



***VTB CASE STUDY:
Customer's view on current & prospective
cooperation with ECAs***

Highlights

- Russian market leader in Trade Finance
- Key partner of EXIAR
- Highest volume of business with Chinese financial institutions
- Diversified geography of business – financing in 55 countries

VTB rewards in Trade and Export Finance

- Global Finance Magazine – «The Best Trade Finance Bank in Russia, 2016-2017»
- Trade & Forfaiting Review – «The Best Trade Bank on Russia & CIS, 2016»
- Global Trade Review Magazine – «The Best Trade Finance Bank in CIS, 2015»



Product range

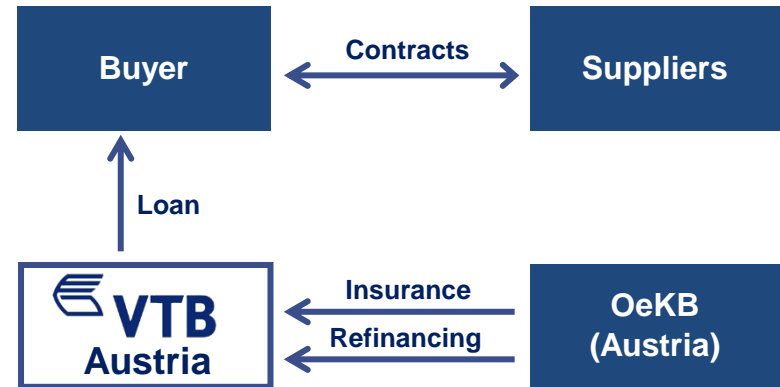
- Conventional trade finance
- ECA finance
- Tied financing
- Trade loans and other instruments

Unique solutions at VTB

- ECA covered RUB-denominated loans
- Deep expertise in deal execution and ECA finance advisory
- Client support throughout Europe, Asia, Africa, Russia & CIS
- The only Russian bank with fully operational branch in China

Description

Lender	VTB Bank AG (Austria)
ECA	OeKB, Austria
Borrower	Buyer / buyer's bank / sovereign (Europe, CIS, Russia, Africa, Pacific region)
Supplier	Austrian exporters
Loan purpose	Financing of Austrian deliveries / services & OeKB premium

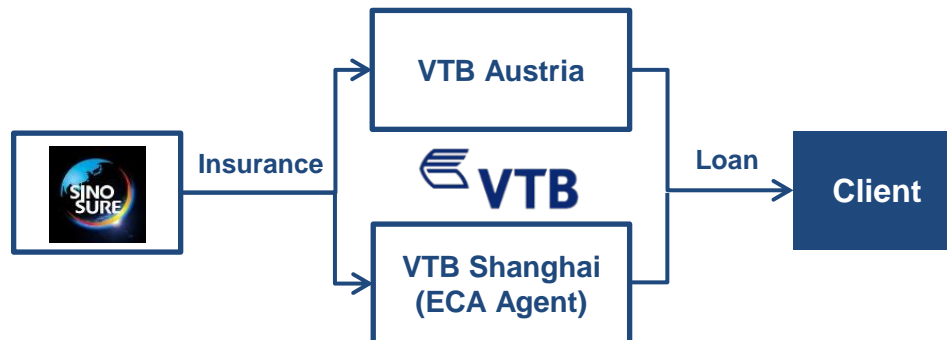


Advantages

- OeKB refinancing => competitive cost of funds => fulfillment of Client's pricing expectations
- OeKB cover of 95% commercial & political risks => access to developing markets
- Mid / long financing tenors
- Significant financing volumes
- Transparent loan documentation
- Standard OECD requirements

Description

Lenders	VTB Bank Austria VTB Bank, Shanghai Branch
ECA	Sinosure, China
Borrower	Buyer / buyer's bank / sovereign (Europe, CIS, Russia, Africa, Pacific region)
Supplier	Chinese producers
Loan purpose	Financing of Chinese deliveries / services



Advantages

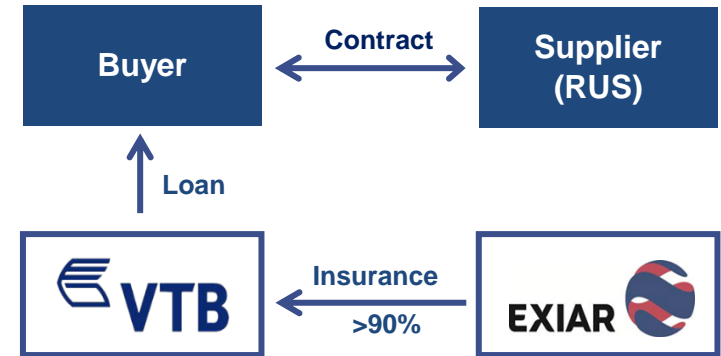
- VTB is the only Russian bank with full operational license in the Chinese market, eligible to Sinosure cover
- Sinosure cover allows improvement of risk profile, tenors and pricing conditions for the Client
- Up to 100% cover of commercial & political risks is available (case-by-case basis)

Basic requirements

- Eligible goods – Chinese goods and services
- Payment terms – pro rata deliveries under the export contract
- Loan purpose – financing payments under the export contracts

Description

Lender	VTB Bank, Moscow
ECA	EXIAR, Russia
Borrower	Foreign buyer / buyer's bank / sovereign (Europe, CIS, Africa, Pacific region)
Supplier	Russian producers
Loan purpose	Financing of Russian deliveries / services



Advantages

- EXIAR cover allows improvement of risk profile, tenors and pricing conditions for the Clients
- Up to 100% cover of commercial & political risks is available (case-by-case basis)
- Access to the refinancing program of the Russian Central Bank under EXIAR (depending on the industry)

Major constraints

1. *Pricing of ECA-covered loans vs. plain vanilla bank loans*
2. *Bonds market instruments compete with bank loans*
3. *Surging demand for RUB denominated debt*

Possible solutions

- Reconsideration of OECD category of Russia => ECA Premium rates decrease => new opportunities for ECA-covered finance
- Flexible approach to ECA requirements aligned with changes in trade
- Development of supporting instruments (refinancing programs, minimisation of required local content).

Key opportunities for business growth

- Cover of loans denominated in RUB
- Enhancement of refinancing instruments and terms
- Easing of local content requirements
- Approval of direct project risks

THANK YOU FOR ATTENTION!