

Eurasian Development Bank
International financial institution

TERMS AND CONDITIONS OF THE BONDS¹
prepared in respect of the issue of bonds in the aggregate
amount of USD 100,000,000.00
and due 20 December 2023

1. Bonds:

Issuer:	<p>Eurasian Development Bank, an international organization established under the Agreement Establishing the Eurasian Development Bank dated 12 January 2006 (hereinafter called the "Issuer"). As at the date of this Information Memorandum, the Issuer has six members: the Russian Federation, the Republic of Kazakhstan, the Republic of Tajikistan, the Republic of Armenia and the Republic of Belarus, the Kyrgyz Republic (the "Issuer Member States").</p> <p>The legal status of the Issuer is governed by the Agreement on the Establishment of the Eurasian Development Bank dated January 12, 2006, the agreements between the government of the governments of Issuer Member States and the Eurasian Development Bank on terms and conditions of residence of the Eurasian Development Bank in each Issuer Member States.</p> <p>As at the date of this Terms and conditions of the bonds all above agreements are ratified by the Issuer Member States.</p> <p>As an international organisation, the Issuer is not incorporated under the laws of any state and it is a creature of, and subject to, public international law.</p> <p>The Issuer shall bear no liability for the obligations of its Issuer Member States and the Issuer Member States shall bear no liability for the obligations of the Bank. The Issuer Member States' risk of losses associated with the Issuer's activities shall be limited to the value of shares held by them.</p> <p>According to these international agreements the Issuer shall enjoy immunity from every form of legal process, except in cases not arising out of or in connection with the exercise of its powers.</p> <p>Property and assets of the Issuer located in member states shall be immune from search, requisition, attachment, confiscation, expropriation or any other form of taking or foreclosure unless and until a final judgment is delivered against the Issuer.</p> <p>The Issuer enjoys a number of privileges, benefits and in the field of taxation of its property, income, assets and operations, in particular, exemption from any taxes, fees, duties and other payments, except for those that represent a fee for specific types of services. In addition, the issuer is exempted from licensing,</p>
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¹ AIX, its directors, officers or employees, do not accept responsibility for the content of the information included in these Terms & Conditions, including the accuracy or completeness of such information. Nor has AIX, its directors, officers or employees, assessed the suitability of the securities to which the Terms & Conditions relates for any particular investor or type of investor.

	<p>supervision and regulation requirements by the central banking authorities of the member states.</p> <p>The Issuer is a fund resources manager of the Eurasian Fund for Stabilisation and Development established by the Russian Federation, the Republic of Kazakhstan, the Republic of Belarus, the Republic of Armenia, the Republic of Tajikistan and the Kyrgyz Republic and coordinates its activities with other international financial institutions and donor clubs.</p>
Contact Details of the Issuer:	<p>220 Dostyk ave., Almaty, 050051, Republic of Kazakhstan</p> <p>info@eabr.org</p> <p>https://eabr.org/en/</p>
Key financial information:	<p>The Bank prepares its financial statements in accordance with IFRS. Semi-annual and annual reports are available at https://eabr.org/en/investors/information-disclosure/.</p>
Credit Ratings:	<p>EDB is rated by three major international rating agencies - Moody's Investors Service, Standard and Poor's and Fitch Ratings. The assigned ratings are higher than the sovereign ratings of the Bank's member states. Also EDB has ratings from the rating agency ACRA under international scale and Russian national scale. https://eabr.org/en/investors/ratings/</p> <p>The bonds will be assigned a credit rating by ACRA and will be published on: https://www.acra-ratings.ru/</p> <p>https://eabr.org/en/investors/ratings/</p>
Form of issuance:	<p>The bonds will be issued in a registered form (hereinafter called the "Bonds")² in and in accordance with the laws of the Astana International Financial Center (hereinafter called the "AIFC") and the Issuer has agreed below that disputes arising thereunder or in respect of the Bonds are subject Court of the AIFC (Court) in accordance with the Rules thereof. The resolution or/and awards of the Court are enforceable in the territory of the Republic of Kazakhstan. The local courts of an Issuer Member State will not enforce any judgment obtained in a court established in a country other than that Issuer Member State unless there is in effect a treaty between such country and such Issuer Member State providing for reciprocal enforcement of judgments and then only in accordance with the terms of such treaty. Moreover, the enforcement of the Court resolution/award in the Issuer Member States cannot be assured because of the immunities of the Issuer.</p>
General Purpose for raising funds:	<p>Proceeds received by the Issuer from the issue of Bonds shall be used in full to fund current business operations.</p>
Currency:	<p>The Bonds shall be denominated in U.S. Dollars (USD).</p> <p>All payments (interest accrued and principal) shall be made by the Issuer by way of the money/wire transfer in USD to the bank accounts of bondholders provided by AIX Registrar upon to the request of Issuer.</p>
Nominal value:	<p>The nominal value of each Bond shall be 1 (One) USD</p>
Status and ranking:	<p>The Bonds shall constitute direct, general and absolute obligations of the Issuer which will rank <i>pari passu</i> among themselves and rank <i>pari passu</i>, in terms of payment rights, with all other current senior unsecured obligations of the Issuer,</p>

² The Issuer did not seek independent legal advice on due corporate authorization with respect to the listing the Securities on AIX in accordance with these Terms and Conditions.

	except for liabilities mandatorily preferred by law subject to international agreements regulating Issuer's establishment and operations.
Risk Factors:	<p>The major risk attributable to the business of the Issuer include:</p> <p>Risk Factors Relating to the Issuer:</p> <ul style="list-style-type: none"> - The Issuer is a creature of international law and the Bonds are not guaranteed by any sovereign as specified above; - Enforcement of foreign judgments or arbitration awards in the Member States as specified above; - Immunity in relation to the enforcement of judgments or arbitration awards in Member States as specified above; - Withdrawal of a Member State as provided by Article 26 of the Issuer Charter; - Adverse global conditions in financial and economic markets; - Soundness of the Issuer's customers, clients and counterparties; - Loan portfolio growth and funding risks; - Credit risk management; - Credit risk due to high lending concentration; - Interest rate risks; - Foreign currency risks; - Lack of information for risk assessments; - Operational risk; - Conflicts of interest between Member States and Bondholders; - Sanctions, may affect the Issuer's business, financial condition and results of operations; - Acts of terrorism, cyber attack, war and other catastrophic events; <p>Risk Factors Relating to the Member States:</p> <ul style="list-style-type: none"> - Liquidity problems in the economies of the Member States; - Corporate and commodity risk; - Actions of Member States may affect the Issuer; - Political, regional and economic considerations; - Emergence and evolution of legislative and regulatory framework; - Inflation could increase the Issuer's costs; <p>Risks related to the Bonds generally:</p> <ul style="list-style-type: none"> - bonds do not limit incurrence of additional indebtedness; - Change of law; - Absence of Market-Maker on the Bond; - Credit rating do not reflect all risks.
Potential Investors:	Accredited Investors (as defined in section 1.1.2(6) AIFC MAR) under section 1.2.2(1)(a) of the AIFC MAR.
Securities:	<p>Type and name</p> <p>Senior Unsecured Bonds with Coupon payment</p>

	ISIN: KZX000001003
	Amount 100,000,000 (One Hundred Million) units by US\$1 (One) US Dollars each fully paid
	Total amount in issue US\$100,000,000 (One Hundred Million) US Dollars
	Circulation commencement date and maturity The commencement date of Bond circulation – 20 December 2021 (the “Issue Date”). Bond circulation - period 730 calendar days until 20 December 2023. Maturity Date – 20 December 2023
	Estimated general expenses associated with the listing All fees due shall be paid in accordance with the AIX official fees schedule

2. Coupon:

Coupon rate:	1.50 per cent. per annum payable annually in arrears on each Coupon Payment Date
Coupon Payment Date(s):	Within 5 (five) business days from 20 December in each year up to and including the Maturity Date in accordance to the Annex 1 to this document
Coupon interest:	<p>Interest accrual commencement date</p> <p>The interest or coupon on Bonds shall commence being accrued starting from the Issue Date. The interest shall be accrued during the entire period of the circulation of the Bonds and shall end on 20 December 2023.</p> <p>Frequency of interest payments and/or dates of payment interest on Bonds.</p> <p>The Bonds bear interest from and including the Issue Date at the rate 1.50% per annum payable on Coupon Payment Date. If any payment date falls to a day which is not business day in the Republic of Kazakhstan, then the payment shall be made on the business day immediately following the due date.</p> <p>Interest payment procedure and terms, interest payment method.</p> <p>The interest shall be paid by the Issuer on Coupon Payment Dates to Bondholder(s) who are registered with the AIX Registrar and/or AIX CSD at 23:59:59 on the day preceding each Coupon Payment Date (the “Record Day”). The interests accrued shall be transferred in form of a wire transfer subject to the banking details of the Bondholder provided by AIX Registrar upon to the request of Issuer.</p> <p>The date from which the accrual of interest on Bonds begins:</p> <p>Bonds interest shall be accrued from the date of commencement of the Bonds circulation. Remuneration shall be accrued during the entire circulation period of the Bonds and shall end on the last day of the circulation period of the Bonds.</p> <p>The amount of interest due and payable shall be equal to 1.50 % per annum of the nominal value of the Bonds to which such interest is related, and the day-</p>

	<p>count fraction for the relevant period, rounding the resulted figure to the nearest cent (half a cent shall be rounded upwards).</p> <p>Interest accrued on Bonds shall be calculated as follows:</p> <p>Interest accrued on Bonds = $k \cdot n \cdot c$, where</p> <p>k – number of Bonds, total amount;</p> <p>n – nominal value of each Bond, USD;</p> <p>c – interest rate, %.</p> <p>Payment of the coupon interest for the last coupon period shall be made simultaneously with the payment of the principal amount of the debt under the Bonds.</p> <p>Period of time applied for interest calculation – Actual/Actual</p> <p>The interest on Bonds shall be paid according to the time base of Actual days in a year and Actual days in a month, during the entire period of circulation.</p>
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3. Repurchase and acquisition:

Repurchase schedule:	Not applicable
Repurchase prior to maturity:	Not applicable

4. Issue:

Issue restrictions:	<p>Amendment shall be made by the Issuer to these Terms and Conditions in accordance with Section 6 – General terms of Terms and Conditions (Bondholders meeting).</p> <p>The Bonds shall be offered under section 1.2.2(1)(a) of the AIFC MAR, to Accredited Investors only (as defined in AIFC MAR 1.1.2(6)(a)) considering the limitations on general solicitation and marketing provided in AIFC MAR 1.2.3.</p>
Issue and registration ³ :	The Bonds will be issued and in accordance with the laws of the AIFC.

5. Payments:

Terms and conditions of Bond redemption:	<p>Maturity date – 20 December, 2023</p> <p>Terms and conditions for repayment:</p> <p>Bonds shall be redeemed at their nominal value in USD together with the payment of the coupon accrued via wire transfer on Maturity Date Terms and mechanism of coupon payments are set forth in clause 2 above.</p> <p>Commencement date of the Bonds redemption period - the day following the last day of the Bonds circulation period, which is 730 (Seven Hundred Thirty) days from the date of the Bonds circulation commencement. The redemption period of the</p>
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³ The Issuer shall be responsible for securing due corporate authorization in respect of the listing of the Securities on AIX in accordance with these Terms & Conditions. AIX has authority to suspend or cancel the Listing or commence delisting procedures in accordance with applicable AIFC legislation, the AIX Business Rules, or the Listing Agreement entered into between the Issuer and AIX.

	<p>Bonds shall be 5 (five) business days starting from the date of the commencement of the redemption of the Bonds.</p> <p>Repayment of the principal amount and payment of interest for the last coupon period will be carried out simultaneously by transferring money to the bank accounts of the Bondholders registered in the register of Bondholders as of the beginning of the last day of the Bond circulation period. The principal and interest for the last coupon period shall be paid within 5 (five) business days following the the Bond Maturity date.</p>
Taxation:	In accordance with the Law "On Astana International Financial Center", individuals and legal entities shall be exempt from individual and corporate income taxes payable in Kazakhstan in respect of their returns representing interest on securities (including bonds) which are included in official listings of a stock exchange as at the date of accrual of such dividends or interest. Investments might be subject to taxation outside Kazakhstan, in jurisdiction of investor tax residency.
Tax regime of the Issuer:	The Issuer, its income, property, assets, and its operations and transactions carried out as per the Charter in the territory of member states shall be exempt from all taxes, duties, levies or fees, except charges for particular services in according to Article 32 of the Charter as an integral part of the Agreement Establishing the Eurasian Development Bank (Astana, 12 January 2006).
Miscellaneous:	No stamp, registration or other tax arising out of the transfer of the Bonds exist in the Republic of Kazakhstan.

6. General terms:

Clearing:	The Bonds shall be transferred to the Issuer's proprietary account in AIX CSD for further allocation to Bondholder(s) subject to instructions provided accordingly from AIX CSD.
Ownership and transfer:	Recording of the Bonds shall be made by way of registration thereof with the AIX CSD/AIX Registrar.
Calculations:	For purposes of any calculation specified herein, a value shall be accurate to two decimal places.
Bondholders meeting:	<p>These Terms and Conditions of the Bonds contain the provisions on convocation of a meeting of the Bondholder(s) to consider the matters concerning the Bonds, including the amendment of any provision hereof. No amendment to these Terms and Conditions of the Bonds shall be allowed, unless it is approved by Extraordinary Resolution made by the Bondholders. Any such meeting of the Bondholder(s) may be convened by the Issuer and/or at the request of the Bondholder (s) holding at least 10% of the unredeemed Bonds. The quorum at any meeting of the Bondholder(s) convened for voting on an Extraordinary Resolution shall constitute two or more persons holding or representing one half of the total amount of the unredeemed Bonds, or, in case of a meeting in absentia, two or more Persons acting as bondholders or representative thereof, regardless of the amount of the Bonds held or represented; provided however that any Reserved Matter may be approved only by an Extraordinary Resolution passed at a meeting of Bondholder(s), at which two or more Persons, having or representing at least three quarters, or, in case of any meeting in absentia, one quarter of the total principal amount of the unredeemed Bonds, constitute the quorum.</p>

	<p>Any Extraordinary Resolution passed at any such meeting shall be binding upon all holders of the Bonds, regardless of whether they present at such meeting or not.</p> <p>If all outstanding Bonds are owned by a single holder, no meeting of the Bondholders shall be held. A decision on matters reserved to the competence of the meeting of Bondholders shall be taken by the authorized body of a holder of the Bonds and shall be made in writing.</p>
Notices:	<p>Any notice to the Bondholder(s) shall be valid only if it is made public by the Issuer on AIX website via Regulatory Announcement Service.</p>
Rights of the Bondholders:	<p>Rights of the Bondholders are the following:</p> <ul style="list-style-type: none"> ▪ enter into transactions with the Bonds in accordance with Applicable law; ▪ right to receive the nominal value of the Bonds in order and in within the terms set forth hereby; ▪ right to receive fixed income in order and in terms specified hereby; ▪ right to obtain the required information on the Issuer and its activity, its financial standing and results of operations subject to the applicable AIFC laws, subject to international agreements regulating Issuer's establishment and operations; ▪ other rights arising from the right of owning the Bonds in cases and in order subject to the Applicable law. <p>For the purposes of this Clause an Applicable law means applicable AIFC laws subject to international agreements regulating Issuer's establishment and operations. In relation to the transactions following the initial sale the law regulating these transactions shall apply.</p>
Applicable law and jurisdiction:	<p>The Bonds and any non-contractual obligations arising out of, or in connection with, the Bonds shall be governed by, and construed in accordance with, the laws of the AIFC subject to international agreements regulating Issuer's establishment and operations. The Issuer has agreed herein the conditions in favor of the Bondholder(s) that any claim, dispute or discrepancy of any nature arising out of, or in connection with, the Bonds (including claims, disputes or discrepancies regarding the existence, termination thereof, or any non-contractual obligations arising out of, or in connection with, the Bonds) (hereinafter the "Dispute") shall be brought to, and finally resolved by, the Court of the AIFC in accordance with the Rules thereof (hereinafter the "Rules"), currently in effect, such Rules shall be deemed incorporated herein considering the following.</p> <p>Any lawsuits or cases against the Issuer may only be filed or initiated subject to the Issuer's waiver of immunities, privileges or exemptions made to the extent and on such terms and conditions as it believes to be in the interests of the Issuer. Such waiver of immunities, privileges or exemptions (whether in full or in part) is to be formalized as prescribed by the Agreement Establishing the Eurasian Development Bank dated 12 January 2006.</p> <p>Nothing in this Agreement, including provisions above on the choice of dispute resolution institution, constitutes or may be construed or perceived as a waiver of any immunities, privileges, exemptions or release from obligations provided to Issuer under international agreements regulating to Eurasian Development Bank establishment and operations</p>


GLOSSARY

In these Terms and Conditions of the Bonds the following definitions shall have the following meanings:

"Reserved Matters" shall mean any proposal made by Issuer to change any date set for the payment at nominal value or of a coupon interest on Bonds with the aim to reduce the nominal value or coupon interest on Bonds payable at any date in respect of the Bonds, or change the method of calculation of any payment in respect of the Bonds or a date of any such payment, or change the currency of any payment under the Bonds or change the quorum requirements related with meetings, or change the majority required to pass an Extraordinary Resolution.

"Person" shall mean any individual, company, corporation, firm, partnership, joint venture, association, organization, state or agency of a state or other legal entity, whether or not having separate legal personality.

"Extraordinary Resolution" shall mean a decision adopted by the majority of votes of the Bondholders subject to the quorum requirements specified in section «Bondholder meetings» and special terms for the Reserved Matters.


Nazira Satbekova
Head of Funding Department



Annex 1 to the Terms and Conditions of the Bonds

Schedule of Payment of Interest on Bonds*

Coupon period sequence number	Coupon period commencement date	Coupon period expiry date	Record Date (23:59:59)	Interest payment commencement date	Interest payment expiry date
1	20 December 2021	19 December 2022	19 December 2022	20 December 2022	26 December 2022
2	20 December 2022	19 December 2023	19 December 2023	20 December 2023	26 December 2023

*If any coupon interest payment date falls to a day, which is not business day in the Republic of Kazakhstan, then the payment shall be made on the business day following the day of payment.