

The amount of borrowing.

The agreed interest terms and lending fees.

The date on which the borrowing is to be repaid and/or reviewed.

Any arrangements regarding security for the borrowing.

Any arrangements for you to provide us with information.

Overdrafts and Loans are always repayable on demand. However, subject to this, overdrafts and loans may be extended for agreed periods.

Consumer/Discount Loans are extended for fixed terms. Agreements for such Loans may be by way at Promissory Notes and/or Bills of Sale.

#### **CHANGES TO THE TERMS OF AN AGREEMENT TO BORROW MONEY**

##### **What happens if your account exceeds the agreed overdraft limit or becomes overdrawn without agreement?**

This may occur for a variety of reasons, ranging from a simple oversight, or a delay in receiving payment into the account, to a serious cash flow problem. We will try to contact you about the problem, so that you can take steps to rectify it. However, we cannot promise that we will always be able to contact you. We strongly recommend that you keep careful track of your account and, if you think you may exceed an agreed limit, or become overdrawn, contact us before it happens.

As you know, we do not have to pay cheques which cause you to exceed an agreed limit or become overdrawn without our agreement beforehand.

#### **CHARGING FOR OUR SERVICES**

Like any other business, we charge for the services we provide. We make different types of charges for different kinds of services.

On borrowings, whether by loan or overdraft, interest commissions and other fees are charged.

On transactions involving money being moved into or out of an account, service charges are made.

For other services, there will normally be specific charges.

These charges are subject to review.

#### **INTEREST CHARGES**

Interest rates on borrowings reflect market conditions and are, therefore, subject to ongoing review. Government's economic policy, influence interest rates from time to time also.

You may contact us at any time for information on interest rates.

#### **Fixed Rate Lending**

In some conditions, you may borrow at a fixed rate of interest by special arrangement.

#### **Interest charges when you exceed your overdraft limit or become overdrawn without agreement**

If we pay a cheque in these circumstances, interest charges will be applied as follows:

If you exceed your overdraft limit, the interest rate will be increased on the excess.

If you become overdrawn without any agreement at all, interest will be charged at a penal rate.

For most customers, interest on borrowings will be charged on a monthly basis.

#### **OTHER BANK CHARGES**

##### **Service Charges on payments into and out of your account**

Service charges are payable in respect of the various services provided in connection with the movement of money into and out of your account.

##### **Agreeing the charges**

Customers with more complex banking requirements will attract different charges based on the level and complexity of those requirements.

The most common examples of such charges are for:

Making loans and handling security documentation.

Time spent on the administration of your account - for example, work caused by unauthorized overdrafts or excesses, or analyzing financial information required to assess and monitor borrowings.

Specific services, such as providing audit letters, making status enquiries, stopping cheques, telegraphic transfers, standing orders, etc.

These charges will be debited to your account (usually at the time the service is provided) and you will either be specifically advised and/or the charge will be shown in your statement of account.

Details of these charges are available.

#### **OUR PROCEDURE FOR COMPLAINTS**

The Bank's Code of Banking has been drawn up to explain to our customers the general principles and terms on which we operate. If we fall short of them, then you may want to tell us.

We take all complaints very seriously because we set ourselves high standards of service.

If in your opinion we fall short, please refer in the first instance to the Operations Manager of the Bank. In our experience, most complaints can be solved at this level.

#### **VALUE STATEMENT**

"The guiding principle is to adhere to the highest ethical standards – integrity, justice and honesty: to treat all others with whom we come in contact including our customers, our colleagues, our shareholders, our suppliers and our communities – in the same manner we would like to be treated in similar circumstances".

**OUR CUSTOMERS:** We will build relationships with our customers by meeting our commitments, exceeding service requirements whenever possible, providing good value, responding in a timely manner to their needs and being innovative in helping them to realize their business goals.

**OUR COLLEAGUES:** We will provide a working environment of fairness, equity and transparency which facilitates trust, respect and team work and afford all staff opportunities for meaningful, challenging and rewarding work.

**OUR SHAREHOLDERS:** We will achieve consistent growth and profitability over the long term with returns that result in increasing shareholder values.

**OUR SUPPLIERS:** We will treat our suppliers fairly and forthrightly and fully live up to our agreements.

**OUR COMMUNITIES:** We will be good corporate citizens, respected and recognized as much for our integrity, commitment, insight and progressiveness. As for financial success, the Company will take an active interest in the communities in which it serves.

## **THE BANK OF NEVIS LTD.**

# **CODE OF BANKING**



## **Improving the Quality of Life**

P. O. Box 450, Main Street  
Charlestown, Nevis, West Indies  
Tel.: (869) 469-5564/5796  
Fax.: (869) 469-1039  
Email: bon@caribsurf.com  
Website: www.thebankofnevis.com

## INTRODUCTION

The Bank of Nevis Ltd. has drawn up a Code of Banking to explain to you our customers, the general principles and terms on which we operate.

The first section of the Code summarizes the principles we shall follow in our dealings with you, and the important commitments which we make. We have always paid special attention to the quality of service we provide. By committing this Code to writing we wish to use this document as a base for continuous improvement.

**The Code is intended to serve as:**

- A framework for our dealing with each other
- A point of reference in negotiations and discussions
- A set of standards for our own staff, indicating what you should expect from them.

**As partners with us, we ask the following of our customers:**

That you faithfully maintain the arrangements made with us for the operation of your accounts. Should you have difficulty in meeting any arrangement, please tell us immediately, so that we may review the matter with you.

That you promptly and regularly reconcile your statements of account and other records. If you find discrepancies or the need for clarification, please contact us immediately.

That you exercise due care and prudence to prevent the use of your accounts by third parties for fraudulent activities. This means especially that you should maintain strict control over documents and other instruments of authority relating to your accounts, for example, cheque leaves and savings passbooks.

The Code will apply to all customers' accounts.

## SUMMARY OF THE CODE

*The Principles Underlying our Relationship with you.*

**This code is based on four key principles.**

**Fair Dealing** - We will be fair and reasonable with you at all times.

**Openness** - We will deal openly with you, making our position clear so that you always know where you stand.

**Service** - We will offer a high standard of expertise and professionalism, and continuously work towards improving the quality of our service.

**Consistency** - We will provide the same commitment to service throughout the Bank and for every customer.

### ***Key Commitments to our Customers***

We make these specific commitments to you as a customer:

#### Written loan and overdraft agreements

Agreements for you to borrow will always be confirmed in writing, and the terms and conditions of the borrowing will be stated clearly.

#### Bank Charges

Our list of service charges will be available. These charges will be reviewed from time to time.

#### Confidentiality

We will observe a strict duty of confidentiality regarding your financial affairs, and we will not disclose any information about you to third parties without your consent, unless permitted or required to do so by law, or accepted custom.

#### Correction of Mistakes

Regrettably some mistakes will occur. When we are aware that we have made a mistake, we will endeavour to rectify it promptly.

#### Comprehensive Complaints Procedures

We take complaints very seriously and have an established complaints procedure. We will, therefore, ensure that all complaints are dealt with efficiently and promptly.

We will be better able to deal with your complaints if you submit them in writing.

## BUSINESS CONDUCT

The following precepts shall attend all business dealings conducted in, at, through, by or on behalf of the Bank, or any Director, Manager or other employee or agent thereof.

All business actions and transactions will at all times reflect what is right and true;

All business actions and transactions will be conducted with unimpeachable integrity, soundness, honesty and full observance of the Bank's code, rules and regulations;

The confidentiality of communication and transactions between the Bank and its employees, and the Bank and its customers will be preserved at all times.

No information gained through the Bank's operations shall be used for any purpose other than that intended by the Bank/customer and especially shall not be used for personal gain or in such manner and with such application as would compromise the integrity and/or public image of the Bank, its Directors, Managers and other employees or any of them;

All employees, customers, suppliers, contractors, associates and all other who are associated with and or transact business with the Bank, will receive equally courteous, fair and equitable treatment, free from all personal bias or prejudice including (but not limited to) any race, nationality, creed or gender.

Employees will not engage in transactions, associations or business dealings which constitute a conflict of interest, or are deemed to constitute a conflict of interest with the Bank's operations.

All employees will exercise due care to ensure that all personal and business transactions and dealings are undertaken with full compliance with the appropriate Laws, Statutory Regulations and orders which apply thereto from time to time.

The records of the Bank shall be maintained accurately and completely and shall not be falsified, abused or misused in any way, or left unprotected and unsafe.

Employees shall protect the Bank's property and shall not abuse or misuse any of its property, material or assets nor shall employees aid, allow or in any way contribute to any such abuse or misuse.

## DEPOSITS

We take deposits from customers in EC Dollars and foreign currency on a number of plans.

#### Savings Accounts

Depending on your circumstances and goals, you may choose to conduct:

Regular Savings Accounts

Term Deposits: These are available at varying periods, usually from call up to

twelve months, and longer.

#### Interest

We pay interest on savings and term deposit accounts at agreed intervals. The interest rates are subject to review and full details of current rates, as well as the terms and conditions of our deposit plans, are available.

#### FOREIGN CURRENCY

The Bank, as an Authorized Dealer, trades in foreign currency. The rates of exchange are quoted daily and are available.

#### BORROWING

##### **How we handle a request from you for finance**

Many customers will wish to borrow from us. It may be helpful for you to understand how we consider a request to borrow money.

You may call our business unit where you will be provided with information on the various methods of financing which we provide.

##### **What we take into account**

We will decide whether or not to lend after considering:

Your legal capacity to borrow.

The nature of your business or profession.

Your skills, experience and track record.

The amount you want to borrow in relation to your own investment in the venture, your ability to repay, and your financial projections.

The purpose for which you want to borrow.

Security - We require security for borrowing - for example, Real Estate, motor vehicles, life insurance policies, stocks and shares, or business assets. However, your security is only relied on as a last resort for repayment and is not by itself a basis for obtaining a loan.

Prevailing Government policy and regulations.

##### Providing Information

When we lend we require financial information on a regular basis - for example, Balance Sheets, Statement of Affairs, Profit and Loss Accounts and details of stock, debtors, creditors, etc.

Many people instinctively dislike the idea of anyone outside their business knowing about their progress. However, providing reliable and up-to-date information helps to reassure us that your finances are in good shape and you are able to continue servicing your liabilities as arranged. It can also enable us, if problems do arise, to work out promptly with you what needs to be done. In these cases, speed is often essential and lack of reliable and up-to-date information can only cause difficulties.

The type of information to be provided, and the frequency, will be discussed and agreed with you when the lending is arranged.

Apart from this, we will always welcome being kept abreast of your news, good and bad. The better the relationship between you and us, the more we can help and the more value you can get out of us.

##### Written Loan and Overdraft Agreements

Agreements to lend you money will always be confirmed in writing. This notification will include, as a minimum, details of: