

APPROVED
by the Supervisory Board
of Vnesheconombank
(Protocol No. 13 dd. 20.10.2008)

PROCEDURE

for Implementing by State Corporation ‘Bank for Development and Foreign Economic Affairs (Vnesheconombank)’ Measures Provided for by Articles 4 and 6 of Federal Law No. 173-FZ ‘On Additional Measures for Supporting the Financial System of the Russian Federation’ dd. 13 October 2008

CONTENTS

	Page
Terms and Definitions	3
1. General Provisions	4
2. Requirements to the Borrower	4
3. Conditions for Credit Extension	6
4. Procedures for Evaluating Applications and Taking Decisions	7

Terms and Definitions

1. **Bank** means State Corporation ‘Bank for Development and Foreign Economic Affairs (Vnesheconombank)’.
2. **Borrower** means a credit institution validly existing under Federal Law No. 395-1 ‘On Banks and Banking Activity’ dd. 2 December 1990.
3. **Law** means Federal Law No. 173-FZ ‘On Additional Measures for Supporting the Financial System of the Russian Federation’ dd. 13 October 2008.
4. **Application** means the Borrower’s request to be drawn up in compliance with the standard application form enclosed in Annex 1 hereto.
5. **Credit** means a subordinated credit to be extended by the Bank to the Borrower in accordance with the Law.
6. **Set of Documents** means documents specified in Annex 2 hereto to be submitted by the Borrower to the Bank together with the Application.
7. **Central Bank** means the Central Bank of the Russian Federation.

I. General Provisions

1. In accordance with par. 2, part 1, Article 6 of the Law the Bank shall be entitled to extend up to 31 January 2009 Credits to the Borrowers for the total amount not exceeding RUB 225 billion.
2. This Procedure shall not be applied to extending Credits to OJSC 'Bank VTB' and OJSC 'Rosselkhozbank' in accordance with par. 1, part 1, Article 6 of the Law.

II. Requirements to the Borrower

1. The Borrower shall possess a long-term credit rating assigned to the Borrower by a Russian or foreign rating agency not more than six months prior to the date of submitting an Application, with the rating level being not below the following minimum criteria:

Rating agency	Rating level
Fitch Ratings (international scale, long-term credit rating in foreign currency)	B-
Standard & Poor's (international scale, long-term credit rating in foreign currency)	B-
Moody's Investors Service (international scale, long-term rating of bank deposits in foreign currency)	B3
Fitch Ratings (national scale)	BBB-(rus)
Standard & Poor's (national scale)	RuBBB-
Moody's Interfax Rating Agency	Baa3.ru

Expert RA	B++
National Rating Agency (individual credit rating)	BBB-
Rus-Rating	BBB-

Should the Borrower possess several ratings assigned to it by different rating agencies, the highest one shall be taken into account.

2. Priority shall be given to the Borrowers that are primarily oriented towards financing real sector of economy, have substantial volume of deposits raised from individuals, as well as are ranked high in their constituent entities.
3. Participation of Russian legal entities and individuals as beneficiaries in the Borrower's charter capital shall be not less than 50 percent plus one share.
4. Absence, as of the date of the Application, of the Borrower's overdue indebtedness under taxes and duties towards the budgets of different levels.
5. Absence, as of the date of the Application, of sanctions imposed by the Central Bank or its branches against the Borrower in form of a ban on effecting some banking operations or opening affiliates, as well as suspension of a license for effecting some banking operations.
6. Absence of unexecuted orders of the Central Bank or its branches related to the Borrower.
7. Grounds for the necessity and urgency of Credit extension, as well as specification of the proposed areas of funds allocation.

III. Conditions for Credit Extension

1. Principle conditions:

- 1.1. The Credit shall be extended in Russian Roubles.
- 1.2. Interest rate applicable to the Credit shall make 8 percent per annum.
- 1.3. Tenor of the Credit shall make not less than 5 years and expire not later than 31 December 2019.
- 1.4. Actual tenor of the Credit shall be equal to the term of the respective deposit made into the Bank's account out of the National Wealth Fund's money.
- 1.5. The amount of the Credit shall not exceed 15 percent of the Borrower's own equity (capital) calculated as of 1 October 2008.
- 1.6. The amount of the Credit shall not exceed 100 percent of the total funds raised by the Borrower after 1 October 2008 from the third parties in the form of subordinated credits (loans) and/or equity investments in the Borrower's charter capital.
- 1.7. Consent of the Central Bank to include the subordinated deposit/credit extended to the Borrower by the third parties in the sources of additional capital.
- 1.8. Registration with the Central Bank of the increase in the Borrower's charter capital due to funds extended to the Borrower by the third parties as equity investment in the Borrower's charter capital.

2. Additional conditions:

- 2.1. Furnishing by the Borrower annual financial statements and an unqualified audit report relating to the Borrowers activities in the fiscal year then ended in conformity with RAS and IFRS.
- 2.2. Opening a correspondent account with the Bank in Russian Roubles.
- 2.3. Agreeing with the Bank upon extending to the Borrower's shareholders and their affiliates credits, loans and other forms of financing in the

amount exceeding 1 percent of the Borrower's equity (capital) within the Credit tenor.

- 2.4. Informing the Bank within five business days on all transactions to be effected by the Borrower in the amount exceeding 1 percent of the Borrower's equity (capital).
- 2.5. Agreeing with the Bank upon all transactions to be effected by the Borrower in the amount exceeding 5 percent of the Borrower's equity (capital).
- 2.6. Informing the Bank within five business days on amendments in the list of beneficiaries of more than 1 percent of the Borrower's charter capital.
- 2.7. Agreeing with the Bank upon amendments in the list of beneficiaries of more than 5 percent of the Borrower's charter capital.
- 2.8. Giving consent to include (if required) the Bank's representatives, as well as candidates to be recommended by the Bank's Supervisory Board in the Borrower's governing bodies.
- 2.9. Submitting an Application and a Set of Documents.
- 2.10. Availability of the Bank's favourable decision relating to the analysis of the Borrower's financial standing.
- 2.11. Availability of favourable legal opinion issued by the Bank (or an organisation authorized by the Bank) on the documents submitted.
- 2.12. Availability of the Bank's favourable decision relating to the quality of the Borrower's loan portfolio (description of the borrowers, amount of overdue indebtedness, effective interest rate, loan quality categories, pledges, sureties, etc.).

IV. Procedures for Evaluating Applications and Taking Decisions

1. Procedures for taking decisions:

- 1.1. Upon studying an Application, the Bank's Chairman or Deputy-Chairman shall forward it for preliminary expert evaluation to the Department of Financial Institutions with the aim of verifying its compliance with the requirements imposed by the Law and this Procedure to take a decision on Credit extension. Expert evaluation envisages two stages: preliminary and complex evaluation.
- 1.2. Depending on the outcomes of the preliminary evaluation a conclusion shall be drawn, on the basis whereof the Bank's Committee on Subordinated Credits (Loans) shall take a decision on the expediency of studying the Application at the stage of complex evaluation.
- 1.3. Should the Bank's Committee on Subordinated Credits (Loans) take a decision on the inexpediency of complex evaluation of the Application, the issue shall be submitted for approval to the Bank's Board within one day. The Bank's Board by its decision may recommend to the Bank's Committee on Subordinated Credits (Loans) carrying out complex evaluation to take a final decision.
- 1.4. Should the Bank's Committee on Subordinated Credits (Loans) take a decision on the expediency of complex evaluation of the Application, the Department of Financial Institutions shall carry it out and depending on its outcomes draw a conclusion to be submitted for approval to the Bank's Credit Committee.
- 1.5. Upon making by the Bank's Credit Committee a positive or negative recommendation, the issue of Credit extension by the Bank shall be submitted for approval to the Bank's Board.
- 1.6. Upon taking by the Bank's Board a positive or negative decision, the issue of Credit extension by the Bank shall be submitted for approval to the Bank's Supervisory Board.
- 1.7. Should the Bank's Supervisory Board take a decision on Credit extension by the Bank, the Bank and the Borrower shall conclude (within 5 business days from the date of drawing up the respective protocol of the

Bank's Supervisory Board) a loan agreement (subject to legislative provisions related to transactions approval by the Borrower's governing bodies).

2. Procedures for carrying out expert evaluation

- 2.1. At the stage of preliminary evaluation, upon registering the Application, the Bank shall define its compliance with the requirements to the Borrower (Article III of this Procedure) with the aim of taking a decision on the expediency of studying the Application at the stage of complex evaluation.
- 2.2. The Bank shall carry out preliminary evaluation within three business days from the date of receipt of the Application.
- 2.3. Complex evaluation envisages the following Bank's activities:
 - 2.3.1. Analysis of the Borrower's financial standing.
 - 2.3.2. Legal assessment of the documents submitted.
 - 2.3.3. Analysis of the risks related to Credit extension.
 - 2.3.4. Analysis of the grounds for the necessity of funds extension, as well as proposed areas of allocation thereof.
 - 2.3.5. Confirmation of the possibility of maintaining control over the Borrower's activities through inclusion of the Bank's and/or public authorities' representatives in the Borrower's governing bodies.
- 2.4. The Bank shall carry out complex evaluation within ten business days from the date of receipt of the Set of Documents from the Borrower.
- 2.5. While carrying out expert evaluation, the Bank may, if required, engage independent consultants and other organisations.