



VNESHECONOMBANK

STATE CORPORATION
«BANK FOR DEVELOPMENT AND FOREIGN
ECONOMIC AFFAIRS (VNESHECONOMBANK)»



**Best Practice and New Instruments of Promotion for
Russian Business. Cooperation Opportunities**



Vnesheconombank. Brief Overview

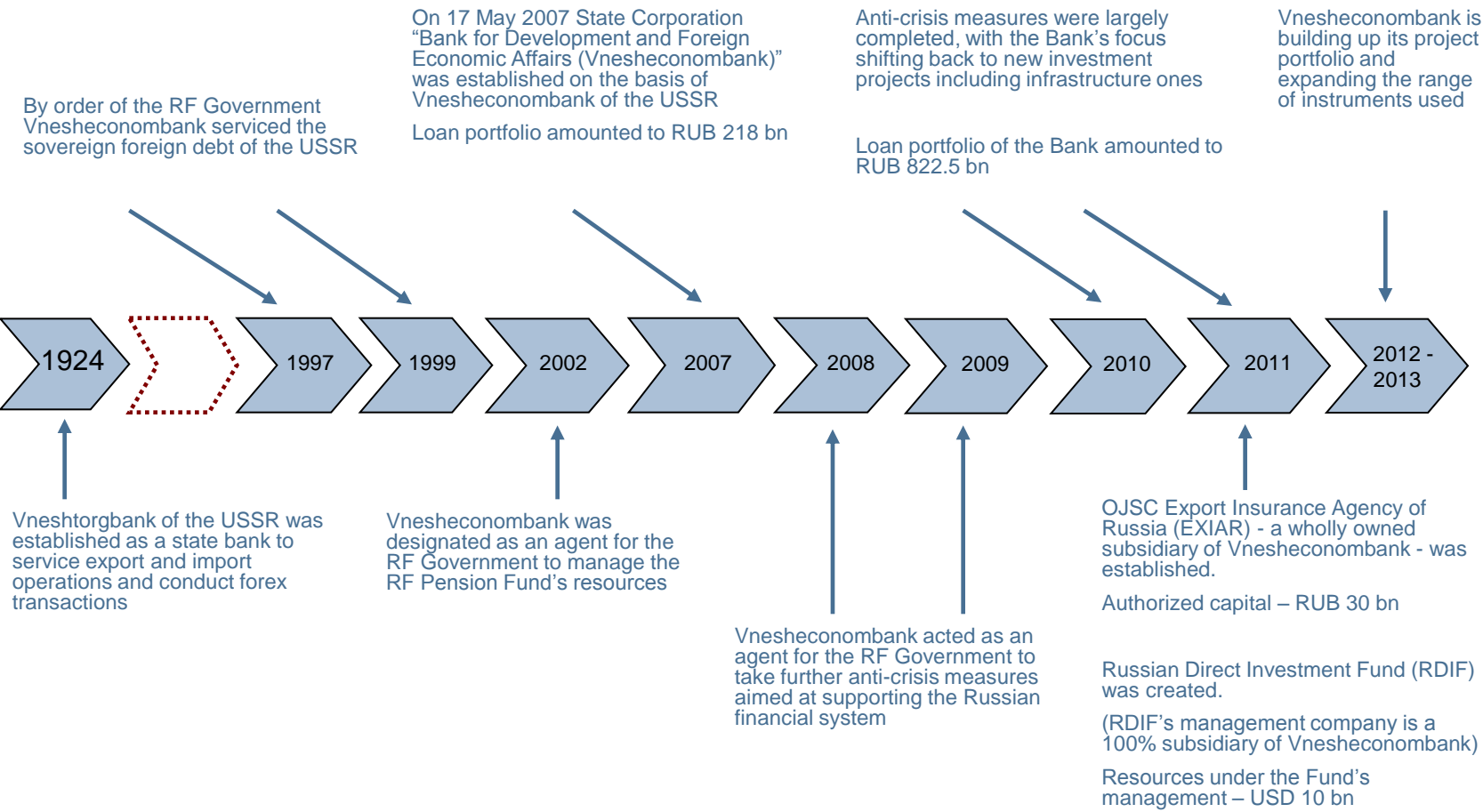
Export Finance System

Reference Projects

Funding Attraction For International Contracts Of
Russian Companies



History of Development Bank





MAJOR VEB'S CHARACTERISTICS AS THE STATE DEVELOPMENT BANK

**Strategic role
for the Russian
economy**

- A special status of state corporation under the Russian legislation
- VEB is 100% owned by the Russian Federation
- VEB's Supervisory Board is chaired by the Russian Prime Minister
- VEB's international credit ratings are at par with the Russian sovereign rating
- Equity contributions received directly from the Federal Budget
- Key focus on supporting industry and infrastructure projects of strategic importance to the Russian economy
- Support for the Russian industrial exports, including exports to CIS countries
- Agent to the Russian Government in managing State financial assets, debt and State Pension Funds
- Implementation of Government support measures for Russian companies and banks



Aims and Goals of Establishing the Russian Development Bank

Goals

Promoting the growth of the Russian economy by way of stimulating investment activities, developing infrastructure, supporting innovation technologies and Russian industrial exports

Vnesheconombank – Russian development bank

- **Financing industrial and infrastructure projects**
- **Granting export credits and guarantees**
- **Supporting SMEs**
- **Encouraging innovative projects**
- **Co-implementing national projects**
- **Promoting PPPs**

Vnesheconombank – agent for the Government of the Russian Federation

- **Managing sovereign foreign debt**
- **Managing domestic currency debt**
- **Managing state financial assets**
- **Managing pension savings**

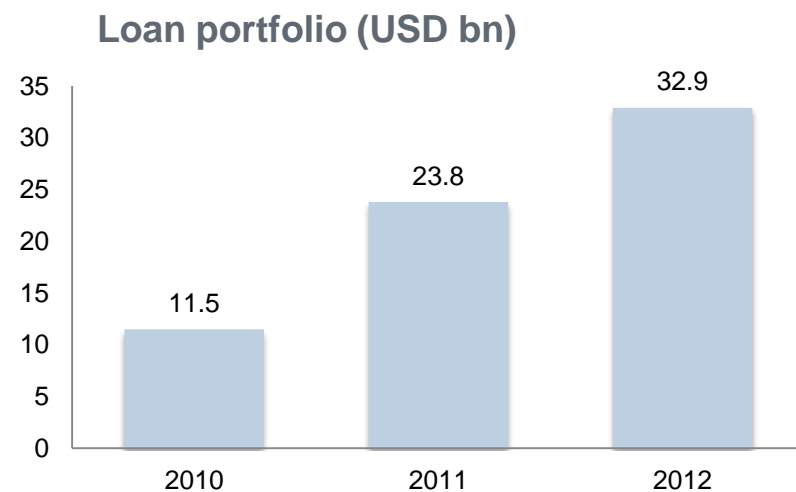
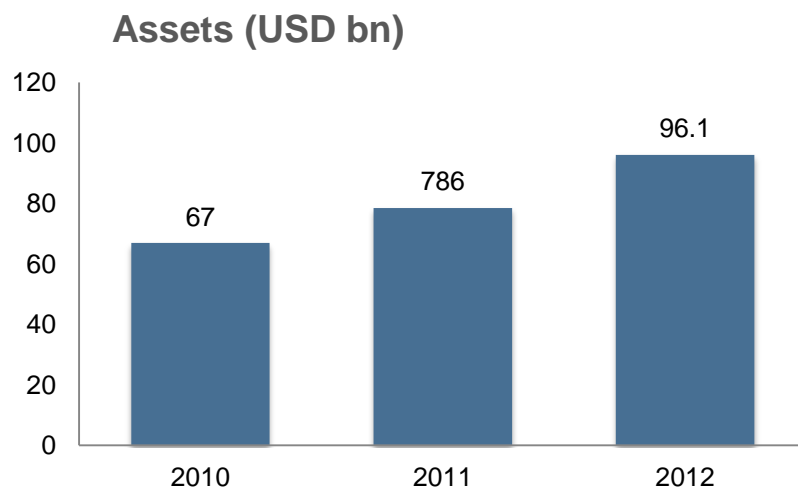
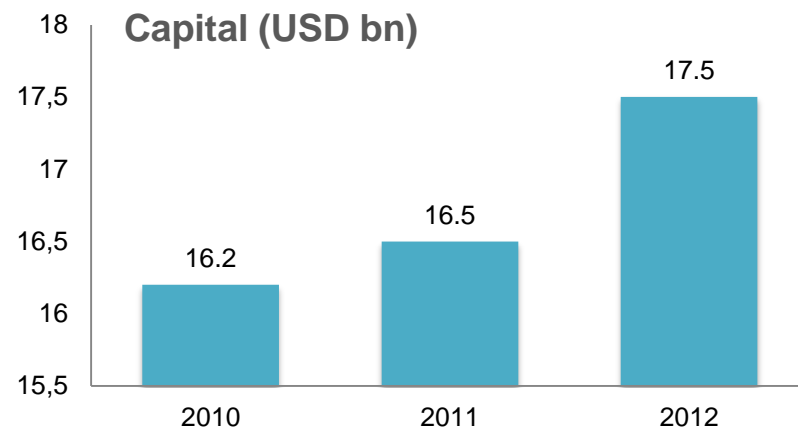
Vnesheconombank – support for the Russian economy during global financial crisis 2008-2009

- **Stabilizing the Russian economy and financial system**
- **Supporting Russian banks and enterprises within the framework of Federal Law No. 173-FZ dated 13 October 2008**
- **Supporting the Russian stock market**



Development Dynamics

Ranking in the Russian banking system	
Total assets	4
Capital	4
Loans to non-financial institutions	4
Loans to credit institutions	2





The Bank Joined the Ranks of Europe's Top National Full-service Financial Development Institutions

Top – 4 on capital (USD bn)	
CDC, France	31.3
KFW, FRG	27.4
CDP, Italy	22.2
VEB, Russia	17.5
ICO, Spain	5.7

Top – 5 on assets	
KFW, FRG	676
CDP, Italy	403
CDC, France	370
ICO, Spain	152
VEB, Russia	96

Credit ratings	
S&P:	BBB
outlook:	stable
Fitch:	BBB
outlook:	stable
Moody's:	Baa1
outlook:	stable

Moody's

STANDARD
& POOR'S

FitchRatings

Active participation in key global development bank associations

- Long Term Investors Club (LTIC)
- International Development Finance Club (IDFC)
- BRICS Interbank Consortium

LTIC
LONG-TERM
INVESTORS



Key Sectoral Priorities of Vnesheconombank Investment Activities for the Period up to 2015

PRODUCTS:

- **Syndicated lending**
- **Structured finance**
- **Project finance**
- **Equity investment**
- **Advisory services**
(expert evaluation of investment projects)

- Aircraft building and rocket and space complex
- Shipbuilding
- Electronic industry
- Nuclear industry, including nuclear energetics
- Heavy, transport, special-purpose and power engineering
- Metallurgy (special steel production)
- Timber-processing industry
- Defense industry
- Agro-industrial complex
- Strategic computer technologies and software
- Information and communication systems
- Medical equipment and pharmaceuticals



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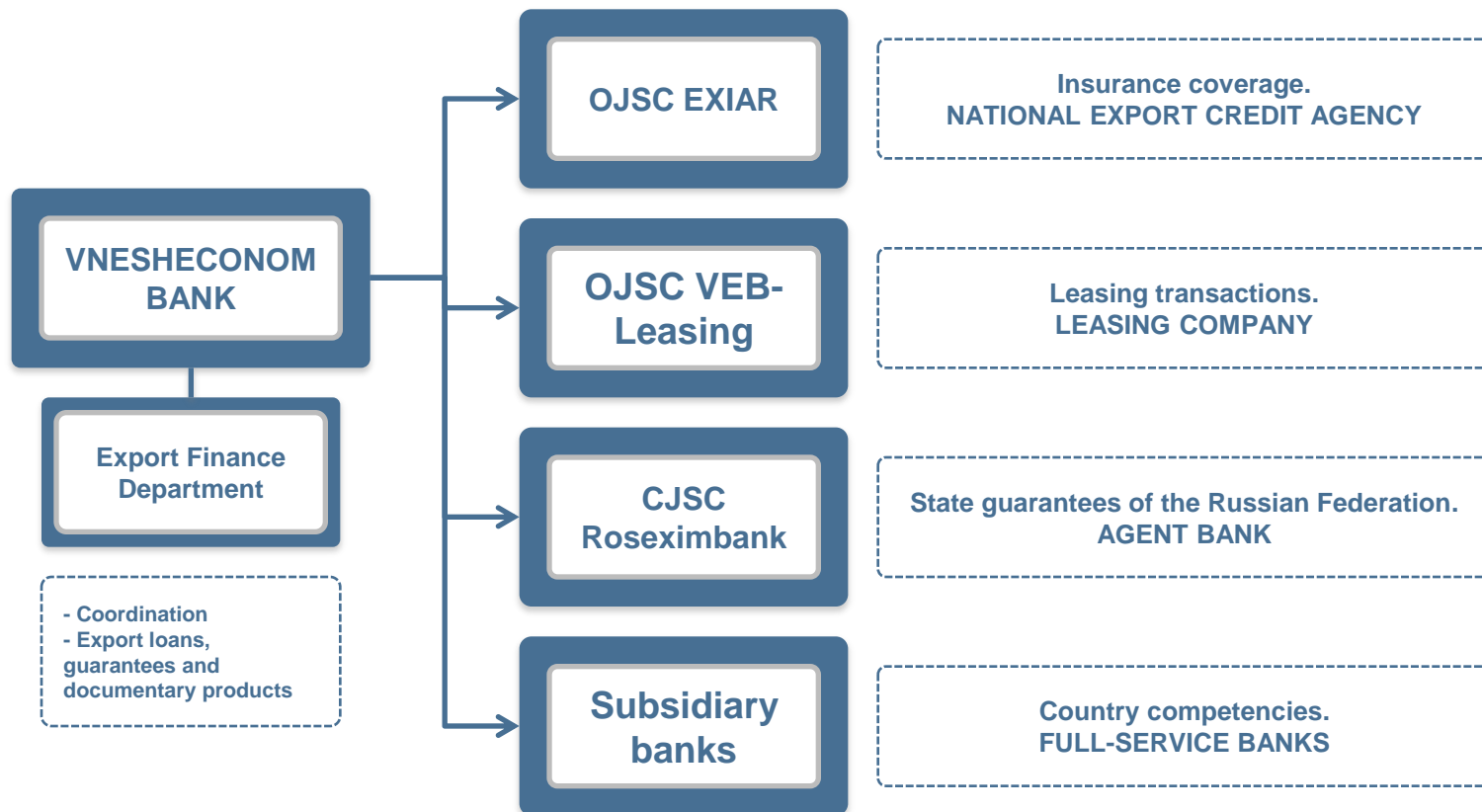
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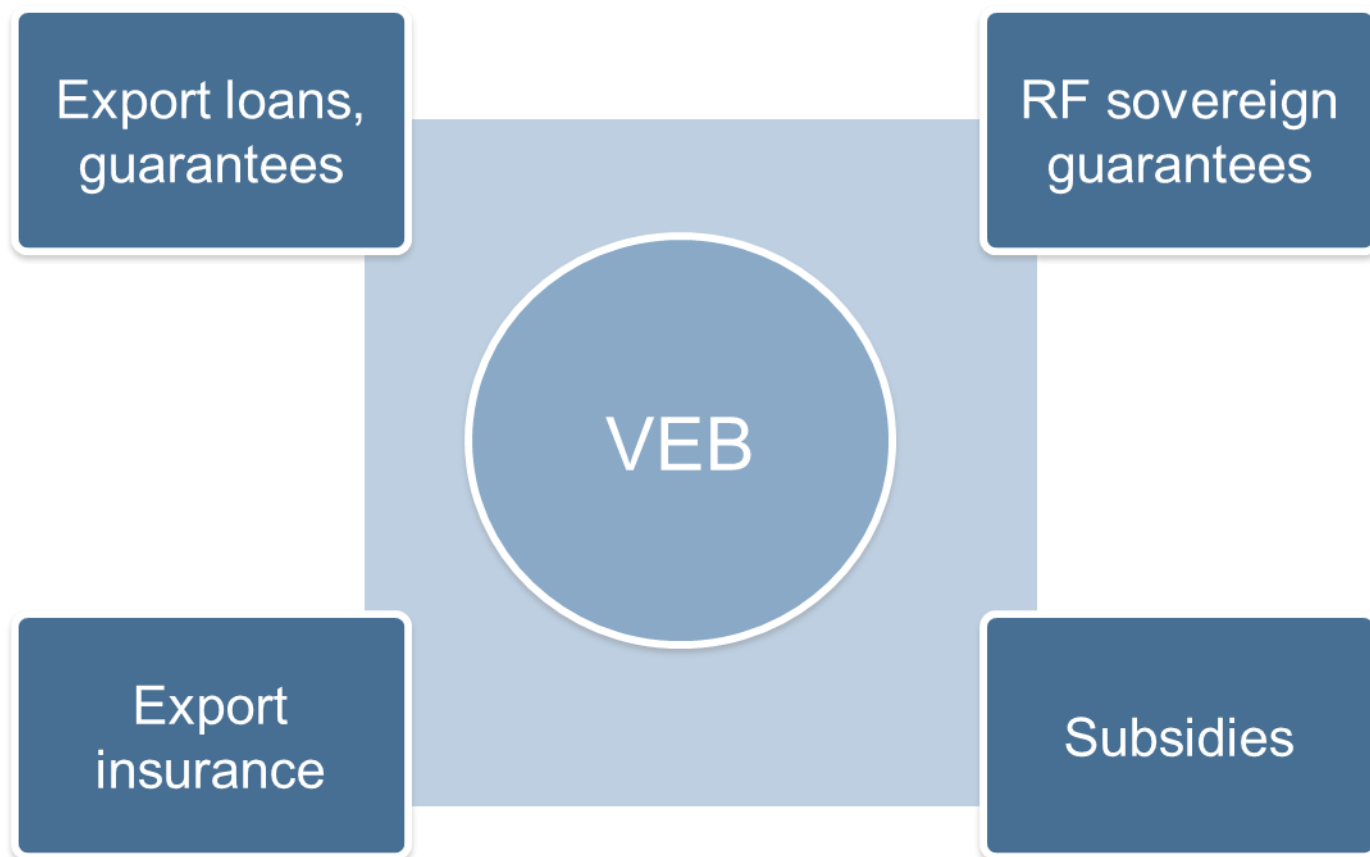
Group Vnesheconombank. Export Promotion Institutional Structure. “Single window” services



Vnesheconombank Group creates a complex system of export support as a “Single window” conception. The system of “Single window” will allow Russian exporters and foreign buyers to realise filing and submission of original documents in electronic way, as well as it will allow Vnesheconombank Group to pass approval stages and make decisions on projects to provide financial and guarantee support for Russian exports of goods and services.



Major Instruments for Export Financial Support





Support for Russian Exports

Support for exports of Russian industrial and agricultural products and services worldwide



Vnesheconombank's export finance portfolio as at 30 August 2013 approximated to RUB 95 bn (about USD 3 bn)



From 2007 to July 2013, within the framework of guarantee support for Russian exporters, VEB issued RUB 174 bn (about USD 5,4 bn) worth of guarantees in favour of foreign consumers of Russian hi-tech products



Vnesheconombank Export Finance products (I)

KEY PARAMETERS	
Goal	Financing the deliveries of Russian industrial and agricultural products
Products	Loans, guarantees and other documentary instruments
Borrower	Foreign company/government body/financial institution
Ultimate beneficiary	Foreign buyer of Russian products
Documentation	Framework and Individual export trade finance agreements

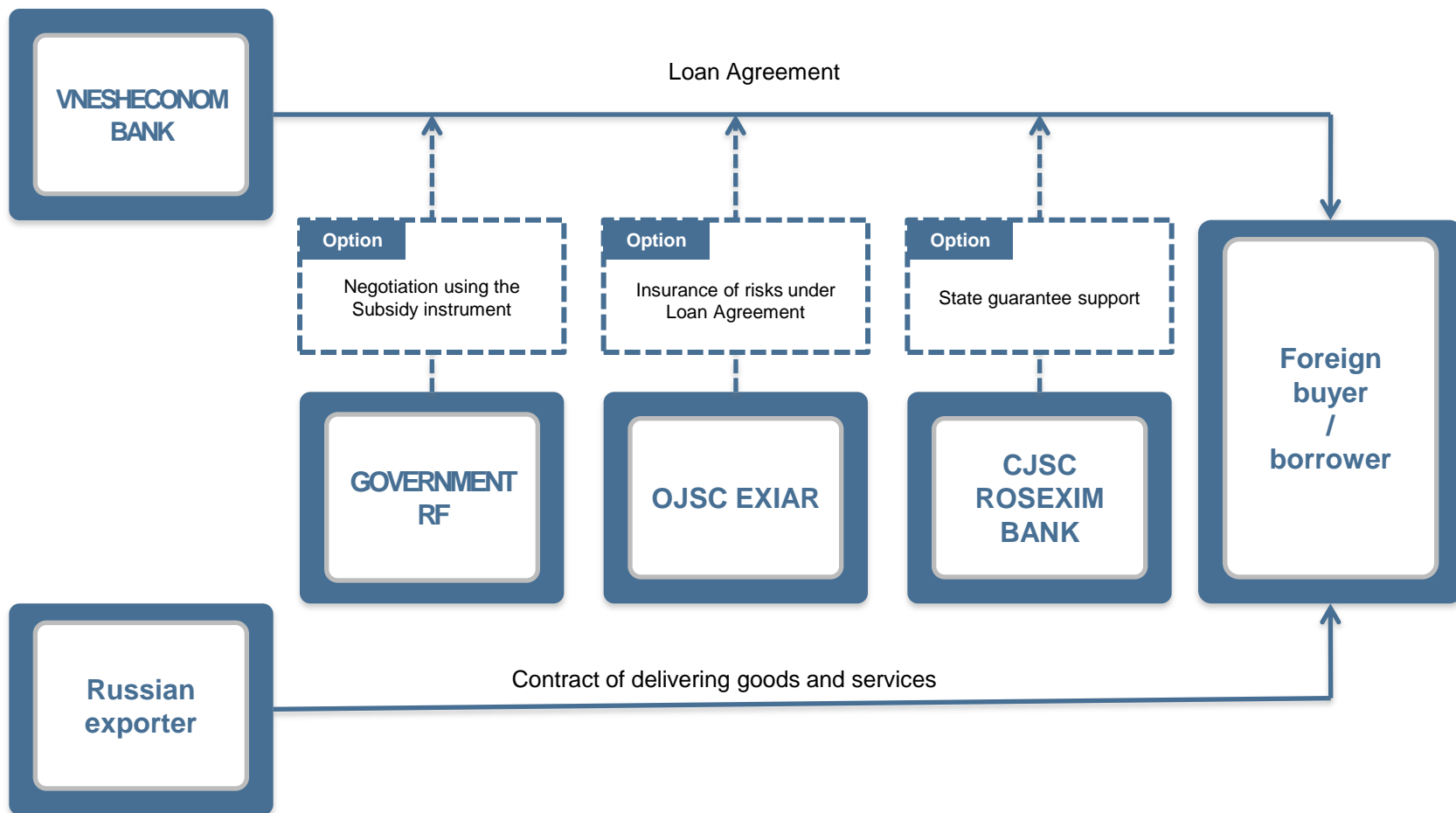


Vnesheconombank Export Finance products (II)

KEY PARAMETERS	
Tenors	<ul style="list-style-type: none">- Long-term finance (2 years and more)- Short-term finance up to 2 years (average tenor - 1 year)
Currency	Russian Rubles, US Dollars, Euro
Security	Standard package with due account for risks inherent to a specific transaction and counterparty (including EXIAR insurance coverage if required)
Pricing	Depending on the risk profile of the specific borrower and transaction
Additional data	Full or partial financing of an export contract for the delivery of Russian goods and services
	Financing of local costs associated with export deliveries (up to 30% of Russian export contract amount)
	Financing of EXIAR premium (if required)

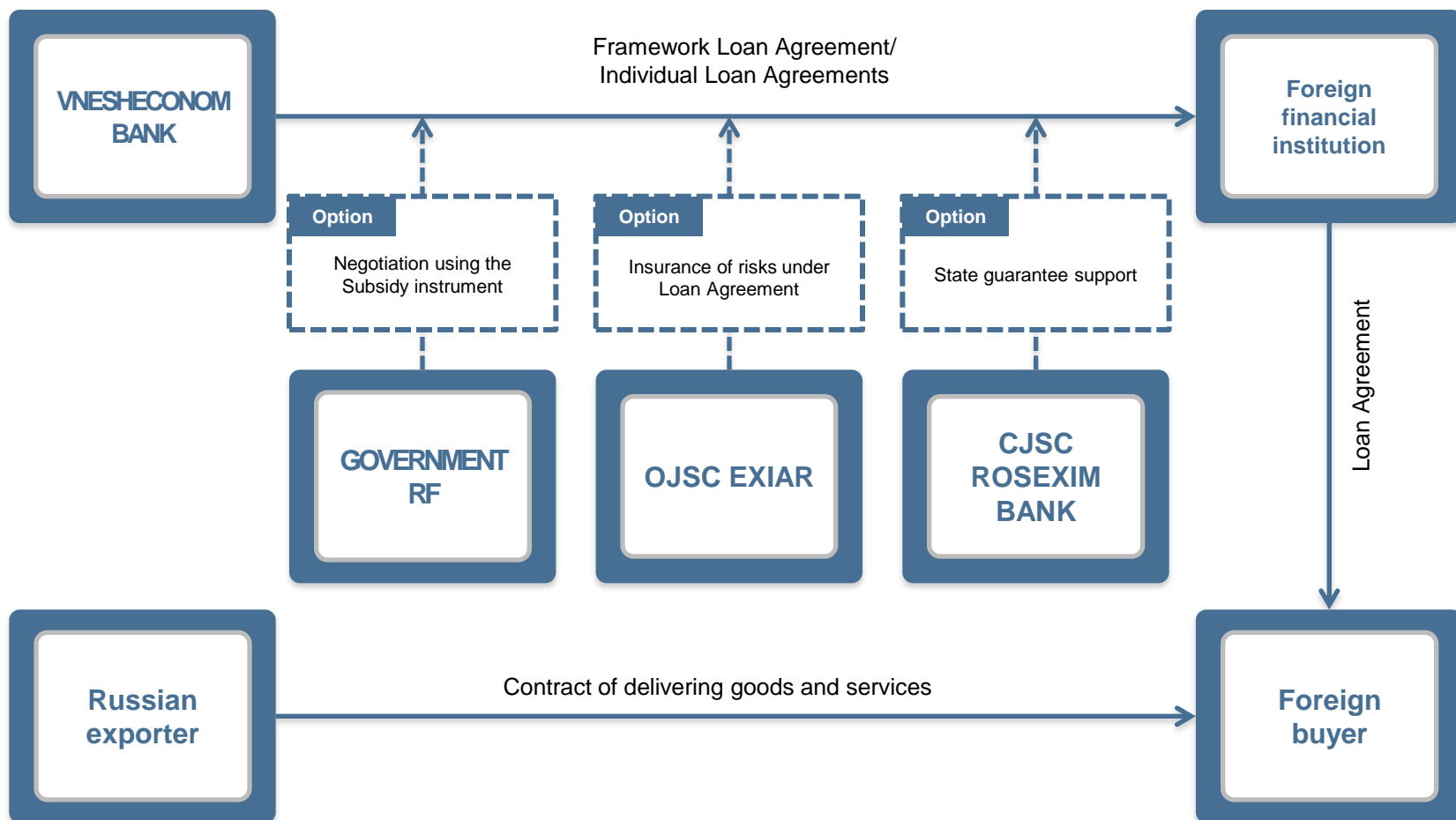


Structure of an export loan (I). Corporate or sovereign Buyer/Borrower





Structure of an export loan (II) involving foreign financial institutions





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Reference projects (I): power engineering



Project value	USD 144.99 mn
VEB's commitment	USD 20 mn
Loan tenor	up to 11 years

Toachi-Pilaton PROJECT

Sarapulio HPP

Allurikin

Toachi mini-HPP

Country	Republic of Ecuador
Importer	HIDROTOAPI E.P.
Exporter	INTER RAO UES
Consortium of creditors	<ul style="list-style-type: none"> ✓ Vnesheconombank ✓ CJSC Roseximbank ✓ OJSC Gazprombank ✓ Gazprombank (Switzerland) Ltd ✓ Russian Commercial Bank (Cyprus) Ltd

Reference projects (II): space and telecommunications

PROJECT	Creation of a satellite communication and broadcasting system for Republic of Angola (Angosat project)
Country	Republic of Angola
Importer	Ministry of Telecommunications and Information Technologies of the Republic of Angola
Exporter	Rosoboronexport
Consortium of creditors	<ul style="list-style-type: none"> ✓ Vnesheconombank ✓ CJSC Roseximbank ✓ VTB Bank (Austria) ✓ OJSC Gazprombank



Project value	USD 327.6 mn
VEB commitment	USD 79.23 mn
Loan tenor	up to 13 years

Reference projects (III): aircraft industry

Aviaimport S.A. PROJECT	
Loans to Aviaimport S.A. to finance purchases of IL-96-300 and TU-204 passenger aircraft	
Country	Cuba
Total loan amount	USD 294.47 mn
VEB commitment	USD 125.57 mn



Project milestones	2005	2006	2009
Total loan amount	USD 94 mn	USD 155.97 mn	USD 44.5 mn
VEB's commitment	USD 14 mn	USD 67.07 mn	USD 44.5 mn
Loan tenor	10 years	12 years	12 years



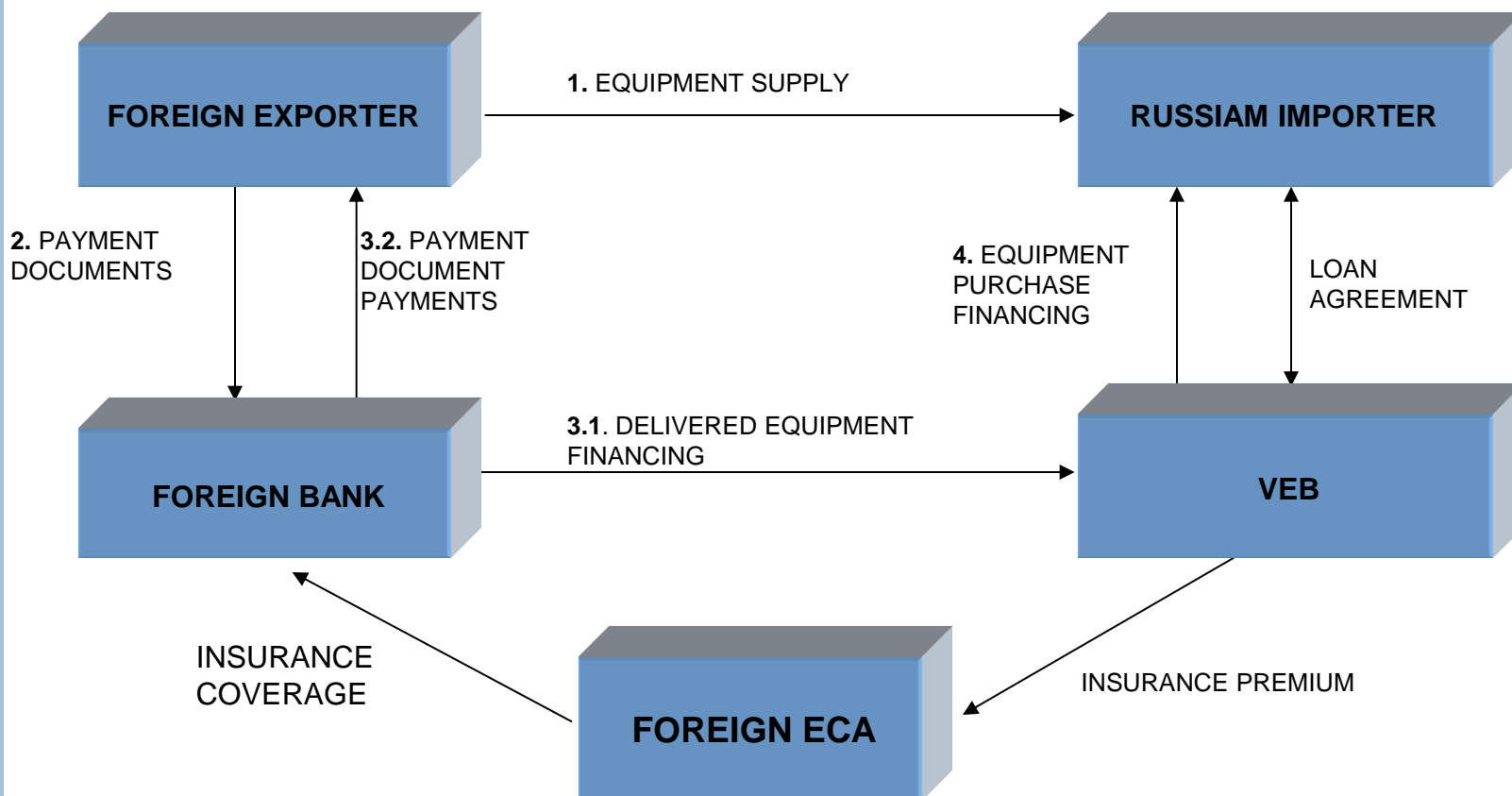
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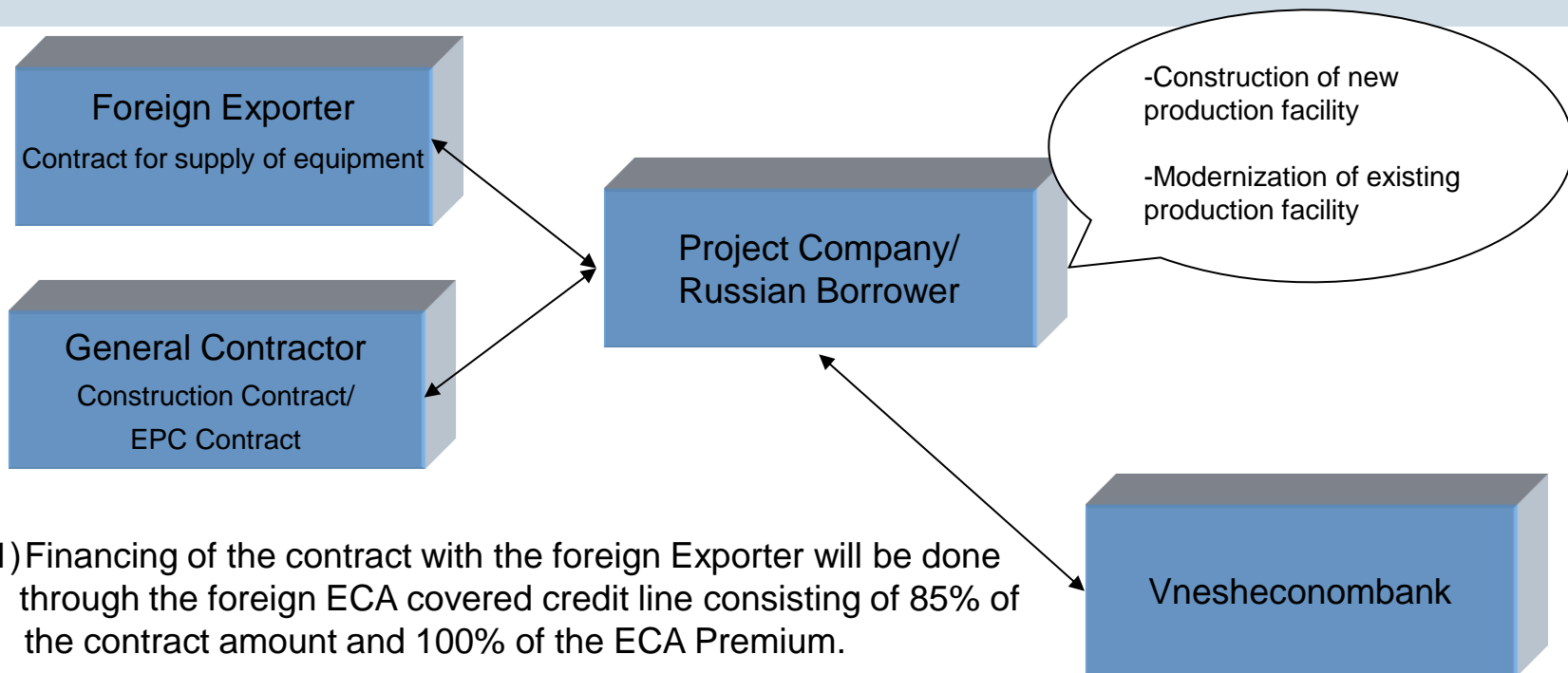
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ECA-Supported Export Credit





STRUCTURED AND TRADE FINANCE



- 1) Financing of the contract with the foreign Exporter will be done through the foreign ECA covered credit line consisting of 85% of the contract amount and 100% of the ECA Premium.
- 2) Financing of 15% advance payment to the foreign Exporter will be done by means of deferred payment Letter of Credit issued in favour of the Exporter
- 3) Local costs (transportation costs, customs duties, constructions expenses, etc.) will be financed by means of the Commercial Credit Facility



STRUCTURED AND TRADE FINANCE Transaction Examples

PROJECT	Construction of dairy-farm and organic-mineral fertilizers complex "Ramenskoye"
Borrower	Plemzavod Ramenskoye Ltd.
Lender	Czech Export Bank
Guarantee and insurance coverage	EGAP
Project value	10,5 млн. EUR
Loan tenor	5 лет
Signed in November 2009	

PROJECT	Construction of polypropylene production complex in Tobolsk, Tyumen region
Borrower	Tobolsk-Polimer Ltd.
Financing provided by the club of 7 banks.	
<ul style="list-style-type: none">- Euler Hermes covered facility for USD 533.8 mln., total tenor 13,5 years, signed in January, 2010.- SACE covered facility for USD 686.2 mln., total tenor 13,5 years, signed in July, 2010.- Commercial facility for USD 221 mln., total tenor 5 years, signed in July, 2010.	



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Thank you for your attention

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