UAE-Russia Infrastructure & Public-Private Partnership Investment Focus

October 2014
Gazprombank at a Glance

General Information

- Third largest bank in Russia by assets, equity, corporate and retail loans, retail deposits*
- Universal banking model focusing on large corporates in strategic sectors of the domestic economy
- Over 45 thousand corporate clients
- Over 4 million retail clients
- Credit ratings:
  - Standard & Poor's: BBB-
  - Moody's: Ba1
  - Fitch Ratings: BBB-

Beneficiary Ownership Structure

<table>
<thead>
<tr>
<th>Treasury stock</th>
<th>Individuals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vnesheconombank</td>
<td>49.65%</td>
</tr>
<tr>
<td>Gazprom</td>
<td>35.54%</td>
</tr>
</tbody>
</table>

Financial Indicators**

<table>
<thead>
<tr>
<th></th>
<th>June 2014</th>
<th>Dec. 2013</th>
<th>Δ</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assets, USD bln</td>
<td>93.0</td>
<td>89.0</td>
<td>+4.5%</td>
</tr>
<tr>
<td>Corporate loans, USD bln</td>
<td>53.9</td>
<td>52.4</td>
<td>+2.9%</td>
</tr>
<tr>
<td>Retail loans, USD bln</td>
<td>7.4</td>
<td>7.0</td>
<td>+6.2%</td>
</tr>
<tr>
<td>Corporate deposits, USD bln</td>
<td>46.4</td>
<td>45.5</td>
<td>+1.9%</td>
</tr>
<tr>
<td>Capital market borrowings, USD bln</td>
<td>11.0</td>
<td>9.7</td>
<td>+14.4%</td>
</tr>
<tr>
<td>Cash and cash equivalents, USD bln</td>
<td>14.5</td>
<td>12.7</td>
<td>+13.9%</td>
</tr>
<tr>
<td>Cost to income ratio</td>
<td>43.4%</td>
<td>47.1%</td>
<td>-3.7 n.n.</td>
</tr>
</tbody>
</table>

* Interfax, a leading data and ranking provider on Russian and CIS companies. 1H 2014
** RUB/USD = 41.00
Global Presence with Domestic Focus

Recent developments:

- March 2014: financial subsidiary in Hong Kong established to coordinate capital market activities in the Asia-Pacific region.
- November 2013: debut domestic CHF bond issued via a local Swiss subsidiary.
- October 2013: subsidiary bank in Luxembourg established to support the corporate and investment banking business of the Group abroad with its core clientele.

Russian regional network:

- 36 branches
- Over 350 banking outlets
- Over 5,000 ATMs

Headquarters: Moscow

Subsidiary:
- Minsk
- Luxembourg
- Zurich
- Yerevan
- Beijing
- Hong Kong
- Delhi
- Ulan Bator

Representative office:

Source: company data.
Russian infrastructure market
Developers of Government Program for Russian Transport System estimate that approx. 41% (USD 124.4 billion), required for financing of the Government Program projects, will be provided by the private sector.
Russian Infrastructure Market Trends

Social infrastructure
- Social infrastructure pilot projects based on PPP mechanism: kindergartens, schools and hospitals
- Complexity of PPP mechanisms in social infrastructure impedes its spreading

Railways
- Russian Railways plan the launch of a national network of high speed railways, involving private sector participation
- Major Russian cities study potential use of light rail transportation projects

Highways, tunnels and bridges
- State company Avtodor plans to invest in highways construction in the amount of USD42 bln in 2010-2020
- Preparation to World Cup-2018 requires large investments in development of federal and regional road network
- Restart of suspended construction of regional bridges and tunnels on PPP basis

Utilities
- High potential of regional waste disposal projects: only 6 regions have incinerators
- Government creates incentives for private investors to implement utilities projects in regions
- Foreign investors are keen to acquire assets in Russia and to supply civil technologies

Airports and seaports
- Vertical and horizontal consolidation of assets
- Privatization of sea terminals and airports
- Increased interest by foreign players
- Mass reconstruction of regional airports
- Greenfield projects: construction of sea terminals
Gazprombank possesses unique expertise and opportunities for implementation of infrastructure projects.

**M-11**

New motorway Moscow – St. Petersburg

Investments: USD13.4 billion

**Central ring road**

Construction of the Central ring road in the vicinity of Moscow

Investments: USD7.1 billion

**High Speed Railway - 2**

Construction of Moscow – Kazan High Speed Railway

Investments: USD26 billion

**Northern Latitude Railway**

Construction of the railway which will provide the shortest connection between oil&gas provinces of Yamal and the North of Russia

Investments: USD3.3 billion

**Baikal-Amur & Trans Siberian Railways**

Reconstruction of the mainline railway network supporting traffic to the Far East

Investments: USD13.7 billion
Central Ring Road in Moscow Region
Central Ring Road in Moscow Region: Sections 3 and 4

Key parameters

- **Central Ring Road (CRR)** — a major road construction project to develop transport infrastructure of Moscow region. Main purpose of CRR – to reduce congestion on federal motorways and Moscow Ring Road by redirecting traffic
- Total length of CRR – 339 km
- Estimated cost of construction – USD7.1 bln
- Project – construction and toll operation of a motorway
- Share of Government funding of Capex – expected at 70%
- Construction of CRR is divided into 5 sections, each section to be implemented in 2 stages:
  - Estimated deadline for Stage 1 – 2018
  - Estimated deadline for Stage 2 – 2025

<table>
<thead>
<tr>
<th>Section</th>
<th>Length, km</th>
<th>Total cost</th>
<th>PPP model</th>
<th>Tendering</th>
<th>Construction</th>
<th>Private Financing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section 3 (from M-11 Moscow – St.Petersburg to M-7 Volga)</td>
<td>105.3</td>
<td>USD1.84 bln</td>
<td>Direct Toll Concession</td>
<td>2014-2015</td>
<td>2016-2018</td>
<td>46%</td>
</tr>
<tr>
<td>Section 4 (from M-7 Volga to M-4 Don)</td>
<td>96.5</td>
<td>USD1.87 bln</td>
<td>Direct Toll Concession</td>
<td>2014-2015</td>
<td>2016-2018</td>
<td>38%</td>
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Commercial scheme of the Project

- The Project will be structured as concession comprising (i) Government subsidy payments by the Grantor during construction phase; (ii) toll collection on behalf of the Grantor and (iii) an annual payment by the Grantor the Concessionaire at the road operation stage (covering operating costs and costs of financing, including debt service and return on equity)

- Property rights:
  - Title to the road will belong to the Grantor
  - The Grantor shall grant the Concessionaire with the right to maintain and use the motorway for the period of the Concession agreement
CRR: Investment Opportunities

Investment opportunities on different stages of Project implementation

<table>
<thead>
<tr>
<th>Section 3</th>
<th>Section 4</th>
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</thead>
<tbody>
<tr>
<td>Private investment in road construction</td>
<td>USD 0.9 bln</td>
</tr>
<tr>
<td>Equity</td>
<td>25%</td>
</tr>
<tr>
<td>Equity IRR*</td>
<td>15-17%</td>
</tr>
<tr>
<td>Debt</td>
<td>75%</td>
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<tr>
<td>Interest rate*</td>
<td>11-12%</td>
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<tr>
<td>Maturity</td>
<td>15 years</td>
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* Equity IRR and interest rates calculated for RUB financing
Conclusion and next steps

- Poor general condition of infrastructure across the country and growing investment needs create new opportunities for private investments in all infrastructure sectors in Russia.
- Toll road construction is the most dynamic and attractive sector for investment.
- Central Ring Road in Moscow Region is a strategic project supported by Russian Federal Government. It is expected to resolve regional transportation problems.
- Foreign investors are encouraged to participate in the project implementation. There are several stages when a private investor can join the consortium:
  - 2014-2015: procurement stage – opportunity for equity and debt financing
  - 2015: financial close – opportunity for equity and debt financing
  - 2018-2045: operation stage – opportunity for refinancing and buy-in
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