



**РОСЭКСИМБАНК**

БАНК РОССИЙСКИХ ЭКСПОРТЕРОВ

# **STATE SPECIALIZED RUSSIAN EXPORT-IMPORT BANK (EXIMBANK OF RUSSIA JSC)**

---

**INVESTOR PRESENTATION**

MOSCOW 2016

<b>I.</b>	<b>Best practice of export support</b>	<b>p. 3</b>
<b>II.</b>	<b>Bank profile</b>	<b>p. 6</b>
<b>III.</b>	<b>Bank's strategy</b>	<b>p. 8</b>
<b>IV.</b>	<b>Current developments</b>	<b>p. 11</b>
<b>V.</b>	<b>Key investment highlights</b>	<b>p. 14</b>
<b>VI.</b>	<b>Results of EXIMBANK series 01 RUB denominated bond placement</b>	<b>p. 16</b>

## Key facts

Institutes of national export support are state specialized agencies or banks, supporting export of local manufacturers to international markets.

In their activity they are primarily governed by the national interests and tasks of social-economic development of the country, rather than profit-making. Projects, implementation of which is complicated without state support (e.g. due to terms and financing structure) make the highest priority for such institutes.

## Purpose

Granting efficient  
financial and  
insurance tools  
to local exporters

## Tasks

Support of national  
products' export and  
services.  
Strengthening  
competitiveness

Insurance of financial and  
commercial risks.  
State guarantees

Programs of loans'  
refinancing

Small and medium  
business support

Set of tools

*Financing of projects,  
implementation of which is  
complicated without state  
support*

*Assumption of country and  
credit risks that are not  
taken by commercial banks*

*Granting loans in case of  
market shocks.*

*Support for the exporters, that  
tap the market in areas that  
are less interesting for large  
business due to higher risks*

# 04

## EXAMPLES OF EXIMBANKS

Institutes of national export support promote advanced development of the whole sectors of economy and support selected projects. For decades these institutes act as drivers for export development offering financing and insurance facilities for local manufacturers.

### CHINA EXIM BANK



#### Description of activities:

Support of export and import trading operations and international economic cooperation of China

#### Purpose:

Assistance in export of Chinese machinery, electronic products, high and advanced technologies

#### Focus of operation:

Implementation of state policy in the field of granting financial support to industry, foreign trade, diplomatic activity, economy and finance

*In bln. dollars*

**Assets** 381.4

**Capital** 4.6

**Capital/Assets** 1.2%

**Return on equity** 15.5%

### Korea Eximbank



#### Description of activities :

Founded to assist economic development of Korea and expansion of economic cooperation providing export and import financing

#### Purpose:

Assistance in marketing of products of strategic industries overseas

#### Focus of operation:

Export development of heavy and chemical industry products to turn South Korea into 'one of leader in these industries

*In bln. dollars*

**Assets** 70.2

**Capital** 9.4

**Capital/Assets** 13.4%

**Return on equity** 0.37%

### Export Development Corporation of Canada



#### Description of activities:

Founded in 1944 to support and promote international business activities of Canadian companies

#### Purpose:

Implementation of economic policy basic directions as Canadian government agent

#### Focus of operation:

Provides export insurance, guarantee support and export finance, as well as consulting services. Supports investments of Canadian companies in 184 foreign states

*In bln. dollars*

**Assets** 44.1

**Capital** 6.6

**Capital/Assets** 15.0%

**Return on equity** 10.1%

### Türk Eximbank



#### Description of activities :

Principle institute of Turkish government for export promotion in the implementation of sustainable development strategy of the country

#### Purpose:

Support of foreign trade, Turkish contractors and investors operating abroad

#### Focus of operation:

Machine industry, construction, metallurgy and mining operation, light industry, food stuff and agriculture

*In bln. dollars*

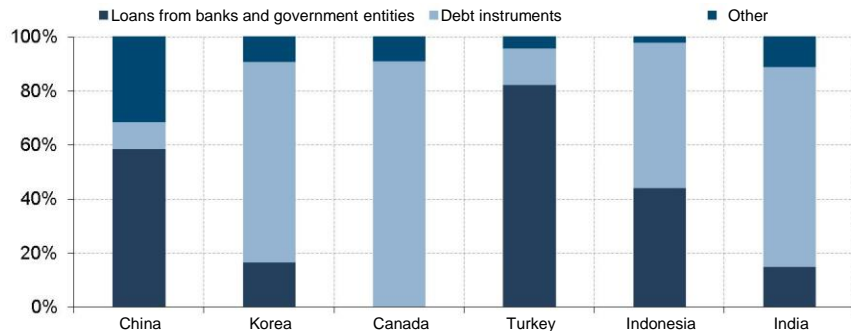
**Assets** 15.2

**Capital** 1.6

**Capital/Assets** 10.8%

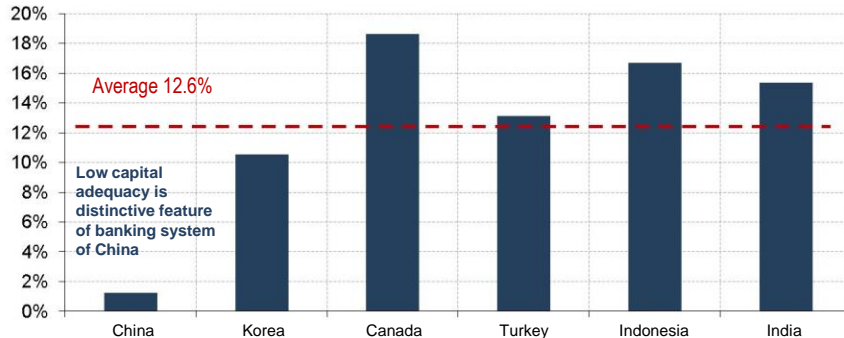
**Return on equity** 10.24%

## Funding structure, 2014



Source: Bloomberg, Banks' financials

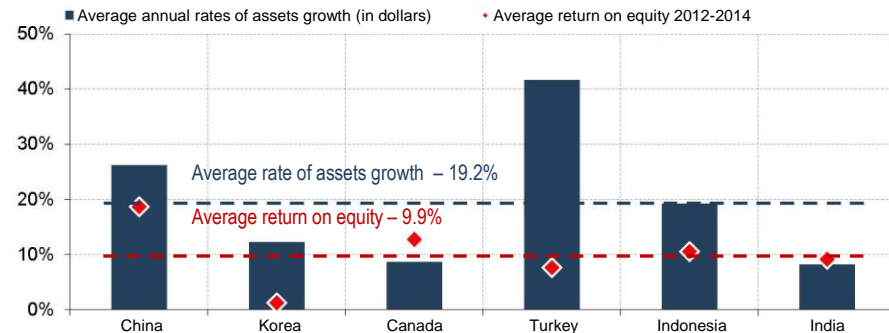
## General Capital Adequacy, 2014



\* capital balance sheet value to assets ratio

Source: Bloomberg, Banks' financials

## Annual Average Assets Growth, 2012-2014



Source: Bloomberg, Banks' financials

## Comments

- Activity of national export support institutes covers from 10% to 50% of export turnovers in various countries
- Funding structure of eximbanks is based on state sources and debt instruments
- General capital adequacy among eximbanks ranges from 1% to 20%
- Return on equity is not determining factor of eximbanks' activities and therefore reflection of implemented policy

## Structure of The Russian Export Center (REC) Group

Coordination and Non-financial Support



## Basic facts

**Eximbank of Russia** is a state specialized bank, authorized to implement a system task of exporters' support and non-commodity export development :

- geography of projects – over 40 countries in the world
- main shareholder: EXIAR JSC – 100% minus one share, The Russian Export Center JSC – one share
- Ratings: **MOODY'S** “Ba2”, **ЭКСПЕРТ РА** “A++”
- Agent of the Government of Russia ensuring non-commodity export support

## ONE-STOP EXPORT SUPPORT

- ▶ **SINGLE ENTRY POINT**  
EXIMBANK OF RUSSIA JSC and EXIAR Agency are business units of the Russian Export Center and offer wide range of combined financial products, tailored for Russian exporters
- ▶ **WHAT WE DO**  
EXIMBANK OF RUSSIA provides loans, bank guarantees and financial services, binding products and business solutions to Russian exporters' and their overseas buyers' needs. We unify approaches to customers' applications approval and implement world best banking practices
- ▶ **COMPETITION AND PARTNERSHIP PHILOSOPHY**  
EXIMBANK aims to create and maintain long-term partnership relations with other countries' central/national banks, eximbanks and ECAs to find mutually beneficial solutions for cross border transactions. This activity facilitates Russian exporters to enter world market at the comparable with their foreign competitors conditions

## Financial highlights

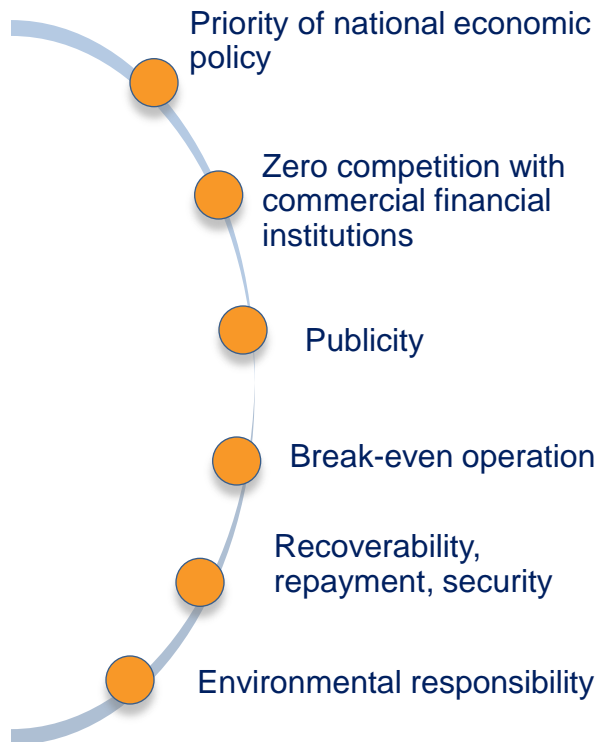
Pln	2015	2014
Assets	48,345	15,529
Liquid assets	5 08	3,102
Capital	13,960	2,527
Net loans receivables	41,898	10,630
Tier I capital adequacy ratio (Basel I)	58.8%	21.7%
Net interest income (before provisions)	935	357
Net interest income (after provisions)	559	-1,099
Net profit	336	-1,484

Source: financial statements in accordance with the Russian Accounting Standards (RAS)

EXIMBANK OF RUSSIA JSC (the Bank), being the institute of national export support policy, implements the Program of non-commodity export financial support (the Program)

Objectives, tasks, conditions and priorities of the implemented by the Bank Program are determined by:

- ❑ the national program “Foreign economic activity development”, approved by the Government of the Russian Federation directive dd. 15.04.2014 N 330-p;
- ❑ Action plan (“Road map”) “Access to foreign markets support and export support”, approved by the Government of the Russian Federation directive No.1128-p dd. 29.06.2012, along with amendments and complements;
- ❑ regulations of the federal budget subsidy provision to the Bank for the purposes of the lost earnings compensation on loans granted within the framework of high-tech products manufacturing support, approved by the Governmental of the Russian Federation directive No. 566 dd. 08.06.2015; Governmental of the Russian Federation directive No. 865-p dd. 10.05.2016



The Bank gives preference to export projects, which comply with the national economic policy priorities.

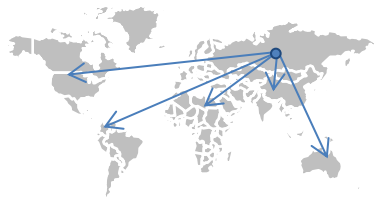
Supporting export the Bank gives preference to export projects, the implementation of which does not compose a competition with commercial financial institutions. As a rule the Bank participates in export implementation of export projects that cannot be financed by commercial financial institutions at the conditions comparable with the terms of financing provided by the Bank.

The Bank's activity is based on publicity and transparency of financial operations with the best corporate governance practices.

The Bank implements export projects provided that such projects are not loss-making both for the customer and for the Bank.

The Bank provides financing of export projects on the basis of recoverability, repayment, security .

The Bank doesn't participate in export projects that do not comply with environmental requirements and ecological efficiency standards.



The Bank's mission is to develop infrastructure to improve the competitiveness of Russian business in global markets providing access to financial products tailored to specifics of export and export-oriented activities.



Following the state export support priorities as well as existing needs of Russian exporters the main objectives of the Bank's activities are:



- to secure availability of financial products for Russian companies and their foreign buyers as well as relevant conditions for granting financial resources to promote Russian export on global markets

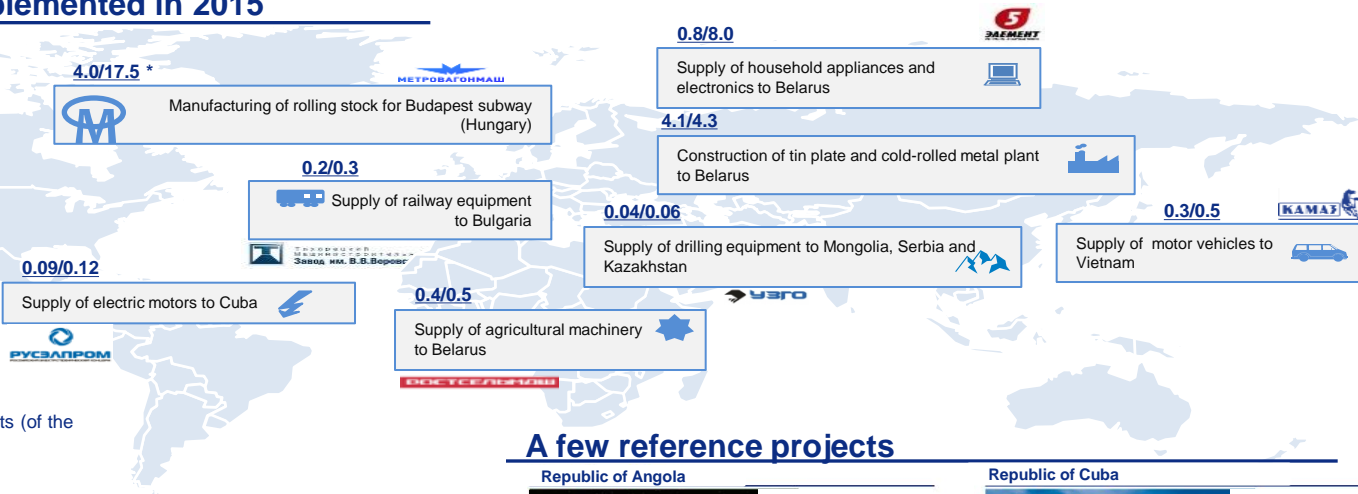


- to assist Russian non-commodity export growth through increase in the volume of transactions



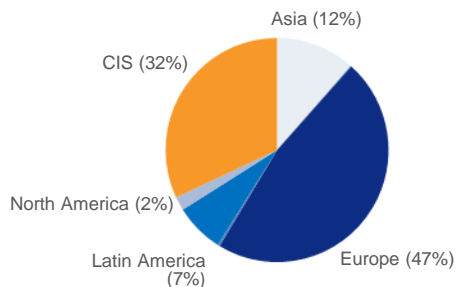
- to intensify utilization of national currency in the structure of export operations of Russian exporting companies and foreign buyers

## Examples of projects implemented in 2015



\* Financing amount/total value of export contracts (of the project) in bln. rubles

## Regional export structure:



For the period of its operation EXIMBANK OF RUSSIA JSC has financed deliveries of Russian export products in over 40 countries of the world.

Among CIS countries the main volume of financial flows accounted for Belarus, Kazakhstan, Uzbekistan; in Asia – Vietnam, India, China, in Latin America – Cuba, Argentina, Brazil.

## A few reference projects

### Republic of Angola



Credit line \$327 mln

General credit limit \$430 mln

The project of TV and radio broadcasting, and the national space communication system development by the Russian companies in the Republic of Angola

### Republic of Ecuador



Credit line \$319 mln

General credit limit \$500 mln

Construction of hydroelectric power stations and equipment supply by the Russian companies

### Republic of Cuba



Credit line \$450 mln

General credit limit \$620 mln

Granting of export credits for support of supply of civil aircraft to Cuba

### Combine Plant LLC "KZ "Rostselmash"



Credit line 100 mln

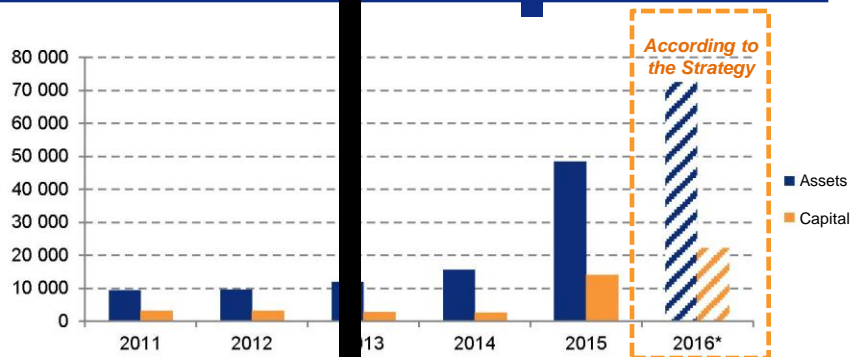
General credit limit \$500 mln

Opening of revolving credit line to comply with obligations under export contracts of "Rostselmash" for agricultural machinery delivery abroad

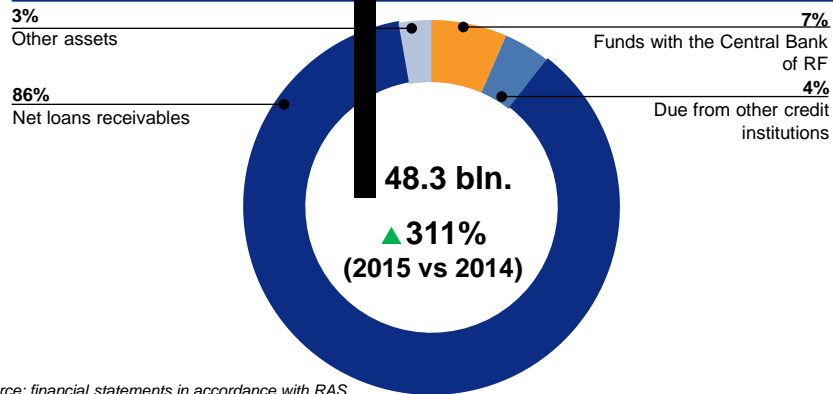
# 11

## BALANCE SHEET STRUCTURE

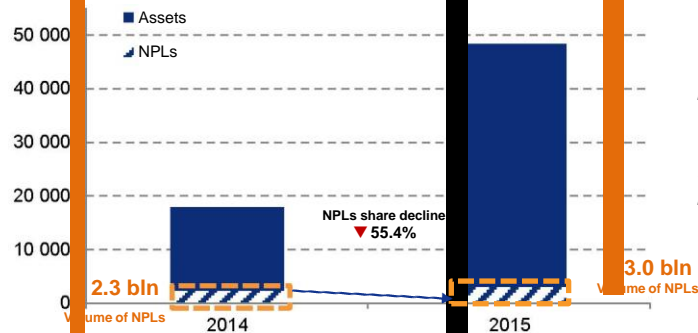
### Assets and capital development, bln



### Assets' structure, 2015



### NPLs and provisions, 2015

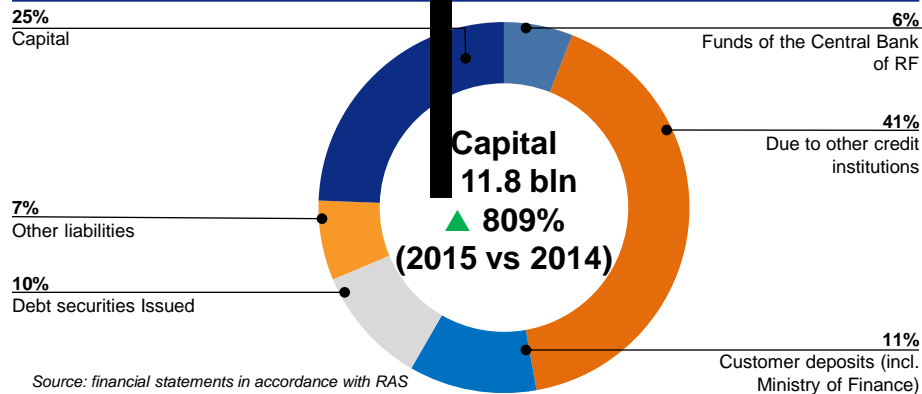


NPLs are driven by volatility of foreign exchange rate.

The volume of created provisions is sufficient.

Starting from 2015 the share of NPLs was decreasing, among others due loan portfolio growth

### Liabilities structure, 2015



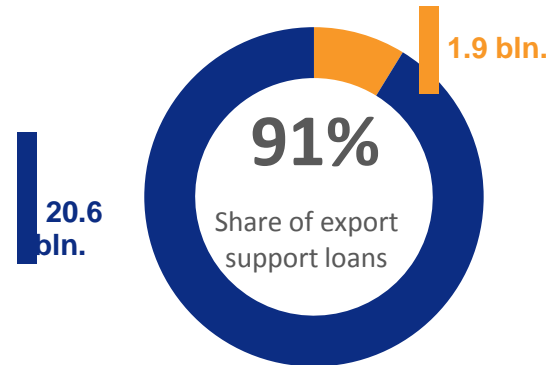
## Comments

**Lending to non-commodity exporters is the main activity of EXIMBANK of RUSSIA:**

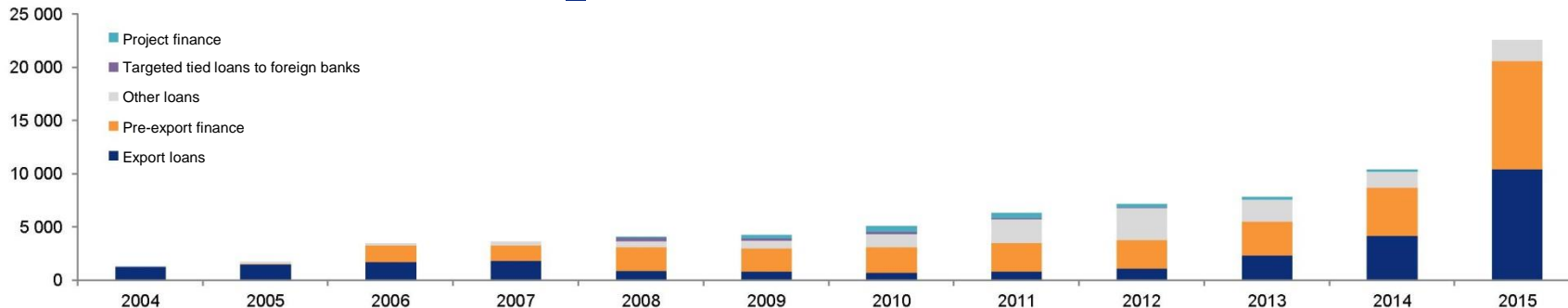
- EXIMBANK OF RUSSIA services non-commodity exporters in different industries.
- The major part of the Bank's clientele is exporters, dealing with medium and large projects.
- Particular attention is paid to support export projects with limited access to market financing sources.

## Financing lines, 2015

- Other financing
- Export support



## Volume and structure of loan portfolio, mln.



Source: financial statements in accordance with RAS

## IFRS, 2015

mln	2015	2014
<b>Assets</b>		
Cash and cash equivalents	23,781	5,321
Loans to customers	18,518	7,611
Amounts due from credit institutions	3,558	137
Trading securities	320	972
Investment securities held to maturity	330	309
Other assets	553	394
<b>TOTAL assets</b>	<b>47,060</b>	<b>14,744</b>
<b>Liabilities</b>		
Amounts due to credit institutions	18,284	9,698
Amounts due to the Government of RF and the CBR	3,378	665
Subordinated loan	1,771	1,429
Amounts due to customers	4,435	1,922
Debt securities issued	5,050	0
Other liabilities	200	72
<b>TOTAL Liabilities</b>	<b>36,119</b>	<b>13,785</b>
<b>TOTAL Capital</b>	<b>10,942</b>	<b>959</b>
Tier I capital adequacy ratio (Basel I)	59%	22%
Interest income	1,633	656
Interest expense	(782)	(354)
Net interest income (before provisions)	851	302
Net interest income (after provisions)	(109)	(1,931)
Net income (expense)	(270)	(2,387)
<b>Net profit</b>	<b>(226)</b>	<b>(2,317)</b>

Source: financial statements in accordance with IFRS

## RAS, 2015

mln	2015	2014
<b>Assets</b>		
Funds with the Central Bank of RF	3,060	57
Due from other credit institutions	1,957	3,046
Net lending receivables	41,898	10,630
Other assets	1,340	1,797
<b>TOTAL assets</b>	<b>48,345</b>	<b>15,529</b>
<b>Liabilities</b>		
Funds of the Central Bank of RF	2,913	0
Due to other credit institutions	19,903	11,387
Customer deposits (incl. Ministry of Finance)	5,382	2,581
Debt securities issued	5,000	0
Other liabilities	3,354	103
<b>TOTAL Liabilities</b>	<b>36,552</b>	<b>14,071</b>
<b>TOTAL Capital</b>	<b>11,793</b>	<b>1,457</b>
Tier I capital adequacy ratio (Basel I)	58.80%	21.70%
Reserves / NPL	2,968	2,279
Interest income	1,617	663
Interest expense	682	306
Net interest income (before provisions)	935	357
Net interest income (after provisions)	559	(1,099)
Net income (expense)	1,308	(957)
<b>Net profit</b>	<b>336</b>	<b>(1,484)</b>

Source: financial statements in accordance with RAS

## 1. Strategic importance for the Russian Federation

State specialized lender – the agent of the Government of RF for state support of export



## 2. Shareholder's support

EXIMBANK is the financial arm of REC Group (Russian Export Center JSC) and enjoys strong support of shareholders and the Government of the Russian Federation

## 3. High level of capital adequacy

Capital increase of EXIMBANK OF RUSSIA in amount of 30 bln in 2015-2017 is envisaged by the Government of the Russian Federation Action plan as stipulated by directive dd. 29.06.2012 №1128-p.

## 4. High credit rating

Strategic importance, support of the Government of RF and shareholders, strong liquidity positions and capital adequacy are reflected in credit ratings at the level of “Ba2” from international agency **Moody's** and “A++” from Russian agency **ЭКСПЕРТ РА**

## Board of Directors

### Chairman of the Board of Directors

<b>Fradkov Pyotr Mikhailovich</b>	<i>CEO of the Russian Export Center</i>
-----------------------------------	---

### Board of Directors

<b>Vyshkovsky Konstantin Vladimirovich</b>	<i>Director of the Department of Public Debt and State Financial Assets of the Ministry of Finance of the Russian Federation</i>
<b>Golovanov Dmitry Iaroslavich</b>	<i>Chairman of the Management Board of Eximbank of Russia JSC</i>
<b>Kalamanov Georgy Vladimirovich</b>	<i>Deputy Minister of industry and trade of the Russian Federation</i>
<b>Konstandyan Artem Georgievich</b>	<i>Member of the Presidium of all-Russian public organization of small and medium entrepreneurship "OPORA OF RUSSIA"</i>
<b>Likhachev Aleksey Evgenievich</b>	<i>Senior Deputy Minister of economic development of the Russian Federation</i>
<b>Nikishina Veronika Olegovna</b>	<i>Member of the Eurasian economic commission Board – Minister in charge of Trade</i>
<b>Teplov Oleg Vladimirovich</b>	<i>Assistant of the Experts Directorate of the President of the Russian Federation</i>
<b>Tiupanov Aleksei Aleksandrovich</b>	<i>General Director, Chairman of the Board of Joint-Stock Company "Russian Agency for Export Credit and Investment Insurance", EXIAR JSC</i>

## Management Board

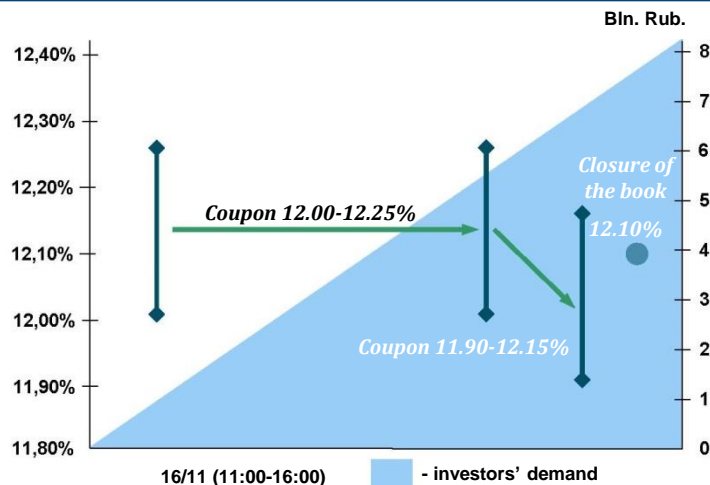
<b>Golovanov Dmitry Iaroslavich</b>	<i>Chairman of the Board</i>
<b>Strokov Maksim Vladimirovich</b>	<i>First Deputy Chairman of the Board</i>
<b>Zolotarev Levan Viktorovich</b>	<i>Deputy Chairman of the Board</i>
<b>Azarchenkov Artem Borisovich</b>	<i>Deputy Chairman of the Board</i>
<b>Aksenov Konstantin Aleksandrovich</b>	<i>Deputy Chairman of the Board</i>
<b>Bondariuk Natalia Aleksandrovna</b>	<i>Chief Accountant, member of the Board</i>

- EXIMBANK OF RUSSIA JSC has successfully closed the book on debut placement of Series 01 with nominal volume 5 bln. roubles with 1 year put option and maturity of 10 years.
- At the stage of issue preparation active work with investors at one-on-one meetings and via phone calls was focused on opening new limits by investors. Marketing of issue has started straight after state registration of bonds' issue and included 1 day for premarketing and 1 day for open order book.
- Initial coupon rate reference was set at 12.00 – 12.25% p.a. Substantial interest among investors allowed to decrease the range to 11.90 – 12.15% p.a. Following bookbuilding results the final coupon rate was set at 12.10% p.a.
- Total demand in the book exceeded 8 bln. roubles. Applications from 35 investors were submitted to the book. Issue had first-rate distribution among wide range of market investors: banks, managers, investment and insurance companies.
- Precise interaction with investors at the premarketing stage, risk-return ratio (rating Ba2, the Bank is member of Vnesheconombank Group, spread 200 bps over OFZ) and the fact of debut at the bond market of the new high-quality issuer were key drivers for success of EXIMBANK OF RUSSIA debut bond placement.
- The right timing of placement and adequate pricing played an important role.
- Gazprombank acted as lead manager, bookrunner and agent for the placement of bond issue.



On 03.12.2015 this bond issue has been honored by the CBONDS with the special prize for "The best debut on the bond market in 2015"

## DYNAMICS OF THE ORDER BOOK



## INVESTORS' DISTRIBUTION

### Geography

Russian investors 100%

### Type

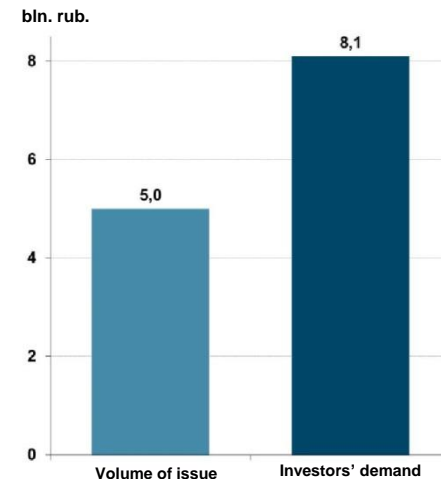
Banks 52%

Management companies 32%

Investment companies 10%

Insurance companies 6%

## GENERAL DEMAND





**РОСЭКСИМБАНК**

БАНК РОССИЙСКИХ ЭКСПОРТЕРОВ

**[WWW.EXIMBANK.RU](http://WWW.EXIMBANK.RU)**

---

World Trade Centre  
Entrance 9, Krasnopresnenskaya nab.12, Moscow, 123610  
Telephone: + 7 495 967 07 67