank of the Republic of Kazakhstan dated 19.11.2019 No. 196 (effective from 01.01.2020).**

In accordance with the Law of the Republic of Kazakhstan dated March 30, 1995 "On the National Bank of the Republic of Kazakhstan", in order to determine the procedure for granting loans of final instance by the National Bank of the Republic of Kazakhstan, the Board of the National Bank of the Republic of Kazakhstan **SHALL DECIDE:**

1. To approve the attached Rules on loans of the final instance, provided by the National Bank of the Republic of Kazakhstan.

2. The Department of financial stability (S.T. Khakimzhanov), in accordance with the procedure established by the legislation of the Republic of Kazakhstan, to ensure:

1) the state registration of this resolution in the Ministry of Justice of the Republic of Kazakhstan together with the Legal Department (Sarsenova N.V.);

2) within ten calendar days from the date of the state registration of this resolution, to send it in the Kazakh and Russian languages to the Republican state enterprise on the basis of the right of economic management "Republican Center for Legal Information" for official publication and inclusion into the Reference Control Bank of regulatory legal acts of the Republic of Kazakhstan;

3) the placement of this resolution on the official Internet resource of the National Bank of the Republic of Kazakhstan after its official publication;

4) within ten working days after the state registration of this resolution, to submit the information to the Legal Department on implementation of the measures provided for in subparagraphs 2) and 3) of this paragraph and paragraph 3 of this resolution.

3. The Department for protection of the rights of consumers of financial services and external communications (Terentiev A.L.) shall ensure, within ten calendar days after the state registration of this resolution, the submission of its copy for official publication in periodicals.

4. Control over execution of this resolution shall be entrusted to the Deputy Chairman of the National Bank of the Republic of Kazakhstan Smolyakov O.A.

5. This resolution shall enter into force on January 1, 2019 and shall be subject to official publication.

*Chairman of the National Bank*

*D. Akishev*

Approved by the resolution  
of the Board of the National Bank  
of the Republic of Kazakhstan  
dated September 27, 2018,  
No. 227

## **The Rules on loans of final instance, provided by the National Bank of the Republic of Kazakhstan**

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

1. These Rules on loans of final instance, provided by the National Bank of the Republic of Kazakhstan (hereinafter referred to as the Rules) shall be developed in accordance with the Law of the Republic of Kazakhstan dated March 30, 1995 "On the National Bank of the Republic of Kazakhstan" (hereinafter - the Law on the National Bank) and shall determine the procedure of provision of loans of the final instance (hereinafter referred to as loan, loans) by the National Bank of the Republic of Kazakhstan (hereinafter referred to as the National Bank) to the second-tier banks (hereinafter referred to as the bank) and organizations, assigned to the core infrastructural financial organizations in accordance with the resolution of the Board of the National Bank of the Republic of Kazakhstan dated December 24, 2014 No. 257 "On approval of the Rules for classification of financial organizations as core ones", registered in the Register of the state registration of regulatory legal acts under No. 10210 (hereinafter referred to as the core infrastructural financial organizations).

2. The Rules shall use the concepts, provided for by the Civil Code of the Republic of Kazakhstan (General Part) dated December 27, 1994, the Law on the National Bank, the laws of the Republic of Kazakhstan dated August 31, 1995 "On banks and banking activities in the Republic of Kazakhstan" (hereinafter - the Law on banks and banking activities), dated July 2, 2003 "On securities market", dated January 14, 2016 "On precious metals and precious stones" and dated January 10, 2018 "On valuation activities in the Republic of Kazakhstan" (hereinafter - the Law on valuation activities) as well as the following concepts:

1) a portfolio of homogeneous loans - a group of bank loans with similar characteristics of credit risk and corresponding to the internal rules of the bank, approved by the governing body of the bank;

2) discount - the percentage, set by the National Bank in accordance with Article 51-3 of the Law on the National Bank, by which the value of bank assets pledged as

collateral is reduced, in order to reduce the risks associated with their possible depreciation;

3) a pre-position of a pledge - a preliminary procedure for the National Bank and the bank to determine the bank's assets, provided for in subparagraphs 2) and 3) of paragraph 28 of the Rules, acceptable for the National Bank to take in pledge in case if the National Bank grants a loan, with conclusion of an agreement on the pre-position of the pledge;

4) pledge pre-position agreement - an agreement, concluded between the National Bank and the bank on determination of bank's assets, provided for in subparagraphs 2) and 3) of paragraph 28 of the Rules acceptable for the National Bank to take in pledge if the National Bank grants a loan;

5) a funding plan - a bank document, containing information on actual and forecast flows of liquid assets of a bank, including cash inflows, using which the bank plans to repay the loan, information on optimizing bank expenses, including remuneration of bank executives;

6) idiosyncratic liquidity shock - an event that occurred due to the need to immediately meet the requirements of depositors and creditors of a bank (except for those having special relations with a bank), arising due to external factors, independent of the bank;

7) short-term liquidity shortage - lack of money in the bank due to the idiosyncratic liquidity shock.

3. The loan shall be provided by the National Bank to a bank in order to ensure the stability of the financial system of the Republic of Kazakhstan.

4. The loan, provided by the National Bank shall be used to cover the short-term liquidity deficit of the bank and shall not be a tool to maintain its solvency.

5. The loan shall be provided to the core infrastructural financial organizations in the manner and under the conditions, specified in the Rules, except for the cases of non-applicability of certain requirements of the Rules, due to the specifics of their activities.

## **Chapter 2. Loan terms**

6. The National Bank shall provide a loan to a bank experiencing a short-term liquidity shortage and satisfying the following requirements in aggregate:

1) the bank is not categorized as a bank with an unstable financial situation, endangering the interests of its depositors and creditors and (or) threatening the stability of the financial system of the Republic of Kazakhstan, or the category of insolvent banks;

2) the bank has exhausted all other sources of liquidity support.

7. The loan shall be provided in the national currency of the Republic of Kazakhstan - tenge.

8. The loan amount shall not exceed the maximum amount of actual and forecast short-term liquidity deficit.

9. The amount of the forecast short-term liquidity deficit shall be determined by the bank on the basis of the funding plan and calculated as the forecast amount of outflow of money to fulfill the obligations of the bank to its depositors and creditors (except for the persons having special relations with the bank) during the term of the loan, reduced by the forecast amount of money receipts for the same period.

10. The interest rate on a loan shall be set at a level not lower than the official refinancing rate of the National Bank, taking into account the top level of interest rates on the main operations of the state monetary policy of the Republic of Kazakhstan, effective on the day of provision of the loan (in case of prolongation - on the day of conclusion of an additional agreement to the loan agreement).

The interest rate on the loan shall not change until the maturity date of the loan in full, except for the cases of prolongation of the loan.

The interest shall be calculated from the date the National Bank grants the loan to the bank until the maturity date (inclusive) of the loan in full. To calculate the interest, 360 (three hundred and sixty) calendar days per year and 30 (thirty) calendar days per month or the actual number of calendar days with an incomplete month shall be taken into account.

11. The loan shall be provided to the bank for a period from fourteen to ninety calendar days with the possibility of prolongation for not more than three times.

The total term of use of the loan, taking into account all renewals, shall not exceed one year.

The loan shall be prolonged under the conditions, provided for in Article 51-3 of the Law on the National Bank.

12. The loan shall be provided to the bank against the pledge of the bank's assets, as provided for by paragraph 28 of the Rules.

### **Chapter 3. Pre-position of pledge**

13. The pre-position of the pledge shall be carried out prior to the bank's applying for a loan for the preliminary assessment of the bank's assets, provided for in subparagraphs 2) and 3) of paragraph 28 of the Rules, provided by the bank as collateral if a bank applies for a loan.

Bank assets, provided for in subparagraphs 2) and 3) of paragraph 28 of the Rules, which have not been pre-collateralized, shall not be accepted by the National Bank as a pledge if the bank applies for a loan.

For the pre-position of the pledge, the bank shall:

- 1) form the assets of the bank for pre-position of the pledge;
- 2) ensure the conduct of the valuation of the bank's assets for the pre-position of pledge by the subject of valuation activity in accordance with the Law on valuation activity.

14. For the pre-position of the pledge, the bank shall submit to the National Bank a petition on the pre-position of the pledge, drawn up in an arbitrary form and signed by the first head of the bank or, in his absence, by the person, performing his duties ( hereinafter - the petition on the pre-position of the pledge), as well as the following documents, information and (or) data:

- 1) documents, confirming the property rights of the bank for the assets, provided for in subparagraph 2) of paragraph 28 of the Rules, and (or) the rights (claims) of the bank under bank loan agreements, concluded between the borrower (hereinafter - the bank borrower) and the bank (hereinafter - the bank loan agreement), provided for by subparagraph 3) of paragraph 28 of the Rules, including pledge agreements, concluded as security for bank loan agreements;

- 2) documents, confirming the absence of restrictions and (or) encumbrances on bank assets for the pre-position of the pledge.

In the event that a bank provides bank assets, provided for by subparagraph 3) of paragraph 28 of the Rules, for pre-position of the pledge, the bank shall submit the documents, confirming the absence of restrictions and (or) encumbrances on the property that secured the fulfillment of obligations of the bank's borrowers under bank loan agreements (except for the encumbrances, imposed by the bank under bank loan agreements);

- 3) information on the characteristics of the bank assets, provided for by subparagraph 3) of paragraph 28 of the Rules, including the number and date of conclusion of each bank loan agreement, last name, first name, patronymic (if any) or name of the bank borrower, interest rate, repayment schedule, balance of principal debt and the accrued interest, the date of the debt on the principal debt and the accrued interest, confirmation of the absence of the deferral under the bank loan agreement, date and number of the pledge agreement, concluded to secure the bank loan agreement , data about financial condition of the bank borrower, the cost of the property, which secures the fulfillment of the obligations by the bank borrower under the bank loan agreement, defined by the subject of valuation activities in accordance with the Law on valuation activities and (or) the bank when drawing up the conclusion on collateral security;

- 4) a report on the valuation of bank assets for the pre-position of a pledge, compiled by the subject of valuation activity in accordance with the Law on valuation

activity, not earlier than three months before the date the bank submits a petition for the pre-position of a pledge to the National Bank;

5) a written confirmation of the bank about the absence of restructuring and (or) refinancing on the bank's assets, provided for by subparagraph 3) of paragraph 28 of the Rules, for the pre-position of the pledge, signed by the first head of the bank or, in his absence, by the person, performing his duties, and the chief accountant of the bank.

Submission of additional documents, information and (or) data necessary for analyzing the financial condition of the bank and adoption of the decision by the National Bank on the pre-position of the pledge shall be allowed.

15. The National Bank shall consider the petition for pre-position of the pledge and documents, information and (or) data, stipulated by paragraph 14 of the Rules, within three months from the date the National Bank receives the full package of documents. It shall be allowed for the National Bank to extend the period for consideration of the petition for pre-position of the pledge and documents, information and (or) data, stipulated by paragraph 14 of the Rules for a period not exceeding three months, and the National Bank shall notify the bank about it in writing within three working days from the date of prolongation.

16. In the event that the bank submits an incomplete package of documents, information and (or) data, provided for in part one of paragraph 14 of the Rules, the National Bank shall leave the petition for pre-position of the pledge without consideration and shall return the documents submitted to it to the bank.

The National Bank shall review the resubmitted petition for pre-position of the pledge and documents, information and (or) data, stipulated by paragraph 14 of the Rules, within the period, stipulated by paragraph 15 of the Rules.

17. The decision to approve the petition for pre-position of the pledge or to refuse the petition for pre-position of the pledge shall be made by the Board of Directors of the National Bank.

When the Board of Directors of the National Bank decides to approve a petition for pre-position of the pledge or refuses a petition for pre-position of the pledge, the bank's compliance with the requirements of sub-paragraph 1) of paragraph 6 of the Rules, the financial condition of the bank, the impact of the bank on the stability of the financial system of the Republic of Kazakhstan and the quality of the bank's assets for pre-position of the pledge shall be taken into account.

18. In the event that the Board of Directors of the National Bank decides to approve a petition for the pre-position of the pledge, the National Bank and the bank shall enter into an agreement on the pre-position of the pledge.

19. The pre-position of the pledge shall not require the imposition by the National Bank of encumbrances on the bank's assets that have passed the pre-position of the pledge.

20. The bank shall submit to the National Bank the updated documents, information and (or) data, provided for by sub-paragraphs 3) and 5) of paragraph 14 of the Rules, quarterly, in the order and within the time, stipulated by the agreement for the pre-position of the pledge (in case the bank provides bank assets, provided for by sub-paragraph 3) of paragraph 28 of the Rules for the pre-position of the pledge), and the annually updated full package of documents, stipulated by paragraph 14 of the Rules.

21. In the event of the non-compliance of the bank's assets that have passed a pre-position of the pledge with the requirements of the Rules, the bank, in consultation with the National Bank, shall exclude them from the pre-position of pledge or replace them with the bank's assets, complying with the requirements of the Rules, while meeting the requirements of this chapter.

#### **Chapter 4. Loan granting**

22. To receive a loan, the bank shall submit to the National Bank the following documents, information and / or data:

1) a petition for a loan in any form, signed by the bank's chief executive or, if he is absent, by the person, performing his duties, indicating the loan amount, loan period, bank's assets pledged, and information about the idiosyncratic liquidity shock and the inability of the bank to use other sources of liquidity support (hereinafter referred to as the loan petition);

2) a funding plan for twelve months from the date of submission of the loan petition;

3) documents, confirming the property rights of the bank to the assets, provided for in subparagraphs 1) and 2) of paragraph 28 of the Rules, and the rights (claims) of the bank under bank loan agreements, provided for in subparagraph 3) of paragraph 28 of the Rules, including collateral agreements concluded to secure the bank loan agreements;

4) documents, confirming the absence of restrictions and (or) encumbrances on bank's assets, provided as pledge.

If the bank pledges the bank's assets as provided for by sub-paragraph 3) of paragraph 28 of the Rules, the bank shall additionally submit the documents, confirming the absence of restrictions and (or) encumbrances on the property that secured the obligations of the bank's borrowers under bank loan agreements (except for the encumbrances, imposed by the bank under the bank loan agreements);

5) information on the characteristics of bank assets, provided for by subparagraph 1) of paragraph 28 of the Rules provided as pledge, including international identification number (ISIN code), classification of a financial instrument and a short name of a

financial instrument (CFI and FISN codes, if available), type of security, name of the issuer, date of issue, commencement of circulation and termination of circulation (if any), currency of nomination, market value expressed in currency of nomination, interest rate and rating (if any) of the security and (or) type of precious metal, serial number and (or) certificate number, manufacturer's trademark, sample, ligature mass (in grams and (or) troy ounces), chemically pure mass of the base metal (in grams and (or) troy ounces) and the market value of the precious metal.

If the bank pledges the bank's assets as provided for by sub-paragraph 3) of paragraph 28 of the Rules that have passed the pre-position of the pledge, the bank shall submit to the National Bank the updated information, provided for by paragraphs 3) and 5) of paragraph 14 of the Rules.

The bank shall be allowed to submit additional documents and information necessary for analyzing the financial condition of the bank and making a decision on granting a loan by the National Bank.

23. The National Bank shall consider the loan petition of the bank and the documents, information and (or) data, provided for in paragraph 22 of the Rules, within a period of not more than twenty working days from the date of their receipt by the National Bank. The National Bank may extend the period for consideration of a loan petition and documents, information and (or) data, stipulated in paragraph 22 of the Rules for a period not exceeding ten working days, and the National Bank shall notify the bank about it in writing within three working days from the date of prolongation.

24. In the event that a bank submits to the National Bank an incomplete package of documents, information and (or) data, provided for in part one of paragraph 22 of the Rules, the National Bank shall leave the loan petition without consideration and shall return to the bank the documents submitted.

The National Bank shall review the resubmitted loan petition and the documents, information and (or) data, provided for in paragraph 22 of the Rules, within the period provided for by paragraph 23 of the Rules.

25. The decision on approval of a loan petition of a bank or refusal to satisfy a loan petition shall be made by the Board of the National Bank.

When the Board of the National Bank makes a decision on approval of the petition on granting a loan or denies to satisfy a loan petition, the bank's compliance with the Rules, the financial condition of the bank, the bank's influence on the stability of the financial system of the Republic of Kazakhstan, analysis of the reasons that caused the bank's liquidity shock, and the quality of bank assets pledged, shall be taken into account.



26. In the event that the Board of the National Bank makes a decision on approval of a loan petition, the National Bank shall enter into a loan agreement with the bank, a pledge agreement.

27. In the order and terms, stipulated by the loan agreement, the bank shall monthly submit to the National Bank the documents, information and (or) data:

1) on execution by the bank of the funding plan and the measures taken to overcome the short-term liquidity shortage;

2) on the characteristics of bank's assets pledged as provided for in subparagraph 5 ) of paragraph 22 of the Rules;

3) information, requested by the National Bank in order to monitor and control execution of the terms of the loan and pledge agreements.

## **Chapter 5. Security of fulfillment of bank's obligations under the loan agreement**

28. The bank shall pledge the following assets belonging to the bank as security for the fulfillment of obligations under the loan agreement:

1) highly liquid and low-risk securities and refined precious metals in standard or dimensional ingots;

2) immovable property, located in the territory of the Republic of Kazakhstan and not being the object of unfinished construction;

3) rights (claims) under bank loan agreements. Requirements for bank loan agreements, the rights (claims) of which are granted as collateral, are provided in the Annex to the Rules.

29. The list and types of bank's assets pledged as provided for by subparagraph 1) of paragraph 28 of the Rules, and the amount of the discount to the value of bank's assets pledged shall be established by the National Bank in accordance with Article 51-3 of the Law on the National Bank.

The discount to the value of bank's assets, provided for in subparagraphs 2) and 3) of paragraph 28 of the Rules, provided as pledge, shall be established in the amount of not less than fifty percent of their value, determined by the subject of valuation activity in accordance with the Law on valuation activity.

30. The National Bank shall check the bank's assets pledged for compliance with the Rules, including with the assistance of independent experts, including subjects of valuation activities.

31. The National Bank shall take in pledge the bank's assets free of restrictions and (or) encumbrances of third parties.

32. The value of bank assets pledged, taking into account the discount to their value, shall cover the amount of the loan and interest on it in full.

33. Securities provided for by sub-paragraph 1) of paragraph 28 of the Rules shall be taken by the National Bank as a pledge and shall be estimated, based on the latest market revaluation of the stock exchange of the Republic of Kazakhstan, taking into account the discount.

Valuation of securities, provided for by subparagraph 1) of paragraph 28 of the Rules for which there is no market revaluation of the stock exchange of the Republic of Kazakhstan, shall be carried out in accordance with the pledge agreement.

34. Refined precious metals, stipulated by sub-paragraph 1) of clause 28 of the Rules, shall be taken by the National Bank as a security on fixing (price quotation) (hereinafter – the fixing) (morning fixing - if available) of the London bullion market association on the business day preceding the date of their acceptance as the pledge, taking into account the discount.

The evaluation of refined precious metals, stipulated by subparagraph 1) of paragraph 28 of the Rules, according to which the London Bullion Market Association does not establish the fixing, shall be carried out in accordance with the pledge agreement.

35. Bank assets, provided for in subparagraphs 2) and 3) of paragraph 28 of the Rules, which have passed the procedure of pre-position of a pledge, shall be taken by the National Bank as a pledge at the value, determined by the subject of valuation activity in accordance with the Law on valuation activity, taking into account the discount.

36. In the event of a decrease in the value and (or) incompliance of bank's assets pledged with the requirements of the Rules, the bank shall return, within the period specified in the loan agreement, a portion of the principal debt and accrued interest on the loan in proportion to the amount of decrease in the value of the bank's assets pledged, or shall replace with the bank's assets, whose compliance with the requirements of the Rules is confirmed by the National Bank, in the amount sufficient to cover the loan amount and interest on it in full in the period, specified in the pledge agreement.

## **Chapter 6. Loan repayment**

37. The payment of the amount of the principal debt on the loan and interest on it shall be carried out by the bank in accordance with the loan agreement and loan repayment schedule.

In case of early repayment of the loan in full or in part, the loan interest shall be accrued for the actual time of use of the loan.

38. The Bank shall make early repayment of the loan:

1) in case of the presence of objective evidence of deterioration in the financial condition of the bank, leading to non-fulfillment of monetary obligations by the bank and (or) violation of prudential standards;

2) if the bank violates the terms of agreements (contracts, transactions), concluded with the National Bank, and (or) non-compliance with the requirements of the Rules;

3) if the bank submits to the National Bank the unreliable, unconfirmed documents, information and (or) data, including those contained in the funding plan, the unreliability and unconfirmation of which were revealed by the National Bank after the loan was provided to the bank.

39. In accordance with the loan agreement, in case of improper fulfillment and (or) non-performance of loan obligations by the bank, the National Bank shall take measures to ensure financial stability and settle insolvent banks, as provided for in the Law on banks and banking activities, and shall satisfy the requirements of the loan agreement at the expense of the bank's assets pledged.

40. The foreclosure of the bank's assets pledged shall be carried out by the National Bank in an extrajudicial manner by transferring to the National Bank the bank's ownership rights to the bank's assets, provided for in subparagraphs 1) and 2) of paragraph 28 of the Rules, provided as collateral, and (or) via selling the bank's assets to another bank or an organization, specializing in improving the quality of banks' loan portfolios, or mortgage organizations (hereinafter - third parties), provided for in subparagraph 3) of paragraph 28 of the Rules, which are pledged.

41. In order to sell the bank's assets to a third party under sub-paragraph 3) of paragraph 28 of the Rules, which are pledged, the National Bank shall send a letter - proposal to the third parties about the sale of the bank's assets, provided for in subparagraph 3) of paragraph 28 of the Rules, in order to fulfill the bank's obligations to the National Bank under the loan agreement.

42. The selection of a third party - purchaser of bank's assets, provided for by subparagraph 3) of paragraph 28 of the Rules, (hereinafter referred to as the third party - purchaser) shall be made by the National Bank.

43. Assignment of bank's claims to the bank's assets, provided for by subparagraph 3) of paragraph 28 of the Rules, to the third party-purchaser shall be carried out on the basis of an agreement concluded between the National Bank, the third person-purchaser and the bank and after the third party- purchaser pays the money to the National Bank in the amount of the size of the balance of the bank's debt on the principal debt and the accrued interest on the loan in full.

44. On the bank's assets, provided for in sub-paragraph 3) of paragraph 28 of the Rules, the bank shall continue to service the bank's borrowers under bank loan agreements until the full assignment of rights (claims) on them to a third-party purchaser.

45. Assignment of bank's claims (requirement) to the bank's assets, provided for by sub-paragraph 3) of paragraph 28 of the Rules, to the third party-purchaser, shall not require:

1) the consent of the shareholders, the borrower of the bank, as well as other interested parties (including the pledgers, guarantors, warrantors). At the same time, the identity of a new lender is recognized as not having substantial significance for a bank borrower;

2) making amendments to the agreements, concluded by the bank with bank borrowers, as well as other persons (including mortgagors, guarantors, warrantors), in part of specifying a new party to the bank loan agreement.

Annex  
to the Rules on loans of final  
instance, provided by  
the National Bank of the  
Republic of Kazakhstan

### **Requirements for bank loan agreements, the rights (claims) for which are provided as collateral**

Index	Requirements
1. Quality of a bank loan agreement	<p>Under a bank loan agreement:</p> <p>1) there are no restrictions and (or) encumbrances on the rights (claims) of the bank;</p> <p>2) there are no conditions, prohibiting the bank to make the assignment of rights (claims) under a bank loan agreement to a third party;</p> <p>3) there are money receipts to repay principal and accrued debt and there are no overdue debts of more than seven days under bank loan agreements, concluded with individuals and fifteen days under bank loan agreements, concluded with legal entities for the last six calendar months or three payment periods (under bank loan agreements, where the loan is repaid with a different frequency than the monthly repayment), preceding the dates of submission of petition for pre-position of the pledge and a petition for a loan, provided for in paragraphs 14 and 22 of the Rules on loans of final instance, provided by the National Bank of the Republic of Kazakhstan;</p> <p>4) the period until the full repayment of the debt on the principal debt and the accrued interest is not less than six calendar months;</p> <p>5) the frequency of repayment of debt on the principal debt and accrued interest is not more than once a month;</p> <p>6) there are no refinancing and (or) restructuring of bank loans due to the deterioration of the financial condition of the bank's borrower;</p> <p>7) balance of principal debt and accrued interest under bank loan agreements, concluded with individuals and unsecured using the methods, stipulated by the legislation of the Republic of Kazakhstan does not exceed two thousand monthly calculation indicators, established for the relevant financial year by the law on the republican budget and valid on the dates of submission of the petitions for pre-position of the pledge and a petition for a loan, provided for in paragraphs 14 and 22 of the Rules on loans of final instance, provided by the National Bank of the Republic of Kazakhstan. Bank loan agreements, concluded with individuals shall be classified by the bank to the homogeneous loans portfolio.</p>
	<p>Fulfillment of the obligations of the bank borrower shall be secured by a pledge of real estate, located in the territory of the Republic of Kazakhstan and not being an object under construction, free from restrictions and (or) encumbrances, imposed by the persons other than a bank.</p>

2. Security of fulfillment of obligations under the bank loan agreement	<p>The value of immovable property that secured the fulfillment of the obligations of the bank borrower under a bank loan agreement, determined by the subject of valuation activities in accordance with the Law of the Republic of Kazakhstan dated January 10, 2018 "On valuation activities in the Republic of Kazakhstan" (including during the annual valuation) and (or) by the bank when drawing up a conclusion on the pledged security, not earlier than six months before the date of submission of the petition for pre-position of the pledge, provided for in paragraph 14 of the Rules on loans of final instance, provided by the National Bank of the Republic of Kazakhstan, shall cover the outstanding amount of the principal debt and accrued interest under the bank loan agreement in full. In the case of securing the fulfillment of obligations under several bank loan agreements of one or several bank borrowers with one real estate, such bank loan agreements shall be recorded as one bank asset, taken in pledge.</p> <p>The requirements of this paragraph for securing the fulfillment of obligations under a bank loan agreement shall not apply to bank loan agreements, concluded with individuals and unsecured by the methods, provided for by the Civil Code of the Republic of Kazakhstan dated December 27, 1994.</p>
3 . Currency of a bank loan agreement	Tenge
4. Bank borrower	<p>A legal entity, from the day of the state registration of which at least three years have passed, as well as an individual - a resident of the Republic of Kazakhstan, who in total meet the following requirements :</p> <ol style="list-style-type: none"> <li>1) shall not be a person, having a special relationship with the bank;</li> <li>2) shall be solvent and shall have no tax debt;</li> <li>3) there is no information on his involvement in suspicious transactions in accordance with the Law of the Republic of Kazakhstan dated August 28, 2009 "On countering the legalization (laundering) of proceeds of crime and financing of terrorism".</li> </ol>