



Forte Bank

Bank Guarantees Standby Letters of Credit

**Prepared for “Settlement and Financial
Center for Support of Renewable Energy
Sources” LLP**

Within the Rules for the Organization and Holding of
Auctions No.16240 dated January 17, 2018



4th LARGEST BANK
IN TERMS OF EQUITY

2,000,000
CUSTOMERS

500,000
CARD TRANSACTIONS PER MONTH

over 120
OUTLETS IN 19 CITIES

STANDARD & POOR'S RATING:

- LONG-TERM CREDIT RATING:
"B"
- SHORT-TERM CREDIT RATING:
"B"
- OUTLOOK: **"POSITIVE"**

**MOODY'S INVESTORS SERVICE
RATING:**

- LONG-TERM LOCAL AND FOREIGN
CURRENCY DEPOSIT RATING: **"B3"**
- OUTLOOK: **"POSITIVE"**

Financial security for an auction application

The Rules for the Organization and Holding of Auctions allow the following types of financial security for an auction application as issued under the SWIFT system:

BANK GUARANTEE

STANDBY LETTER OF CREDIT

TERMS OF ISSUE OF FINANCIAL SECURITY AT FORTEBANK JSC:

- Against pledge of money (covered guarantee)
- Within the line of credit



THREE SIMPLE STEPS:

1. Contact ForteBank JSC
2. Provide a package of documents
3. Obtain a guarantee!



ADVANTAGES:

- Minimum fees
- Minimum package of documents
- Minimum time for consideration

BANK GUARANTEE

A **bank guarantee** is an irrevocable obligation of a bank to pay compensation to the beneficiary of a guarantee, in the amount as stated therein, on the basis of the beneficiary's written request. The guarantee beneficiary shall submit a written request to the guarantee issuing bank no later than the expiry date thereof (the expiration date of the guarantee included).

The guarantor (bank) cannot refer to contractual relationships, i.e. the bank shall make a payment

- on the first request of the beneficiary,
- against the provision by the beneficiary of documents required under the terms of the guarantee.

Guarantees are subject to the laws of the country where the guarantee issuing bank is located, as well as to the Uniform Rules for Demand Guarantees, 2010, ICC publication No.758 (URDG758).



STANDBY LETTER OF CREDIT

A **standby letter of credit** is an instrument that by its nature is similar to a guarantee. It was developed by US banks following the legislative restriction on issue of guarantees.

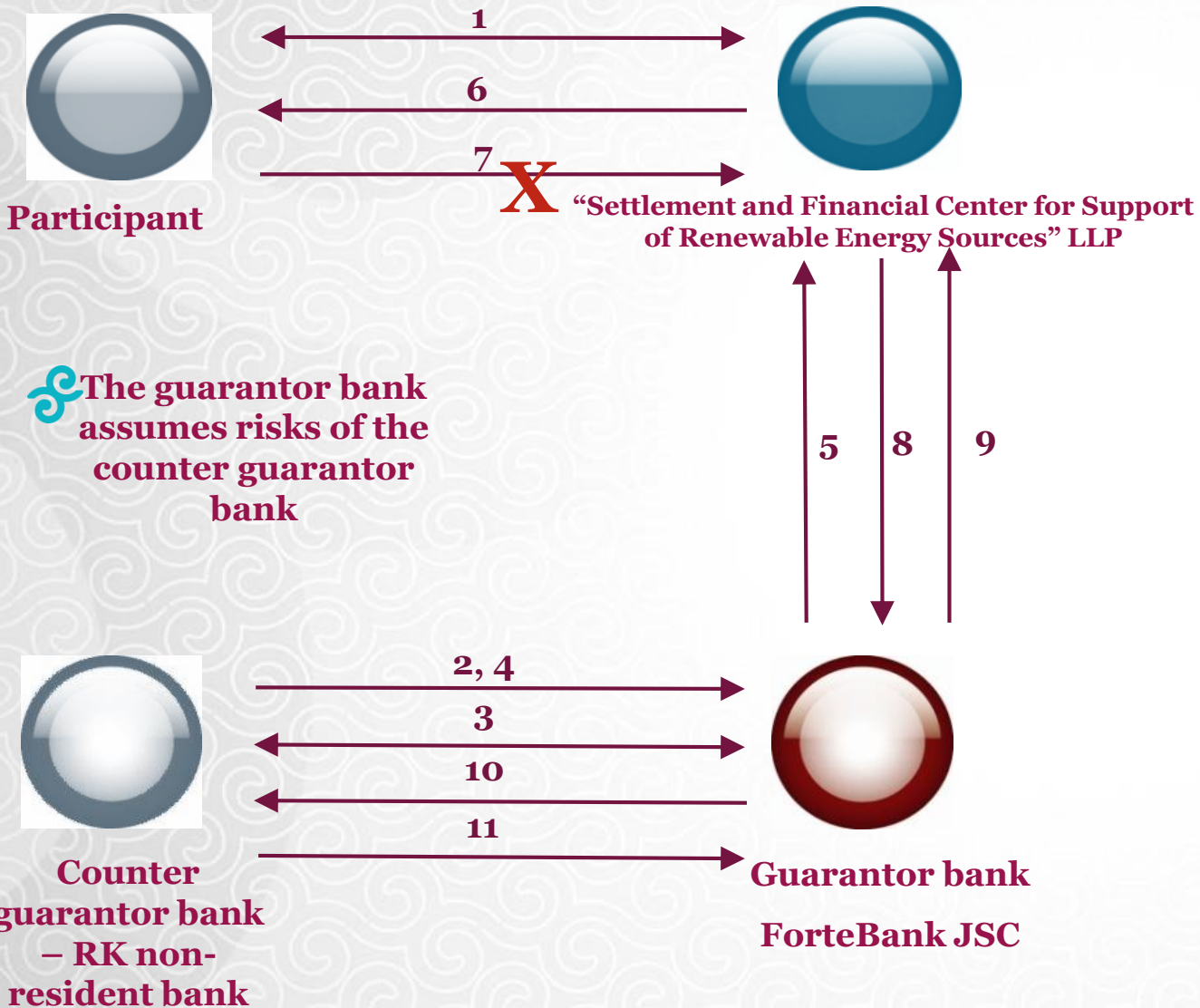
It functions as well as a guarantee, is an alternative instrument in case the application thereof is related to certain internal procedures for the guarantor bank, and/or basically, such an instrument is applied in countries where the use of guarantees is not stipulated.

As for the way of performance of obligations and execution, as well as for the confirmation mechanism, a standby letter of credit is similar to a bank guarantee.

Application of a standby letter of credit is governed by ICC (ISP98), and UCP 600.



Guarantee against counter guarantee (confirmed guarantee)



DESCRIPTION OF A SCHEME:

1. Intention to take part in auctions.
2. RK non-resident Bank sends an application / message to ForteBank JSC for issue of a guarantee.
3. ForteBank JSC and RK non-resident Bank agree upon transaction terms (up to 2 weeks).
4. RK non-resident Bank issues a counter guarantee in favor of ForteBank JSC with a request to issue a guarantee on behalf of itself.
5. ForteBank JSC issues a guarantee on behalf of itself within the limit set for the counter guarantor bank (RK non-resident Bank) and passes it to the Settlement and Financial Center.
6. Holding of an auction/ summarizing and determining of the winners.
7. Non-performance of obligations on conclusion of a purchase agreement.
8. Making of a demand to the Guarantor Bank for payment on demand.
9. Making of payment on demand.
10. ForteBank JSC submits a demand to the RK non-resident Bank under the counter guarantee.
11. Reimbursement of the amount paid.

ForteBank JSC tariffs for auction participants



No.	Type of transaction	Minimum tariff	Maximum tariff	Comments
1.	INTERNATIONAL IMPORT GUARANTEES/ISSUED ON BEHALF OF THE CUSTOMERS			
1.1.	Opening of a guarantee (for the use of non-cash financing limit within the line of credit to open a guarantee)	0.5% per annum with step-by-step increase by 0.2%	5 % per annum	The tariff is calculated on the basis of the guarantee amount, and is payable at the time of the guarantee issue in a lump sum, or with a certain frequency as set by the Bank's authorized body. The Bank's authorized body shall determine the amount of fee and the payment procedure.
1.2.	Issue of a guarantee (technical issue)	min. KZT 18,000/USD 100	0.15%, but no more than KZT 90,000/USD 500	Based on the amount of the guarantee
1.3.	Performance of obligations:			
1.3.1	on modification of international guarantee conditions	KZT 9,000/USD 50		Per modification
1.3.2.	on examination of the documents accompanying the demand for payment	min. KZT 18,000/USD 100	0.2%, but no more than KZT 180,000/USD 1,000	Based on the amount of the demand
1.3.3.	Effecting of payment under the guarantee	min. KZT 9,000/USD 50	0,2%, but no more than KZT 180,000/USD 1,000	Based on the amount of payment
1.3.4.	Preparation and/or sending of the package of delivery documents (inclusive of VAT)	min. KZT 5,400 + courier charges max. USD 30 + courier charges		
1.3.5.	Cancelling of an international guarantee prior to expiration thereof (inclusive of VAT)	KZT 18,000/USD 100		Upon application by the customer

²Increase of the amount and/or extension of the term of an international guarantee shall be considered as an independent issue of a guarantee for accrual of fees

ForteBank JSC tariffs for “Settlement and Financial Center for Support of Renewable Energy Sources” LLP



No.	Type of transaction	Minimum tariff	Maximum tariff	Comments
2.	INTERNATIONAL EXPORT GUARANTEES/ISSUED IN FAVOR OF CUSTOMERS			
2.1.	advising of a guarantee	min. KZT 18,000/USD 100	0.15%, but no more than KZT 90,000/USD 500	Based on the amount of the guarantee
2.2.	advising of guarantee amendments	KZT 9,000/USD 50		Per amendment
2.3.	examination of the documents accompanying the demand for payment	min. KZT 18,000/USD 100	0.2%, but no more than KZT 180,000/USD 1,000	Based on the amount of the demand
2.4.	Effecting of payment under the guarantee	min. KZT 9,000/USD 50	0.2%, but no more than KZT 180,000/USD 1,000	Based on the amount of the payment
2.5.	Preparation and/or sending of the package of delivery documents (inclusive of VAT)	min. KZT 5,400 + courier charges max. USD 30 + courier charges		
2.6.	Cancelling of an international guarantee prior to expiration thereof (inclusive of VAT)	KZT 18,000/USD 100		Upon application by the customer
2.7.	Advising of a SWIFT message (inclusive of VAT)	KZT 1,500 / USD 10		Per message

³ International guarantee is a guarantee issued in favor of a non-resident under the SWIFT system the conditions whereof stipulate the submission to Uniform Rules for Demand Guarantees (URDG 458, URDG 758).



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