

## IMPORTANT NOTICE

**IMPORTANT: You must read the following before continuing:** The following applies to the attached Preliminary Prospectus following this page and you are therefore advised to read this carefully before reading, accessing or making any other use of the Preliminary Prospectus. In accessing the attached Preliminary Prospectus, you agree to be bound by the following terms and conditions, including any modifications to them, any time you receive any information from us as a result of such access.

THE ATTACHED PRELIMINARY PROSPECTUS MAY NOT BE FORWARDED OR DISTRIBUTED OTHER THAN AS PROVIDED BELOW AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. THE ATTACHED PRELIMINARY PROSPECTUS MAY ONLY BE DISTRIBUTED OUTSIDE THE UNITED STATES TO PERSONS THAT ARE NOT U.S. PERSONS AS DEFINED IN, AND IN RELIANCE ON, REGULATION S UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR WITHIN THE UNITED STATES TO QIBS WHO ARE QUALIFIED PURCHASERS (EACH AS DEFINED BELOW) IN ACCORDANCE WITH RULE 144A UNDER THE SECURITIES ACT ("**RULE 144A**"). ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THE ATTACHED DOCUMENT IN WHOLE OR IN PART IS PROHIBITED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN ANY JURISDICTION. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION. THE SECURITIES MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) IN ACCORDANCE WITH RULE 144A UNDER THE SECURITIES ACT TO PERSONS REASONABLY BELIEVED TO BE QUALIFIED INSTITUTIONAL BUYERS (EACH A "**QIB**") WITHIN THE MEANING OF RULE 144A AND QUALIFIED PURCHASERS AS DEFINED IN SECTION 2(A)(51) OF THE U.S. INVESTMENT COMPANY ACT OF 1940 (EACH A "**QUALIFIED PURCHASER**") WHO REPRESENT THAT (A) THEY ARE QUALIFIED PURCHASERS WHO ARE QIBS WITHIN THE MEANING OF RULE 144A, (B) THEY ARE NOT BROKER DEALERS WHO OWN AND INVEST ON A DISCRETIONARY BASIS LESS THAN U.S.\$25 MILLION IN SECURITIES OF UNAFFILIATED ISSUERS, (C) THEY ARE NOT A PARTICIPANT DIRECTED EMPLOYEE PLAN, SUCH AS A 401(K) PLAN, (D) THEY ARE ACTING FOR THEIR OWN ACCOUNT, OR THE ACCOUNT OF ONE OR MORE QIBS, EACH OF WHICH IS ALSO A QUALIFIED PURCHASER, (E) THEY ARE NOT FORMED FOR THE PURPOSE OF INVESTING IN THE SECURITIES OR THE ISSUER, (F) EACH ACCOUNT FOR WHICH THEY ARE PURCHASING WILL HOLD AND TRANSFER AT LEAST U.S.\$100,000 IN PRINCIPAL AMOUNT OF SECURITIES AT ANY TIME, (G) THEY UNDERSTAND THAT THE ISSUER MAY RECEIVE A LIST OF PARTICIPANTS HOLDING POSITIONS IN ITS SECURITIES FROM ONE OR MORE BOOK ENTRY DEPOSITORIES AND (H) THEY WILL PROVIDE NOTICE OF THESE TRANSFER RESTRICTIONS TO ANY SUBSEQUENT TRANSFEREES OR (2) IN AN OFFSHORE TRANSACTION TO A PERSON THAT IS NOT A U.S. PERSON IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT.

**Confirmation of your Representation:** In order to be eligible to view the attached Preliminary Prospectus or make an investment decision with respect to the securities, you must be (i) a person other than a U.S. person (within the meaning of Regulation S under the Securities Act) or (ii) a QIB who is a Qualified Purchaser. By accepting the e-mail and accessing the attached Preliminary Prospectus, you shall be deemed to have represented to us that you are not a U.S. person or that you are a QIB that is Qualified Purchaser and that you consent to delivery of such Preliminary Prospectus by electronic transmission.

The attached Preliminary Prospectus may only be provided to persons in the United Kingdom in circumstances where Section 21(1) of the Financial Services and Markets Act 2000 does not apply to Russian Standard Finance S.A. and Joint Stock Company "Russian Standard Bank". Accordingly, the attached Preliminary Prospectus is being distributed only to and directed only at (i) persons who are outside the United Kingdom, (ii) persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, (the "**Order**"), (iii) high net worth entities and other persons falling within article 49(2)(a) to (d) of the Order, or (iv) those persons to whom it may otherwise lawfully be distributed in accordance with the Order (all such persons together being referred to as "**relevant persons**"). The Preliminary Prospectus is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which the attached Preliminary Prospectus relates is available only to relevant persons and will be engaged in only with relevant persons.

Under no circumstances shall the attached Preliminary Prospectus constitute an offer to sell or the solicitation of an offer to buy, and there shall not be a sale of the securities being offered, in any jurisdiction in which such offer, solicitation or sale would be unlawful. Recipients of the attached Preliminary Prospectus who intend to subscribe for or purchase the Notes are reminded that any subscription or purchase may only be made on the basis of the information contained in the attached Preliminary Prospectus.

The attached Preliminary Prospectus does not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Dealers (as defined in the attached Preliminary Prospectus) or any of their affiliates is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by such Dealer (as defined in the attached Preliminary Prospectus) or its affiliate on behalf of the Issuer in that jurisdiction.

Under Russian law, the Notes are securities of a foreign issuer. The Notes are not eligible for "offering", "advertisement", "placement" and "circulation" in the Russian Federation unless and to the extent otherwise permitted under Russian law. Neither the issue of the Notes nor a securities prospectus in respect of the Notes has been, or is intended to be, registered with the Federal Service for Financial Markets of the Russian Federation. The information provided in the attached Preliminary Prospectus is not an offer, or an invitation to make offers, to sell, exchange or otherwise transfer the Notes in the Russian Federation or to or for the benefit of any Russian person or entity.

You are reminded that the attached Preliminary Prospectus has been delivered to you on the basis that you are a person into whose possession the attached Preliminary Prospectus may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver the attached Preliminary Prospectus to any other person. The attached Preliminary Prospectus has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of Joint Stock Company "Russian Standard Bank", Russian Standard Finance S.A., Goldman Sachs International, UBS Limited nor VTB Capital plc nor any person who controls any of them nor any director, officer, employee nor agent of it or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the attached Preliminary Prospectus distributed to you in electronic format and the hard copy version available to you on request from Joint Stock Company "Russian Standard Bank", Russian Standard Finance S.A., Goldman Sachs International, UBS Limited or VTB Capital plc.



## SERIES 11 PROSPECTUS

prepared in connection with the  
U.S.\$350,000,000 10.75 per cent. Loan Participation Notes due 2018 (the "**Notes**")  
to be issued by, but with limited recourse to, Russian Standard Finance S.A. as Series 11  
to finance a subordinated loan to Joint Stock Company "Russian Standard Bank"  
under the U.S.\$2,500,000,000  
Programme (the "**Programme**") for the issuance of Loan Participation Notes  
to be issued by, but with limited recourse to,  
**Russian Standard Finance S.A.**  
for the purpose of financing loans to  
**Joint Stock Company "Russian Standard Bank"**

Issue Price: 100 per cent.

This Series 11 prospectus (the "**Series 11 Prospectus**"), which must be read and construed as one document in conjunction with information incorporated by reference herein (see "*Documents Incorporated by Reference*"), which includes the base prospectus dated 26 September 2012 prepared in connection with the Programme (the "**Base Prospectus**"), is prepared in connection with the issue of the Notes by Russian Standard Finance S.A., a public limited liability company (*société anonyme*) established under the laws of the Grand Duchy of Luxembourg whose registered office is at 2, Boulevard Konrad Adenauer, L-1115 Luxembourg registered with the Register of Commerce and Companies of Luxembourg under number B 107.255 (the "**Issuer**") under the Programme. The Notes are being issued for the sole purpose of financing a subordinated loan of U.S.\$350,000,000 (the "**Subordinated Loan**") to Joint Stock Company "Russian Standard Bank" ("**RSB**" or the "**Borrower**"), as borrower. The Loan is granted pursuant to the terms of a subordinated loan agreement between the Issuer and RSB dated 8 October 2012 (the "**Subordinated Loan Agreement**"), the form of which is set out herein.

Subject as provided in an amended and restated principal trust deed dated 26 September 2012, as supplemented by a supplemental trust deed in respect of the Notes ("**Trust Deed**"), the Issuer will charge, in favour of Deutsche Trustee Company Limited (the "**Trustee**") as trustee, by way of a first fixed charge as security for its payment obligations in respect of the Notes and under the Trust Deed, certain of its rights and interests under the Subordinated Loan Agreement and the Account (as defined in the Subordinated Loan Agreement). In addition, the Issuer will assign certain of its administrative rights under the Subordinated Loan Agreement to the Trustee.

In each case where amounts of principal, interest and additional amounts (if any) are stated to be payable in respect of the Notes, the obligation of the Issuer to make any such payment shall constitute an obligation only to account to the holders of the Notes (the "**Noteholders**") on each date upon which such amounts of principal, interest and additional amounts (if any) are due in respect of the Notes, for an amount equivalent to all principal, interest and additional amounts (if any) actually received from RSB by or for the account of the Issuer pursuant to the Subordinated Loan Agreement excluding, however, any amounts paid in respect of Reserved Rights (as defined in the terms and conditions of the Notes). The Issuer will have no other financial obligation under the Notes. Noteholders will be deemed to have accepted and agreed that they will be relying solely and exclusively on the credit and financial standing of RSB in respect of the payment obligations of the Issuer under the Notes.

Other than as described in this Series 11 Prospectus, the Base Prospectus and the Trust Deed, the Noteholders have no proprietary or other direct interest in the Issuer's rights under or in respect of the Subordinated Loan Agreement or the Subordinated Loan. Subject to the terms of the Trust Deed, no Noteholder will have any rights to enforce any of the provisions in the Subordinated Loan Agreement or have direct recourse to RSB except through action by the Trustee.

**This Series 11 Prospectus is to be read and construed in conjunction with the sections of the Base Prospectus and other information incorporated by reference herein (see "*Documents Incorporated by Reference*").**

**AN INVESTMENT IN THE NOTES INVOLVES A HIGH DEGREE OF RISK. PROSPECTIVE INVESTORS SHOULD HAVE REGARD TO THE RISK FACTORS DESCRIBED UNDER THE SECTION ENTITLED "RISK FACTORS" IN THIS SERIES 11 PROSPECTUS.**

**THE NOTES AND SUBORDINATED LOAN (TOGETHER, THE "SECURITIES") HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 (THE "SECURITIES ACT"), AND, SUBJECT TO CERTAIN EXCEPTIONS, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT ("REGULATION S")). THE NOTES MAY BE OFFERED AND SOLD (I) WITHIN THE UNITED STATES TO QUALIFIED INSTITUTIONAL BUYERS ("QIBs"), AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT ("RULE 144A"), THAT ARE ALSO QUALIFIED PURCHASERS ("QPs"), AS DEFINED IN SECTION 2(A)(51) OF THE U.S. INVESTMENT COMPANY ACT OF 1940 (THE "INVESTMENT COMPANY ACT") IN RELIANCE ON THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144A (THE "RULE 144A NOTES") AND (II) TO NON-U.S. PERSONS IN OFFSHORE TRANSACTIONS IN RELIANCE ON REGULATION S (THE "REGULATION S NOTES"). THE ISSUER HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE INVESTMENT COMPANY ACT. PROSPECTIVE PURCHASERS ARE HEREBY NOTIFIED THAT SELLERS OF THE NOTES MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A. FOR A DESCRIPTION OF THESE AND CERTAIN FURTHER RESTRICTIONS, SEE "SUBSCRIPTION AND SALE" AND "TRANSFER RESTRICTIONS" IN THE BASE PROSPECTUS.**

This Series 11 Prospectus has been approved by the Central Bank of Ireland, as competent authority under Directive 2003/71/EC (as amended, *inter alia*, by Directive 2010/73/EU) (the "**Prospectus Directive**"). The Central Bank of Ireland only approves this Series 11 Prospectus as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive. Application has been made to the Irish Stock Exchange (the "**Irish Stock Exchange**") for the Notes to be admitted to the Official List and trading on its regulated market (the "**Main Securities Market**"). The Main Securities Market is a regulated market for the purposes of Directive 2004/39/EC of the European Parliament and of the Council on Markets in Financial Instruments.

The Notes to be issued are expected to be rated "B-" by Standard & Poor's Credit Market Services Europe Limited ("**S&P**"), "B1" by Moody's Investors Service Ltd. ("**Moody's**") and "B-" by Fitch Ratings CIS Limited ("**Fitch**") (see "*Issue Terms of the Notes*"). As of the date of this Series 11 Prospectus, Fitch, Moody's and S&P are established in the European Union and registered under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**"). For more information on the ratings of the Notes, see "*Overview of the Programme*" in the Base Prospectus. In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union and registered under the CRA Regulation.

Regulation S Notes will initially be represented by interests in a permanent global note in fully registered form (the "**Regulation S Global Note**") without interest coupons, which will be deposited with a common depositary for, and registered in the name of a nominee of, Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking, *société anonyme* ("**Clearstream, Luxembourg**"), on the Issue Date. Beneficial interests in the Regulation S Global Note will be shown on, and transfers thereof will be effected only through records maintained by, Euroclear or Clearstream, Luxembourg and their respective participants. Rule 144A Notes will initially be represented by interests in a permanent global note in fully registered form (the "**Rule 144A Global Note**") and, together with the Regulation S Global Note, the "**Global Notes**") without interest coupons, which will be deposited with a custodian for, and registered in the name of a nominee of, The Depository Trust Company ("**DTC**") on the Issue Date. Beneficial interests in a Rule 144A Global Note will be shown on, and transfers thereof will be effected only through records maintained by, DTC and its participants. See "*Summary of the Provisions Relating to the Notes in Global Form*" in the Base Prospectus. Individual definitive Notes in registered form will only be available in certain limited circumstances as described in the Base Prospectus.

### Joint Lead Managers

Goldman Sachs International

UBS Investment Bank

VTB Capital

The date of this Series 11 Prospectus is 8 October 2012

This Series 11 Prospectus comprises a prospectus for the purposes of the Prospectus Directive and for the purpose of giving information with respect to RSB and its consolidated subsidiaries taken as a whole (the "**Group**"), the Issuer, the Subordinated Loan Agreement and the Notes.

In addition, RSB, having made all reasonable enquiries, confirms that (i) this Series 11 Prospectus (when read and construed in conjunction with the sections of the Base Prospectus incorporated by reference herein) contains all information with respect to RSB, the Group, the Issuer, the Subordinated Loan Agreement and the Notes that is material in the context of the issue and offering of the Notes; (ii) the statements contained in this Series 11 Prospectus are in every respect true and accurate and not misleading; (iii) the opinions, expectations and intentions expressed in this Series 11 Prospectus are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions; (iv) there are no other facts with respect to RSB, the Group, the Issuer, the Subordinated Loan Agreement or the Notes the omission of which would, in the context of the issue and offering of the Notes, make any statement in this Series 11 Prospectus (when read and construed in conjunction with the sections of the Base Prospectus incorporated by reference herein) misleading in any respect; and (v) all reasonable enquiries have been made by RSB to ascertain such facts and to verify the accuracy of all such information and statements.

Each of RSB and the Issuer accepts responsibility for all information in this Series 11 Prospectus. To the best of the knowledge and belief of RSB and the Issuer (which have taken all reasonable care to ensure that such is the case), the information contained in this Series 11 Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Series 11 Prospectus has been filed with and approved by the Central Bank of Ireland as required by the Prospectus (Directive 2003/71/EC) Regulations 2005 (the "**Prospectus Regulations**").

NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, IS MADE BY GOLDMAN SACHS INTERNATIONAL, UBS LIMITED OR VTB CAPITAL PLC (THE "**JOINT LEAD MANAGERS**"), THE TRUSTEE OR ANY OF THEIR RESPECTIVE AFFILIATES OR ANY PERSON ACTING ON THEIR BEHALF AS TO THE ACCURACY OR COMPLETENESS OF THE INFORMATION CONTAINED IN THIS SERIES 11 PROSPECTUS. NOTHING CONTAINED IN THIS SERIES 11 PROSPECTUS IS, OR SHALL BE RELIED UPON AS, A PROMISE OR REPRESENTATION, WHETHER AS TO THE PAST OR THE FUTURE. EACH PERSON CONTEMPLATING MAKING AN INVESTMENT IN THE NOTES MUST MAKE ITS OWN INVESTIGATION AND ANALYSIS OF THE CREDITWORTHINESS OF RSB AND THE ISSUER AND ITS OWN DETERMINATION OF THE SUITABILITY OF ANY SUCH INVESTMENT, WITH PARTICULAR REFERENCE TO ITS OWN INVESTMENT OBJECTIVES AND EXPERIENCE, AND ANY OTHER FACTORS WHICH MAY BE RELEVANT TO IT IN CONNECTION WITH SUCH INVESTMENT.

This Series 11 Prospectus does not constitute an offer of, or an invitation by or on behalf of the Issuer, RSB or the Joint Lead Managers to subscribe for or purchase any Notes. The distribution of this Series 11 Prospectus and the offering of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Series 11 Prospectus comes are required by the Issuer, RSB and the Joint Lead Managers to inform themselves about and to observe any such restrictions. In particular, the Notes have not been and will not be registered under the Securities Act. Subject to certain exceptions, the Notes may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons. Further information with regard to restrictions on offers and sales of the Notes and the distribution of this Series 11 Prospectus is set out under "*Issue Terms of the Notes*" in this Series 11 Prospectus and "*Subscription and Sale*" in the Base Prospectus.

This Series 11 Prospectus may only be provided to persons in the United Kingdom in circumstances where Section 21(1) of the Financial Services and Markets Act 2000 does not apply to the Issuer or RSB. Accordingly, this Series 11 Prospectus is only being distributed to and is only directed at (i) persons who are outside the United Kingdom or (ii) to investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**") or (iii) high net worth entities, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "**relevant persons**"). The Notes are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such Notes will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

To the extent that there is any inconsistency between (a) any statement in this Series 11 Prospectus and (b) any statement in the Base Prospectus, the statement in this Series 11 Prospectus will prevail in respect of the Notes only.

Neither the Issuer nor RSB intends to provide any post-issuance transaction information regarding the Notes or the performance of the Subordinated Loan. No person is authorised to provide any information or to make any representation not contained in this Series 11 Prospectus, and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of the Issuer, RSB, the Trustee or the Joint Lead Managers. The delivery of this document at any time does not imply that the information contained in it is correct as at any time subsequent to its date. Without limitation to the generality of the foregoing, the contents of RSB's website as at the date hereof or as at any other date do not form any part of this Series 11 Prospectus (and, in particular, are not incorporated by reference herein).

In connection with the issue of the Notes, VTB Capital plc (the "**Stabilising Manager**"), or persons acting on behalf of the Stabilising Manager, may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that such Stabilising Manager (or persons acting on behalf of the Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the Issue Date of the Notes and 60 days after the date of allotment of the Notes. Any stabilisation action or over-allotment shall be conducted in accordance with all applicable laws and rules.

The language of this Series 11 Prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

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## **RISK FACTORS**

An investment in the Notes involves a high degree of risk. Prospective investors should consider carefully, among other things, the risks set forth under the heading "*Risk Factors*" on pages 14 to 50 (inclusive) of the Base Prospectus and the other information contained in this Series 11 Prospectus and the Base Prospectus prior to making any investment decision with respect to the Notes. The risks highlighted under the heading "*Risk Factors*" on pages 14 to 50 (inclusive) of the Base Prospectus could have a material adverse effect on the Group's business, financial condition, results of operations or prospects which, in turn, could have a material adverse effect on RSB's ability to service its payment obligations under the Subordinated Loan Agreement and, as a result, the ability of the Issuer to make payments under the Notes. In addition, the value of the Notes could decline due to any of these risks, and prospective investors may lose some or all of their investment.

Prospective investors should note that the risks described under the heading "*Risk Factors*" on pages 14 to 50 (inclusive) of the Base Prospectus are not the only risks RSB and the Issuer face. These are the risks RSB considers material. There may be additional risks that RSB currently considers immaterial or of which it is currently unaware, and any of these risks could have similar effects to those set forth above.

## **DOCUMENTS INCORPORATED BY REFERENCE**

The Base Prospectus, which is available for viewing at [http://www.ise.ie/debt\\_documents/Base%20Prospectus\\_624077e0-8aeb-43b8-8fa2-3b614f0291d3.PDF](http://www.ise.ie/debt_documents/Base%20Prospectus_624077e0-8aeb-43b8-8fa2-3b614f0291d3.PDF), shall be deemed to be incorporated in, and to form part of, this Series 11 Prospectus.

Any statement contained in the Base Prospectus shall be deemed to be modified or superseded for the purpose of this Series 11 Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Series 11 Prospectus.

This Series 11 Prospectus must be read in conjunction with the Base Prospectus and full information on RSB, the Issuer, the terms of the Subordinated Loan and the offer of the Notes is only available on the basis of the combination of the provisions set out within this document and the Base Prospectus.

Copies of the Base Prospectus may be inspected, free of charge, at the registered office of the Issuer at 2, Bd. Konrad Adenauer, L-1115 Luxembourg during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted).

Terms used herein but not otherwise defined shall have the meanings given to them in the Base Prospectus. The Base Prospectus incorporated by reference herein is current only as of its date and the incorporation by reference herein of the Base Prospectus shall not create any implication that there has been no change in RSB's, the Group's or the Issuer's affairs since the date thereof or that information contained therein is current as of any time subsequent to its date.

## TERMS AND CONDITIONS OF THE NOTES

The terms and conditions of the Notes shall comprise the "Terms and Conditions of the Notes" from the Base Prospectus dated 26 September 2012 which are incorporated by reference herein (the "**Conditions**"), as modified and completed by the issue terms of the Notes set out in the "*Issue Terms of the Notes*" section (the "**Issue Terms of the Notes**").

All references in this Series 11 Prospectus or in the Base Prospectus to "**Conditions**" or to a numbered "**Condition**" shall be to the Conditions or the relevant numbered Condition, respectively, as modified and completed by the Issue Terms of the Notes. References in the Conditions, this Series 11 Prospectus and the Base Prospectus to "**Final Terms**" shall be to the Issue Terms of the Notes.



## ISSUE TERMS OF THE NOTES

Issue Terms dated 8 October 2012

### Joint Stock Company "Russian Standard Bank"

Issue of U.S.\$350,000,000 10.75 per cent. Loan Participation Notes due 2018  
by Russian Standard Finance S.A.  
for the purpose of financing a Loan to Joint Stock Company "Russian Standard Bank"  
under a U.S.\$2,500,000,000 Programme for the Issuance of Loan Participation Notes

### PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the Base Prospectus dated 26 September 2012 and incorporated by reference in relation to the Notes only into a series 11 prospectus dated 8 October 2012 (the "**Series 11 Prospectus**") which constitutes a prospectus for the purposes of the Prospectus Directive. These Issue Terms of the Notes modify and complete the Conditions in relation to the Notes only. References in the Conditions to "**Notes**" shall be deemed to be references to the Notes for the purposes of these Issue Terms of the Notes.

- |     |      |  |  |
|-----|------|--|--|
| 1.  | (i)  | Issuer:  | Russian Standard Finance S.A.  |
|     | (ii) | Borrower:  | Joint Stock Company "Russian Standard Bank"  |
| 2.  | (i)  | Series Number:   | 11   |
| 3.  |      | Specified Currency or Currencies:                      | United States Dollars  |
| 4.  |      | Aggregate Nominal Amount of Notes admitted to trading: | U.S.\$350,000,000  |
| 5.  |      | Issue Price:   | 100 per cent. of the Aggregate Nominal Amount  |
| 6.  | (i)  | Specified Denominations:                               | U.S.\$200,000 and higher integral multiples of U.S.\$1,000 in excess thereof up to and including U.S.\$399,000 |
|     | (ii) | Calculation Amount                                     | U.S.\$1,000  |
| 7.  | (i)  | Issue Date:  | 10 October 2012  |
|     | (ii) | Interest Commencement Date:                            | 10 October 2012  |
| 8.  |      | Maturity Date:   | 10 April 2018  |
| 9.  |      | Notes Interest Basis:                                  | 10.75 per cent. Fixed Rate<br>(further particulars specified below)  |
| 10. |      | Redemption/Payment Basis:                              | Redemption at par of their nominal amount  |
| 11. | (i)  | Status and Form of the Notes:                          | Senior, Registered   |

- |       |   |                |
|-------|---|----------------|
| (ii)  | Status of the Loan:                                 | Subordinated   |
| (iii) | Date Board approval for issuance of Notes obtained: | 4 October 2012 |
| 12.   | Method of distribution:                             | Syndicated     |
| 13.   | Financial Centres (Condition 7):                    | New York       |

#### **PROVISIONS RELATING TO INTEREST PAYABLE UNDER THE LOAN**

- |       |                                      |   |
|-------|--------------------------------------|---|
| 14.   | Fixed Rate Note Provisions:          | Applicable  |
| (i)   | Rate of Interest:                    | 10.75 per cent. per annum payable semi-annually in arrear on each Interest Payment Date   |
| (ii)  | Interest Payment Date(s):            | 10 April and 10 October each year commencing on 10 April 2013 adjusted in accordance with the Following Business Day Convention up to and including the Maturity Date |
| (iii) | Fixed Coupon Amount(s):              | U.S.\$107.50 per Calculation Amount   |
| (iv)  | Broken Amount:                       | Not Applicable  |
| (v)   | Day Count Fraction (Condition 5):    | 30/360  |
| (vi)  | Determination Date(s) (Condition 5): | Not Applicable  |
| 15.   | Floating Rate Note Provisions:       | Not Applicable  |

#### **PROVISIONS RELATING TO REDEMPTION**

- |     |  |   |
|-----|--|---|
| 16. | Final Redemption Amount of each Note:  | U.S.\$1,000 for every U.S.\$1,000 of principal amount of a Note |
| 17. | Early Redemption Amount(s) of each Note payable if the Loan should become repayable under the Loan Agreement prior to the Maturity Date: | Principal amount  |
| 18. | Put Option   | Not Applicable  |

#### **DISTRIBUTION**

- |     |                                       |   |
|-----|---------------------------------------|---|
| 19. | (i) If syndicated, names of Managers: | Goldman Sachs International, UBS Limited, VTB Capital plc |
|     | (ii) Stabilising Manager(s) (if any): | VTB Capital plc   |
| 20. | If non-syndicated, name of Dealer:    | Not Applicable  |

**RESPONSIBILITY**

The Issuer and RSB accept responsibility for the information contained in these Issue Terms.

Signed on behalf of the Issuer:

Signed on behalf of RSB:

By: .....  
Director

By: .....  
Duly authorised

By: .....  
Director

By: .....  
Duly authorised

## PART B – OTHER INFORMATION

### 1. LISTING

- |       |   |  |
|-------|---|--|
| (i)   | Listing:  | Irish Stock Exchange   |
| (ii)  | Admission to trading:                                       | Application has been made to the Irish Stock Exchange for the Notes to be admitted to the Official List and to trading on its regulated market with effect from 10 October 2012. |
| (iii) | Estimate of total expenses related to admission to trading: | EUR 2,541.20   |

### 2. RATINGS

- |          |  |
|----------|--|
| Ratings: | The Notes to be issued are expected to be rated:<br><br>Fitch: B-<br>Moody's: B1<br>Standard & Poor's: B-<br><br>Standard & Poor's Credit Market Services Europe Limited, Moody's Investors Service Limited and Fitch Ratings CIS Ltd are established in the EU and registered under Regulation (EC) No 1060/2009, as amended (the " <b>CRA Regulation</b> "). |
|----------|--|

### 3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Save as discussed in "*Subscription and Sale*" in the Base Prospectus, so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.

### 4. FIXED RATE NOTES ONLY – YIELD

- |                      |  |
|----------------------|--|
| Indication of yield: | 10.75 per cent.<br>The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield. |
|----------------------|--|

### 5. OPERATIONAL INFORMATION

- |   |                |
|---|----------------|
| ISIN Code (Reg S Notes):  | XS0841677387   |
| ISIN Code (Rule 144A Notes):  | US78307EAL92   |
| Common Code (Reg S Notes):  | 084167738      |
| CUSIP number:   | 78307EAL9      |
| Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking societe anonyme or DTC and the | Not Applicable |

relevant identification number(s):

Delivery:

Delivery against payment (Reg S Notes)

Delivery free of payment (Rule 144A Notes)

Names and addresses of additional Paying Agent(s) (if any):

Not Applicable

## SUBORDINATED LOAN AGREEMENT

*The following is the text of the Subordinated Loan Agreement:*

**This Subordinated Loan Agreement** is made on 8 October 2012 **between:**

- (1) **JOINT STOCK COMPANY "Russian Standard Bank"**, a company incorporated under the laws of the Russian Federation whose registered office is at 36 Tkatskaya Street, Moscow, 105187, Russian Federation (the "**Borrower**"); and
- (2) **RUSSIAN STANDARD FINANCE S.A.**, a public limited liability company (*société anonyme*) established under the laws of the Grand Duchy of Luxembourg whose registered office is at 2, Bd. Konrad-Adenauer L-1115 Luxembourg, registered with the Register of Commerce and Companies of Luxembourg under number B 107.255 (the "**Lender**").

### **Whereas**

- (A) The Lender has at the request of the Borrower made available to the Borrower an unsecured subordinated loan facility in the amount of U.S.\$350,000,000 under the Programme (as defined below) on the terms and subject to the conditions of this Agreement.
- (B) It is intended that, concurrently with the extension of the Loan (as defined below) under this subordinated loan facility, the Lender will issue certain loan participation notes in the same aggregate nominal amount and bearing the same rate of interest as such Loan.
- (C) The Lender and the Borrower have agreed that, on the occurrence of a Bankruptcy Event (as defined below), the claims of the Lender in respect of principal of, and interest on, the Loan shall be subordinated to the claims of Senior Creditors (as defined below) of the Borrower in the manner set out in this Agreement.

**Now it is hereby agreed** as follows.

### **1. Definitions and Interpretation**

#### **1.1 Definitions**

In this Agreement (including the recitals), the following terms shall have the meanings indicated below:

**"Acceleration Event"** has the meaning assigned to such term in Clause 10.

**"Account"** means the account in the name of the Lender with the Principal Paying Agent with account number GB16DEUT40508126364814, or such other account as may from time to time be agreed by the Lender and the Trustee pursuant to the Trust Deed, and notified in writing to the Borrower at least five Business Days in advance of such change.

**"Advance"** has the meaning set out in Clause 4.1.

**"Affiliate"** has the meaning ascribed to it in Rule 405 under the U.S. Securities Act of 1933.

**"Agency"** means any agency, authority, central bank, department, committee, government, legislature, minister, official or public statutory person (whether autonomous or not) of, or of the government of, any state or supra-national body.

**"Agency Agreement"** means the amended and restated paying agency agreement relating to the Programme dated 26 September 2012 between the Lender, the Borrower, the Trustee, the Principal Paying Agent and the other agents named therein, as may be amended or supplemented from time to time.

**"Agreement"** means this subordinated loan agreement as originally executed or as it may be amended from time to time.

**"Assignment"** means the assignment by the Lender in favour of the Trustee of the rights of the Lender under this Agreement.

**"Bankruptcy Event"** means the entry into force of a final decision of a competent Russian court finding the Borrower bankrupt.

**"Business Day"** means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in New York, London, Grand Duchy of Luxembourg and Moscow.

**"Central Bank"** or **"CBR"** means the Central Bank of the Russian Federation or such other governmental or other authority as shall from time to time carry out functions in relation to the supervision of banks in the Russian Federation as are, on the date hereof, carried out by the CBR.

**"Closing Date"** means 10 October 2012.

**"Conditions"** means the terms and conditions of the Notes.

**"Dealer Agreement"** means the amended and restated dealer agreement relating to the Programme dated 26 September 2012 between the Lender, the Borrower, the Arrangers named therein and the other dealers appointed pursuant to it, as may be amended or supplemented from time to time.

**"Dispute"** has the meaning assigned to it in Clause 14.9.

**"Dollars", "U.S. Dollars" and "U.S.\$"** mean the lawful currency of the United States of America.

**"Facility"** means the subordinated term loan facility granted by the Lender to the Borrower as specified in Clause 2.

**"Fees and Expenses Side Agreement"** has the meaning given to it in the Subscription Agreement.

**"Fee Side Letter"** means the amended and restated fee side letter dated 26 September 2012 entered into between the Borrower, the Lender, the Trustee and the Agents named therein in respect of the Programme.

**"Final Conclusion"** has the meaning assigned to it in sub-clause 3.2.

**"incur"** means issue, assume, guarantee, incur or otherwise become liable for.

**"Interest Payment Date"** means 10 April and 10 October of each year in which the Loan remains outstanding, commencing on 10 April 2013 and ending on the Repayment Date.

**"Interest Period"** has the meaning given to it in the Conditions.

**"Lender Agreements"** means this Agreement, the Trust Deed, the Agency Agreement, the Dealer Agreement and the Subscription Agreement.

**"Loan"** means, at any time, an amount equal to the aggregate principal amount of the Facility advanced by the Lender pursuant to this Agreement and outstanding at such time.

**"Noteholder"** means, in relation to a Note, the person in whose name such Note is for the time being registered in the register of the Noteholders kept at the registered office of the Lender in accordance with the provisions of the Luxembourg Law of 10<sup>th</sup> August 1915 on Commercial Companies, as amended (or, in the case of a joint holding, the first named holder thereof).

**"Notes"** means the U.S.\$350,000,000 10.75 per cent. loan participation notes due 2018 proposed to be issued by the Lender pursuant to the Trust Deed.

**"Officers' Certificate"** means a certificate signed on behalf of the Borrower by two officers of the Borrower, at least one of whom shall be the principal executive officer, principal accounting officer or principal financial officer of the Borrower.

**"Paying Agent"** shall have the meaning attributed to it in the Agency Agreement.

**"Person"** means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, company, firm, trust organisation, government, or any agency or political subdivision thereof or any other entity, whether or not having a separate legal personality.

**"Potential Acceleration Event"** means any event which is, or after notice given hereunder or the passage of time or the making of any determination would be, an Acceleration Event.

**"Principal Paying Agent"** means Deutsche Bank AG, London Branch or any other principal paying agent appointed from time to time in connection with the issuance of the Notes.

**"Principal Trust Deed"** means the amended and restated principal trust deed dated 26 September 2012 between the Lender and the Trustee, as it may be amended or supplemented from time to time.

**"Programme"** means the programme for the issuance of loan participation notes of the Lender.

**"Rate of Interest"** has the meaning set out in Clause 5.1.

**"Regulation No. 215-P"** means CBR Regulation № 215-P dated 10 February 2003 "On the method of determination of own funds (capital) of credit organisations" (as amended, supplemented or replaced).

**"Repayment Date"** means 10 April 2018.

**"Reserved Rights"** has the meaning assigned to such term in the Trust Deed and the Conditions.

**"Rouble"** means the lawful currency of Russia.



**"Russia"** shall mean the Russian Federation and any province or political subdivision or Agency thereof or therein, and **"Russian"** shall be construed accordingly.

**"Same-Day Funds"** means Dollar funds settled through the New York Clearing House Interbank Payments System or such other funds for payment in Dollars as the Lender may at any time determine to be customary for the settlement of international transactions in New York City of the type contemplated hereby.

**"Security"** means the security granted by the Lender to the Trustee over rights of the Lender under this Agreement, including an assignment of such rights in favour of the Trustee.

**"Senior Creditors"** means all creditors of the Borrower other than creditors of the Borrower whose claims are in respect of (i) the share capital of the Borrower (including preference shares) or (ii) other obligations equal with or junior to the claims of the Lender under this Agreement pursuant to Russian law.

**"Subscription Agreement"** means the subscription agreement relating to the Notes dated 8 October 2012 between the Lender, the Borrower and the Managers named therein.

**"Supplemental Trust Deed"** means the supplemental trust deed which supplements and secures, *inter alia*, the Notes dated 10 October 2012 and made between the Lender and the Trustee.

**"Trust Deed"** means the Principal Trust Deed as supplemented by the Supplemental Trust Deed (and as further amended or supplemented from time to time).

**"Trustee"** means Deutsche Trustee Company Limited, as Trustee under the Trust Deed and any successor thereto as provided thereunder.

## 1.2 ***Interpretation***

Unless the context or the express provisions of this Agreement otherwise require, the following shall govern the interpretation of this Agreement:

- 1.2.1 all references to "Clause" or "sub-clause" are references to a Clause or sub-clause of this Agreement;
- 1.2.2 the terms "hereof", "herein" and "hereunder" and other words of similar import shall mean this Agreement as a whole and not any particular part hereof;
- 1.2.3 all references to "taxes" include all present or future taxes, levies, imposts, duties, assessments or other governmental charges or withholding of any nature and the terms "tax" and "taxation" shall be construed accordingly;
- 1.2.4 words importing the singular number include the plural and vice versa;
- 1.2.5 the headings are for convenience only and shall not affect the construction hereof; and
- 1.2.6 the "Lender" or the "Borrower" shall be construed so as to include it and any of its subsequent successors, assignees and chargees in accordance with their respective interests.

2. ***Facility***

On the terms and subject to the conditions set forth herein, the Lender hereby grants to the Borrower a single disbursement term loan facility in an aggregate amount of U.S.\$350,000,000.

3. **Subordination of the Loan**

3.1 ***Subordination***

The claims of the Lender against the Borrower in respect of the principal of, and interest on, the Loan will be subordinated, upon the occurrence of a Bankruptcy Event to the claims of all Senior Creditors in accordance with the Federal Law "On Insolvency (Bankruptcy) of Credit Organisations" No. 40-FZ dated 25 February 1999 (as amended, replaced or superseded from time to time) (the "**Insolvency Law**") and will rank at least *pari passu* with the claims of other unsecured subordinated creditors of the Borrower (whether actual or contingent) having a fixed maturity from time to time outstanding and will be senior to the claims of holders of (a) the Borrower's share capital (including preference shares) and (b) all other obligations ranking junior to the claims of the Lender pursuant to applicable Russian laws.

The Lender shall not be entitled to offset any liabilities of the Borrower under this Agreement against any liabilities owing by the Lender to the Borrower.

3.2 ***Reclassification***

If, by the date falling 90 days after the date of this Agreement (the "**Approval Date**"), the CBR has not issued the final conclusion (*zaklucheniye*) confirming the final unconditional approval by the CBR of this Agreement and the Loan as a subordinated loan eligible for inclusion into own funds (capital) of the Borrower within the meaning of paragraph one of Section 3.11.1 of Regulation No. 215-P ("**Own Funds**") (the "**Final Conclusion**"), the claims of the Lender against the Borrower in respect of principal of and interest on the Loan shall be treated as senior in priority to any subordinated debt or class of equity of the Borrower and Clause 3.1 shall no longer apply.

4. **Drawdown**

4.1 ***Drawdown***

On the terms and subject to the conditions of this Agreement, on the Closing Date the Lender shall make an advance of U.S.\$350,000,000 (the "**Advance**") to the Borrower and the Borrower shall make a single drawing in the full amount of the Advance.

4.2 ***Facility Fee***

In consideration of the Lender's undertaking to make the Loan available to the Borrower, the Borrower hereby agrees that it shall, one Business Day before the Closing Date, pay to the Lender, in Same-Day Funds, an arrangement fee (the "**Facility Fee**") in connection with the financing of the Loan, calculated taking into account the front-end commissions, fees and expenses and as specified in the Fees and Expenses Side Agreement.

4.3 ***Disbursement***

Subject to the conditions set forth herein, on the Closing Date the Lender shall transfer the full amount of the Advance to the Borrower's account (Joint Stock Company "Russian Standard Bank" (SWIFT: RSJSRUMM); account number 890-0571-071 with

The Bank of New York Mellon, New York, USA (SWIFT: IRVTUS3N)) in Same-Day Funds.

4.4 ***Ongoing Fees and Expenses***

In consideration of the Lender agreeing to make the Loan to the Borrower, the Borrower shall pay on demand to the Lender as and when such payments are due an amount or amounts to reimburse the Lender for its expenses relating to its management and operation in servicing the Loan as set forth to the Borrower in an invoice from the Lender.

4.5 ***Capital Treatment***

To the extent that any part of the Loan is to be treated as Own Funds by the Borrower, the Borrower will use its best efforts to procure that the CBR issue the Final Conclusion for such treatment, and will provide all relevant information about the Loan to the CBR as may be necessary for the issuance of the Final Conclusion.

5. **Interest**

5.1 ***Rate of Interest***

The Borrower will pay interest in U.S. Dollars to the Lender on the outstanding principal amount of the Loan from time to time at the rate of 10.75 per cent. per annum (the "**Rate of Interest**").

5.2 ***Payment of Interest***

Interest at the Rate of Interest shall accrue from day to day, starting from (and including) the Closing Date and shall be paid semi-annually in arrear not later than 10.00 a.m. (New York City time) one Business Day prior to each Interest Payment Date. Interest on the Loan will cease to accrue from the Repayment Date (or any date on which the Loan is prepaid pursuant to Clause 6.2, 6.3 or 6.4) unless payment of principal is improperly withheld or refused, in which event interest shall continue to accrue (before or after judgment) at the Rate of Interest to but excluding the date on which payment in full of the principal thereof is made.

5.3 ***Calculation of Interest***

The amount of interest payable in respect of the Loan for any Interest Period shall be calculated by applying the Rate of Interest to the Loan, dividing the product by two and rounding the resulting figure to the nearest cent (half a cent being rounded upwards). If interest is required to be calculated for any other period, it will be calculated on the basis of a 360-day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the number of actual days elapsed.

6. **Repayment and Prepayment**

6.1 ***Repayment***

Except as otherwise provided herein:

6.1.1 the Borrower shall repay the Loan and, to the extent not already paid in accordance with Clause 5.2, any accrued interest to the date of repayment not later than 10.00 a.m. (New York City time) one Business Day prior to the Repayment Date or as contemplated in Clause 10;

- 6.1.2 the Borrower shall not prepay all or any part of the Loan and/or any interest accrued on the Loan (except with the prior consent of the CBR); and
- 6.1.3 this Agreement may not be terminated earlier than the Repayment Date (except with the prior consent of the CBR).

6.2 ***Prepayment Option***

Notwithstanding the provisions of Clause 6.1 above, the Borrower may prepay the Loan either:

- 6.2.1 at any time after the Approval Date, if the CBR does not issue the Final Conclusion to the Borrower on or before the Approval Date; or
- 6.2.2 with the prior written consent of the CBR, at any time after receipt of the Final Conclusion, if, as a result of any amendment to, clarification of or change in (including a change in interpretation or application of) Regulation No. 215-P or other applicable requirements of the CBR this Agreement and the Loan would cease to qualify as Own Funds,

**provided that** in either case notice thereof, together with an Officers' Certificate confirming the existence of the relevant circumstances permitting such a prepayment, shall be given to the Lender, with a copy to the Trustee, not more than 60 nor less than 30 days prior to the date of prepayment. Following the delivery of such notice and such Officers' Certificate, the Borrower shall be bound on the prepayment date specified therein to prepay the Loan (in whole but not in part) at the principal amount thereof, together with interest accrued to the date of prepayment and all other sums payable by the Borrower pursuant to this Agreement.

6.3 ***Prepayment in the event of Taxes or Increased Costs***

Notwithstanding the provisions of Clause 6.1 above, if, as a result of the application of or any amendments or clarification of, or change (including a change in interpretation or application) in, the double tax treaty between the Russian Federation and Luxembourg or the laws or regulations of the Russian Federation or Luxembourg or of any political sub-division thereof or any authority therein having power to tax or the enforcement of the security provided for in the Trust Deed, the Borrower would thereby be required to make or increase any payment due pursuant to this Agreement as provided in Clauses 7.2 or 7.3 (other than, in each case, where the increase in payment is in respect of any amounts due or paid pursuant to Clauses 4 and 13), or if (for whatever reason) the Borrower would have to or has been required to pay additional amounts pursuant to Clause 9, and in any such case such obligation cannot be avoided by the Borrower taking reasonable measures available to it, then the Borrower may (without premium or penalty), if it obtains the prior consent of the CBR, upon not less than 30 days' notice to the Lender (which notice shall be irrevocable), prepay the Loan in whole (but not in part) at the principal amount thereof on the date specified in the notice. Prior to giving any such notice in the event of an increase in payment pursuant to Clause 7.2, the Borrower shall deliver to the Lender an Officers' Certificate confirming that it would be required to increase the amount payable, supported by an opinion of an independent tax adviser addressed to the Lender.

6.4 ***Prepayment in the Event of Illegality***

Notwithstanding the provisions of Clause 6.1 above, if, at any time, after the date of this Agreement, the Lender reasonably determines that it is or would be unlawful or contrary to any applicable law, regulation, regulatory requirement or directive of any Agency of

any state or otherwise for the Lender to allow all or part of the Loan to remain outstanding or for the Lender to maintain or give effect to any of its obligations in connection with this Agreement or the Security and/or to charge or receive or to be paid interest at the rate then applicable to the Loan (an "**Event of Illegality**"), then upon notice by the Lender to the Borrower in writing, the Borrower and the Lender shall consult in good faith as to a basis which eliminates the application of such Event of Illegality; **provided, however, that** the Lender shall be under no obligation to continue such consultation if a basis has not been determined within 30 days of the date on which the Lender so notified the Borrower. If such a basis has not been determined within such 30 days, then upon written notice by the Lender to the Borrower and the Trustee, the Borrower shall, on or after the earliest date permitted by Regulation No. 215-P and subject to the prior consent of the CBR, prepay the Loan (without penalty or premium), in whole but not in part (together with interest accrued to the date of repayment) on the next Interest Payment Date or on such earlier date as the Lender shall certify to be necessary to comply with such requirements.

6.5 ***Payment of Other Amounts and Costs of Prepayment***

If the Loan is to be prepaid by the Borrower pursuant to any of the provisions of this Clause 6, the Borrower shall, simultaneously with such prepayment, pay to the Lender accrued interest thereon to the date of actual payment and all other sums payable by the Borrower pursuant to this Agreement.

6.6 ***Provisions Exclusive***

The Borrower shall not prepay or repay all or any part of the Loan except in accordance with the express terms of this Agreement. Any amount prepaid may not be re-borrowed under this Agreement.

7. **Payment**

7.1 ***Making of Payments***

All payments of principal, interest and additional amounts (other than those in respect of Reserved Rights) to be made by the Borrower under this Agreement shall be made unconditionally by credit transfer to the Lender not later than 10.00 a.m. (New York City time) one Business Day prior to each Interest Payment Date or the Repayment Date (as the case may be) in Same-Day Funds to the Account or as the Trustee may otherwise direct following the occurrence of an Acceleration Event or a Relevant Event (as defined in the Trust Deed).

The Borrower shall, before 10.00 a.m. New York City time on the second Business Day prior to each Interest Payment Date or the Repayment Date or such other date (as the case may be) procure that the bank effecting such payments on its behalf confirms to the Principal Paying Agent by tested telex or authenticated SWIFT the payment instructions relating to such payment.

The Lender agrees with the Borrower that it will not deposit any other monies into the Account and that no withdrawals shall be made from the Account other than as provided for and in accordance with the Trust Deed and the Agency Agreement.

7.2 ***No Set-Off, Counterclaim or Withholding; Gross-Up***

All payments to be made by the Borrower under this Agreement shall be made in full without set-off or counterclaim and (except to the extent required by law or by agreement with a taxing authority) free and clear of and without deduction for or on

account of any taxes. If the Borrower shall be required by applicable law or by agreement with a taxing authority to make any deduction or withholding from any payment under this Agreement for or on account of any such taxes, it shall, on the due date for such payment, increase any payment of principal, interest or any other payment due under this Agreement to such amount as may be necessary to ensure that the Lender receives a net amount in U.S. Dollars equal to the full amount which it would have received had payment not been made subject to such taxes, shall promptly account to the relevant authorities for the relevant amount of such taxes so withheld or deducted within the time allowed for such payment under the applicable law and shall deliver to the Lender without undue delay evidence satisfactory to the Lender of such deduction or withholding and of the accounting therefor to the relevant taxing authority. If the Lender pays any amount in respect of such taxes (including penalties or interest, but excluding any amount referable to taxes payable by the Lender on its overall net income (except to the extent that the Lender is unable to obtain a deduction for tax purposes on payments to the Noteholders which offsets any tax liability on equivalent amounts received under this Agreement)), the Borrower shall reimburse the Lender in U.S. Dollars for such payment on demand. The preceding two sentences shall not apply with respect to any tax or amounts owed pursuant to an agreement with a taxing authority that would not have been imposed but for a failure by the Lender (or any financial institution through which payment on any Loan is made) to (i) enter into an agreement described in Section 1471(b)(1) of the U.S. Internal Revenue Code of 1986 (the "**Code**") or otherwise comply with Sections 1471 through 1474 of the Code or any regulations promulgated thereunder (or under any implementing legislation adopted by another jurisdiction), (ii) provide information sufficient for the Borrower to determine whether the Lender (or financial institution through which payment on any Loan is made) is a U.S. person or should otherwise be treated as holding a "United States account" of the Borrower (or comply with similar requirements under any implementing legislation adopted by a non-U.S. jurisdiction), or (iii) consent, where necessary, to have information about it reported to the U.S. taxing authorities.

### 7.3 *Withholding on Notes*

Without prejudice to the provisions of Clause 7.2, if the Lender notifies the Borrower that it has become obliged to make any withholding or deduction for or on account of any taxes imposed, levied, collected, withheld or assessed by or on behalf of Luxembourg or any political subdivision or any authority thereof or therein having the power to tax from any payment which it is obliged to make under or in respect of the Notes, the Borrower agrees to pay to the Lender, not later than 10:00 a.m. (New York City time) one Business Day prior to the date on which payment is due to the Noteholders in Same-Day Funds to the Account, such additional amounts as are equal to the additional amounts which the Lender would be required to pay in order that the net amounts received by the Noteholders, after such withholding or deduction, will equal the respective amounts which would have been received by the Noteholders in the absence of such withholding or deduction; **provided, however, that** the Lender shall procure that immediately upon receipt from any Paying Agent of any reimbursement of the sums paid pursuant to this provision, to the extent that any Noteholders, are not entitled to such additional amounts pursuant to the Conditions, pay such amounts received by way of such reimbursement to the Borrower (it being understood that neither the Lender nor any Paying Agent shall have any obligation to determine whether any Noteholder or such other party is entitled to any such additional amount).

Any notification by the Lender to the Borrower in connection with this Clause 7.3 shall be given promptly after the Lender becomes aware of any obligation on it to make any such withholding or deduction.

#### 7.4 ***Reimbursement***

- 7.4.1 To the extent that the Lender subsequently obtains or uses any tax credit or allowance or other reimbursements relating to a deduction or withholding with respect to which the Borrower has made a payment pursuant to this Clause 7, it shall pay to the Borrower so much of the benefit it received as will leave the Lender in substantially the same position as it would have been in had no additional amount been required to be paid by the Borrower pursuant to this Clause 7; **provided, however, that** the question of whether any such benefit has been received, and accordingly, whether any payment should be made to the Borrower, the amount of any such payment and the timing of any such payment, shall be determined solely by the Lender, **provided that** the Lender shall notify the Borrower promptly upon determination that it has received any such benefit. The Lender shall have the absolute discretion whether, and in what order and manner, it claims any credits or refunds available to it, and the Lender shall in no circumstances be obliged to disclose to the Borrower any information regarding its tax affairs or computations.
- 7.4.2 If as a result of a failure to obtain relief from deduction or withholding of any taxes referred to in Clause 7.2 (i) such taxes are deducted or withheld by the Borrower and pursuant to Clause 7.2 an increased amount is paid by the Borrower to the Lender in respect of such deduction or withholding and (ii) following the deduction or withholding of taxes as referred to above the Lender (upon instructions by the Borrower) applies to the competent taxing authority for a withholding tax refund and such withholding tax is refunded or repaid by the relevant taxing authority, the Lender shall as soon as reasonably practicable notify the Borrower of the receipt of such withholding tax refund and promptly transfer the actually received amount of the withholding tax refund in the currency actually received and less any applicable costs to a bank account of the Borrower specified for that purpose by the Borrower.

#### 7.5 ***Representations of the Lender***

The Lender represents that, at the date hereof, (a) it is at the date hereof a resident of Luxembourg, is subject to taxation in Luxembourg on the basis of its registration as a legal entity, location of its management body or another similar criterion and it is not subject to taxation in Luxembourg merely on income from sources in Luxembourg or connected with property located in Luxembourg and it will be able to receive certification to this effect from the Luxembourg taxing authorities, (b) it does not have a permanent establishment in the Russian Federation, (c) it does not have any current intentions to effect, during the term of the Loan, any corporate action or reorganisation or change of taxing jurisdiction that would result in the Lender ceasing to be a resident of Luxembourg and subject to taxation in Luxembourg, (d) it is not a holding company within the meaning of Article 29 of the double tax treaty between the Russian Federation and Luxembourg and (e) it will account for the Loan on the relevant Closing Date on its balance sheet as an asset under "*Financial Assets*" (or equivalent) and the Notes as a liability under "*Bonds*" (or equivalent).

#### 7.6 ***Notification and Substitution***

- 7.6.1 The Lender agrees upon becoming aware of such, promptly to notify the Borrower if it ceases to be resident in Luxembourg or opens a permanent establishment in Russia or if any of the representations set forth in Clause 7.5 are no longer true and correct.

7.6.2 If the Lender ceases, as a result of the Lender's actions, to be tax resident in a jurisdiction for the purposes of a double taxation treaty between the Russian Federation and such jurisdiction, and such cessation results in the Borrower being required to make payments pursuant to Clause 7.2, then, except in circumstances where the Lender has ceased to be tax resident in such jurisdiction by reason of any change of law (as described in Clause 6.2) (including, without limitation, a change in a double taxation treaty or in such law or treaty's application or interpretation), the Borrower may require the Lender to seek the substitution of the Lender as issuer of the Notes and as lender under this Agreement pursuant to and in accordance with the provisions of Clause 17 of the Trust Deed. The Borrower shall bear all costs and expenses relating to or arising out of such substitution.

7.7 ***Mitigation***

If at any time either party hereto becomes aware of circumstances which would or might, then or thereafter, give rise to an obligation on the part of the Borrower to make any deduction, withholding or payment as described in Clauses 7.2 or 7.3, then, without in any way limiting, reducing or otherwise qualifying the Lender's rights, or the Borrower's obligations, under such Clauses, the Lender shall, upon becoming aware of the same, notify the Borrower thereof and, in consultation with the Borrower and to the extent it can lawfully do so and without prejudice to its own position, take all reasonable steps to remove such circumstances or mitigate the effects of such circumstances; **provided that** the Lender shall be under no obligation to take any such action if, in its reasonable opinion, to do so might reasonably be expected to have any adverse effect upon its business, operations or financial condition or might be in breach of any provision of the Trust Deed or the Notes.

7.8 ***Tax Treaty Relief***

The Lender shall, **provided that** in each case a corresponding request from the Borrower is received by the Lender no later than 25 Business Days prior to the first Interest Payment Date or, as applicable, the beginning of each calendar year, and at the Borrower's cost, to the extent it is able to do so under applicable law including, without limitation, Russian laws, use best efforts to obtain and to deliver to the Borrower no later than 10 Business Days before the first Interest payment Date or, as applicable, the beginning of each calendar year a certificate issued by the competent taxing authority in Luxembourg confirming that the Lender is tax resident in Luxembourg and such other information or forms as may need to be duly completed and delivered by the Lender to enable the Borrower to apply to obtain relief from deduction or withholding of Russian taxes after the date of this Agreement or, as the case may be, to apply to obtain a tax refund if a relief from deduction or withholding of Russian taxes has not been obtained. The Lender shall, at the request of the Borrower and at the Borrower's cost, to the extent it is able to do so under applicable law including, without limitation, Russian laws, from time to time use its commercially reasonable efforts to obtain and to deliver to the Borrower any additional duly completed application forms as need to be duly completed and delivered by the Lender to enable the Borrower to apply to obtain relief from deduction or withholding of Russian taxes or, as the case may be, to apply to obtain a tax refund if a relief from deduction or withholding of Russian taxes has not been obtained. The certificate and, if required, other forms referred to in this Clause 7.8 shall be duly signed by the Lender, if applicable, and stamped or otherwise approved by the competent taxing authority in Luxembourg, if applicable. Together with any such certificate and, if required, other forms, the Lender shall deliver to the Borrower a copy of the same, certified by a Luxembourg notary to be a true and up to date copy of the original document. Any such notary's certificate shall be apostilled or otherwise



legalised. If a relief from deduction or withholding of Russian taxes under this Clause 7.8 has not been obtained and further to an application of the Borrower to the relevant Russian taxing authorities the latter requests the Lender's rouble bank account details, the Lender shall at the request of the Borrower (a) use its commercially reasonable efforts, at the Borrower's cost, to procure that such rouble bank account of the Lender is duly opened and maintained, and (b) thereafter furnish the Borrower with the details of such rouble bank account.

8. **Conditions Precedent**

The obligation of the Lender to make the Advance shall be subject to the conditions precedent that as at the Closing Date (a) the Lender shall have received on or prior to the Closing Date of evidence that the persons mentioned in sub-Clause 14.10 have agreed to receive process in the manner specified therein, (b) no Acceleration Event or Potential Acceleration Event shall have occurred, (c) the Lender shall have received the full funding of the Advance from the Noteholders and that funding shall be and remain available in full to be on-lent to the Borrower, (d) the Subscription Agreement, the Trust Deed and the Agency Agreement shall have been executed and delivered, and (e) the Lender shall have received in full the Facility Fee pursuant to Clause 4.2.

9. **Change in Law; Increase in Cost**

9.1 ***Compensation***

In the event that after the date of this Agreement there is any change in or introduction of any tax, law, regulation, regulatory requirement or official directive (whether or not having the force of law but, if not having the force of law, the observance of which is in accordance with the generally accepted financial practice of financial institutions in the country concerned) or in the interpretation or application thereof by any person charged with the administration thereof and/or any compliance by the Lender in respect of the Loan with any request, policy or guideline (whether or not having the force of law but, if not having the force of law, the observance of which is in accordance with the generally accepted financial practice of financial institutions in the country concerned) from or of any central bank or other fiscal, monetary or other authority, agency or any official of any such authority, which:

9.1.1 subjects or will subject the Lender to any taxes with respect to payments of principal of or interest on the Loan or any other amount payable under this Agreement (other than any taxes payable by the Lender on its overall net income or any taxes referred to in Clauses 7.2 or 7.3); or

9.1.2 increases or will increase the taxation of or changes or will change the basis of taxation of payments to the Lender of principal of or interest on the Loan or any other amount payable under this Agreement (other than any such increase or change which arises by reason of any increase in the rate of tax payable by the Lender on its overall net income or as a result of any taxes referred to in Clauses 7.2 or 7.3); or

9.1.3 imposes or will impose on the Lender any other condition affecting this Agreement or the Loan,

and if as a result of any of the foregoing:

(i) the cost to the Lender of making, funding or maintaining the Loan is increased; or

- (ii) the amount of principal, interest or additional amounts payable to or received by the Lender under this Agreement is reduced; or
- (iii) the Lender makes any payment or foregoes any interest or other return on or calculated by reference to the gross amount of any sum receivable by it from the Borrower hereunder or makes any payment or foregoes any interest or other return on or calculated by reference to the gross amount of the Loan, then subject to the following, and in each such case:
  - (a) the Lender shall, as soon as practicable after becoming aware of such increased cost, reduced amount or payment made or foregone, give written notice to the Borrower, together with a certificate signed by two directors of the Lender describing in reasonable detail the introduction or change or request which has occurred and the country or jurisdiction concerned and the nature and date thereof and demonstrating the connection between such introduction, change or request and such increased cost, reduced amount or payment made or foregone, and providing all relevant supporting documents evidencing the matters set out in such certificate; and
  - (b) upon demand by the Lender to the Borrower, the Borrower, in the case of paragraphs (i) and (iii) above, shall on demand by the Lender, pay to the Lender such additional amount as shall be necessary to compensate the Lender for such increased cost, and, in the case of paragraph (ii) above, at the time the amount so reduced would otherwise have been payable, pay to the Lender such additional amount as shall be necessary to compensate the Lender for such reduction, payment or foregone interest or other return; **provided however, that** the amount of such increased cost, reduced amount or payment made or foregone shall be deemed not to exceed an amount equal to the proportion which is directly attributable to this Agreement, and **provided, further, that** the Lender will not be entitled to such additional amount where such reduction, payment or foregone interest or other return arises as a result of the negligence or wilful default of the Lender,

**provided that** this Clause 9.1 will not apply to or in respect of any matter for which the Lender has already been compensated under Clauses 7.2 or 7.3.

## 9.2 ***Mitigation***

In the event that the Lender becomes entitled to make a claim pursuant to Clause 9.1 the Lender shall consult in good faith with the Borrower and shall use reasonable efforts (based on the Lender's reasonable interpretation of any relevant tax, law, regulation, requirement, official directive, request, policy or guideline) to reduce, in whole or in part, the Borrower's obligations to pay any additional amount pursuant to such Clause except that nothing in this Clause 9.2 shall obligate the Lender to incur any costs or expenses in taking any action hereunder which, in the reasonable opinion of the Lender, is prejudicial to it unless the Borrower agrees to reimburse the Lender such costs or expenses.

10. **Acceleration Events**

10.1 ***Payment Default***

If the Borrower fails to pay within five Business Days any amount payable under this Agreement as and when such amount becomes payable in the currency and in the manner specified herein, the Lender may, at its discretion and without further notice, institute proceedings in the manner and to the extent contemplated by the applicable law for the insolvency (bankruptcy) of the Borrower and/or to prove for its debt, and claim, in any consequent liquidation of the Borrower.

10.2 ***Winding-up***

On the occurrence of any of the following events:

10.2.1 the commencement of any liquidation of the Borrower (*likvidatsia*, as such term is defined under the Civil Code of the Russian Federation);

10.2.2 the entering into force of the decision of a competent court of the Russian Federation on bankruptcy of the Borrower (*reshenie o priznanii dolzhnika bankrotom*, as such term is defined under the Insolvency Law);

10.2.3 any revocation of any licence for the performance of banking operations of the Borrower; or

10.2.4 any other event which, under applicable Russian laws, is analogous to the events specified in the foregoing paragraphs, whereby the obligations of the Borrower under this Agreement are accelerated,

the Lender may give notice to the Borrower that under the laws of the Russian Federation the Loan is, and it shall accordingly become, due and repayable (*srok ispolneniya obyazatelstv schitaetsya nastypivshim*, as such term is used in Russian law) (subject to and in accordance with the provisions of Clause 3.1) at the principal amount thereof together with any interest accrued and unpaid to the date of repayment and any other sums due and payable by the Borrower pursuant to this Agreement, and the Lender may, at its discretion and without further notice, take any actions in the manner and to the extent contemplated by the applicable law of the Russian Federation to prove for its debt and/or, to the extent applicable, commence liquidation or winding up proceedings of the Borrower.

10.3 ***Notice of Acceleration Event***

The Borrower shall deliver to the Lender and the Trustee, (i) within seven days of any written request by the Lender or the Trustee; or (ii) immediately upon becoming aware of the occurrence thereof, written notice in the form of an officer's certificate stating whether any event described in Clauses 10.1 and 10.2 (each an "**Acceleration Event**") has occurred, its status and what action the Borrower is taking or proposes to take with respect thereto.

10.4 ***Proceedings***

In addition to its rights under Clauses 10.1 and 10.2, the Lender may institute such other proceedings against the Borrower as it may think fit to enforce any obligation, condition or provision binding on the Borrower under this Agreement (other than any obligation for payment of any principal or interest in respect of the Loan contemplated by Clause 10.1) **provided that** the Borrower shall not by virtue of any such proceedings be obliged to pay (i) any sum or sums representing or measured by reference to principal or

interest in respect of the Loan sooner than the same would otherwise have been payable by it or (ii) any damages.

11. **Rights Not Exclusive**

The rights provided for in this Agreement are cumulative and are not exclusive of any other rights, powers, privileges or remedies provided by all applicable laws.

12. **Indemnity**

12.1 ***Indemnification***

The Borrower undertakes to the Lender, that if the Lender or any of its Affiliates, any director, officer, employee or agent of the Lender or any person controlling the Lender within the meaning of the United States securities laws (each an "**indemnified party**") incurs any loss, liability, cost, claim, charge, expense (including without limitation taxes, legal fees, costs and expenses), demand or damage (a "**Loss**") as a result of or in connection with the Loan, this Agreement (or enforcement thereof), and/or the issue, constitution, sale, listing and/or enforcement of the Notes and/or the Notes being outstanding, the Borrower shall pay to the Lender on demand an amount equal to such Loss and all costs, charges and expenses which it or any indemnified party may pay or incur in connection with investigating, disputing or defending any such action or claim as such costs, charges and expenses are incurred unless such Loss was either caused by such indemnified party's negligence or wilful misconduct or arises out of a breach of the representations and warranties of the Lender contained in the Subscription Agreement. The Lender shall not have any duty or obligation whether as fiduciary or trustee for any indemnified party or otherwise, to recover any such payment or to account to any other person for any amounts paid to it under this Clause.

12.2 ***Independent Obligation***

Clause 12.1 constitutes a separate and independent obligation of the Borrower from its other obligations under or in connection with this Agreement or any other obligations of the Borrower in connection with the issue of the Notes by the Lender and shall not affect, or be construed to affect, any other provision of this Agreement or any such other obligations.

12.3 ***Evidence of Loss***

A certificate of the Lender setting forth the amount of losses, expenses and liabilities described in Clause 12.1 and specifying in full detail the basis therefor shall, in the absence of manifest error, be conclusive evidence of the amount of such losses, expenses and liabilities.

12.4 ***Currency Indemnity***

To the fullest extent permitted by law, the obligation of the Borrower under this Agreement in respect of any amount due in the currency (the "**first currency**") in which the same is payable shall, notwithstanding any payment in any other currency (the "**second currency**") (whether pursuant to a judgment or otherwise), be discharged only to the extent of the amount in the first currency that the Lender may, acting reasonably and in accordance with normal banking procedures, purchase with the sum paid in the second currency (after any premium and costs of exchange) on the Business Day immediately following the day on which the Lender receives such payment. If the amount in the first currency that may be so purchased for any reason falls short of the amount originally due (the "**Due Amount**"), the Borrower hereby agrees to indemnify

and hold harmless the Lender against any deficiency in the first currency. Any obligation of the Borrower not discharged by payment in the first currency shall, to the fullest extent permitted by applicable law, be due as a separate and independent obligation and, until discharged as provided in this Agreement and the Subscription Agreement, shall continue in full force and effect.

12.5 ***Survival***

The obligations of the Borrower pursuant to Clauses 7.2, 7.3, 12 and 14.2 shall survive the execution and delivery of this Agreement and the drawdown and repayment of the Loan, in each case by the Borrower.

13. **Expenses**

13.1 ***Reimbursement of Front-end Expenses for the Extension of the Loan by the Lender***

The Borrower shall, pursuant to Clause 4.2 hereof, reimburse the Lender in the U.S. Dollars for all reasonable costs and expenses incurred by the Lender in connection with the negotiation, preparation and execution of this Agreement and all related documents and other expenses connected with the extension of the Loan, including, without limitation, the fees and expense of its counsel.

13.2 ***Payment of Ongoing Expenses***

In addition, the Borrower hereby agrees to pay to the Lender on demand in U.S. Dollars all ongoing commissions, costs, fees and expenses (including, without limitation, enforcement costs), payable by the Lender under or in respect of the Lender Agreements and the Fee Side Letter. The Borrower shall also pay the Lender for any indemnification or other payment obligations of the Lender under or in respect of the Agency Agreement, Trust Deed and/or the Fee Side Letter (other than the obligation of the Lender to make payments of principal, interest or additional amounts in respect of the Notes). Payments to the Lender referred to in this Clause 13.2 shall be made by the Borrower at least one Business Day before the relevant payment is to be made or expense incurred.

14. **General**

14.1 ***Evidence of Debt***

The entries made in the Account shall, in the absence of manifest error, constitute *prima facie* evidence of the existence and amounts of the Borrower's obligations recorded therein.

14.2 ***Stamp Duties***

14.2.1 the Borrower shall pay all stamp, registration and documentary taxes, duties or similar charges (if any) imposed on the Borrower by any person in the United Kingdom, the Russian Federation, Grand Duchy of Luxembourg or the United States of America which may be payable or determined to be payable in connection with the execution, delivery, performance, enforcement, or admissibility into evidence of this Agreement and shall indemnify the Lender against any and all costs, expenses or penalties which may be incurred or suffered by the Lender with respect to, or resulting from, delay or failure by the Borrower to pay such taxes or similar charges.

14.2.2 The Borrower agrees that if the Lender incurs a liability to pay any stamp, registration and documentary taxes or similar charges (if any) imposed by any

person in the United Kingdom, the Russian Federation, Grand Duchy of Luxembourg or the United States of America which may be payable or determined to be payable in connection with the execution, delivery, performance, enforcement, or admissibility into evidence of any Loan Agreement and any documents related thereto, the Borrower shall repay the Lender on demand an amount equal to such stamp or other documentary taxes or duties and shall indemnify the Lender against any and all costs, expenses or penalties which may be incurred or suffered by the Lender with respect to, or resulting from, delay or failure by the Borrower to procure the payment of such taxes or similar charges.

#### 14.3 ***Waivers***

No failure to exercise and no delay in exercising, on the part of the Lender or the Borrower, any right, power or privilege under this Agreement, and no course of dealing between the Borrower and the Lender shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege preclude any other or further exercise thereof, or the exercise of any other right, power or privilege. The rights and remedies provided in this Agreement are cumulative and not exclusive of any rights, or remedies provided by applicable law.

#### 14.4 ***Notices***

All notices, requests, demands or other communications to or upon the respective parties hereto shall be given or made in writing and in English by e-mail, by facsimile, by hand or by courier, to the party to which such notice, request, demand or other communication is required or permitted to be given or made under this Agreement addressed as follows:

##### 14.4.1 if to the Borrower:

Joint Stock Company "Russian Standard Bank"  
36 Tkatskaya Street  
Moscow 105187  
Russian Federation

Fax: +7 495 797 8440  
E-mail: [bank@rsb.ru](mailto:bank@rsb.ru); [mTimoshenko@rsb.ru](mailto:mTimoshenko@rsb.ru)  
Attention: Mr. Maxim Timoshenko, Vice-President, Director Financial Markets

##### 14.4.2 if to the Lender:

Russian Standard Finance S.A.  
2, Bd. Konrad-Adenauer  
L-1115 Luxembourg

Fax: +352 421 22718  
Email: [Anja.Wunsch@db.com](mailto:Anja.Wunsch@db.com); [lux-cs@list.db.com](mailto:lux-cs@list.db.com)  
Attention: The Directors

14.4.3 if to the Trustee:

Deutsche Trustee Company Limited  
Winchester House  
1 Great Winchester Street  
London EC2N 2DB  
United Kingdom

Fax: +44 207 547 0916  
Attention: Managing Director of Trust & Securities Services

or to such other address, fax number or electronic address as any party may hereafter specify in writing to the other.

Any notice sent by post as provided in this Clause 14.4 shall be deemed to have been given, made or served when delivered and any notice sent by facsimile transmission as provided in this Clause 14.4 shall be deemed to have been given, made or served when the relevant delivery receipt is received by the sender and any notice sent by electronic communication as provided in this Clause 14.4 shall be deemed to have been given, made or served when the relevant receipt of such communication being read is given, or where no read receipt is requested by the sender, at the time of sending, **provided that** no delivery failure notification is received by the sender within 24 hours of sending such communication; **provided that** any communication which is received (or deemed to take effect in accordance with the foregoing) outside business hours or on a non-business day in the place of receipt shall be deemed to take effect at the opening of business on the next following business day in such place. Any communication delivered to any party under this Agreement which is to be sent by facsimile transmission or electronic communication will be written legal evidence

14.5 ***Assignment***

- (a) This Agreement shall inure to the benefit of and be binding upon the parties hereto, their respective successors and any permitted assignee or transferee of some or all of a party's rights or obligations under this Agreement. Any reference in this Agreement to any party shall be construed accordingly and, in particular, references to the exercise of rights and discretions by the Lender, following the enforcement of the security and/or assignment referred to in sub-Clause 14(c) below, shall be references to the exercise of such rights or discretions by the Trustee (as Trustee). Notwithstanding the foregoing, the Trustee shall not be entitled to participate in any determinations by the Lender, or any discussions between the Lender and the Borrower or any agreements of the Lender or the Borrower pursuant to sub-Clauses 6.3, 7.4, 7.7, 7.8 or 9.2.
- (b) The Borrower shall not be entitled to assign or transfer all or any part of its rights or obligations hereunder to any other person.
- (c) subject to Clause 24 of the Trust Deed, the Lender may not assign or transfer, in whole or in part, any of its rights and benefits or obligations under this Agreement (other than the Reserved Rights) except (i) the charge by way of first fixed charge granted by the Lender in favour of the Trustee (as Trustee) of certain of the Lender's rights and benefits under such this Agreement and (ii) the absolute assignment by the Lender to the Trustee of certain rights, interests and benefits under this Agreement, in each case, pursuant to Clause 6 of the Supplemental Trust Deed.

14.6 ***Prescription***

Subject to the Lender having received the principal amount thereof or interest thereon from the Borrower, the Lender shall forthwith repay to the Borrower the principal amount or the interest amount thereon, respectively, of any Notes upon such Notes becoming void pursuant to the Conditions.

14.7 ***Contracts (Rights of Third Parties) Act 1999***

A person who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement.

14.8 ***Governing Law***

This Agreement and any non-contractual obligations arising out of or in connection with it shall be governed by, and construed in accordance with, the laws of England.

14.9 ***Arbitration***

The parties irrevocably agree that any dispute arising out of or in connection with this Agreement, including a dispute as to the validity, existence or termination of this Agreement or the consequences of its nullity and/or this Clause (a "**Dispute**"), shall be resolved by arbitration in London, England, conducted in the English language by three arbitrators, in accordance with the rules set down by the LCIA (formerly the London Court of International Arbitration) ("**LCIA Rules**"), which rules are deemed to be incorporated by reference into this Clause, save that Article 5.6 of the LCIA Rules shall be amended as follows: unless the parties agree otherwise, the third arbitrator, who shall act as chairman of the tribunal, shall be nominated by the two arbitrators nominated by or on behalf of the parties. If he is not so nominated within 30 days of the date of nomination of the later of the two party-nominated arbitrators to be nominated, he shall be chosen by the LCIA. The parties agree to exclude the jurisdiction of the English courts under sections 45 and 69 of the Arbitration Act 1996.

14.10 ***Process Agents***

14.10.1 The Lender irrevocably appoints Law Debenture Corporate Services Limited of Fifth Floor, 100 Wood Street, London EC2V 7EX, United Kingdom to accept service of process in England in any Dispute, **provided that:**

- (i) service upon the Lender's Agent shall be deemed valid service upon the Lender whether or not the process is forwarded to or received by the Lender;
- (ii) the Lender shall inform all other parties to this Agreement, in writing, of any change in the address of the Lender's Agent within 28 days of such change;
- (iii) if the Lender's Agent ceases to be able to act as a process agent or to have an address in England, the Lender irrevocably agrees to appoint a new process agent in England acceptable to the other parties to the Agreement and to deliver to the other parties to the Agreement within 14 days a copy of a written acceptance of appointment by the new process agent; and
- (iv) nothing in this Agreement shall affect the right to serve process in any other manner permitted by law.



14.10.2 The Borrower irrevocably appoints Law Debenture Corporate Services Limited of Fifth Floor, 100 Wood Street, London EC2V 7EX, United Kingdom to accept service of process in England in any Dispute, **provided that**:

- (i) service upon the Borrower's Agent shall be deemed valid service upon the Borrower whether or not the process is forwarded to or received by the Borrower;
- (ii) the Borrower shall inform all other parties to this Agreement, in writing, of any change in the address of the Borrower's Agent within 28 days of such change;
- (iii) if the Borrower's Agent ceases to be able to act as a process agent or to have an address in England, the Borrower irrevocably agrees to appoint a new process agent in England acceptable to the other parties to the Agreement and to deliver to the other parties to the Agreement within 14 days a copy of a written acceptance of appointment by the new process agent; and
- (iv) nothing in this Agreement shall affect the right to serve process in any other manner permitted by law.

14.11 ***Waiver of Immunity***

To the extent the Borrower or the Lender may, in relation to any Dispute, claim for itself or its assets or revenues, immunity from the jurisdiction of any tribunal, service of process, interim relief, or any process for execution of any award against its property, the Borrower and the Lender irrevocably waive such immunity.

14.12 ***Counterparts***

This Agreement may be executed in any number of counterparts and all of such counterparts taken together shall be deemed to constitute one and the same agreement.

14.13 ***Language***

The language which governs the interpretation of this Agreement is the English language.

14.14 ***Amendments***

No variation of, or amendment to, this Agreement shall be of any effect unless:

- (a) it is in writing signed by the Lender and the Borrower;
- (b) a draft of any amendment agreement has been submitted to the CBR; and
- (c) approval from the CBR shall have been received in respect of the amendment agreement referred to in sub-Clause 14.14(b).

14.15 ***Severability***

In case any provision of, or obligation under, this Agreement shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby.

15. **CBR Prior Consent**

- (a) Pursuant to the provisions of Clauses 6.2, 6.3 and 6.4 of this Agreement, no prepayment of the principal and (or) interest under this Agreement (in whole or in part) shall be permitted without the prior written consent of the CBR;
- (b) No amendment, modification or waiver to this Agreement shall be permitted without the prior approval of the CBR; and
- (c) No early termination of this Agreement shall be permitted without the prior written consent of the CBR.

## GENERAL INFORMATION

- (1) The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg and DTC. The Common Code and the International Securities Identification Number (ISIN) and the CUSIP number for the Notes are set out in the Issue Terms of the Notes.
- (2) RSB and the Issuer have obtained or will obtain all necessary consents, approvals and authorisations in Russia and Luxembourg in connection with the Subordinated Loan and the issue and performance of the Notes. The Issuer's board of directors approved the Programme's establishment on 5 April 2005, its first update on 21 September 2005, its second update on 21 April 2006, its third update on 11 June 2007, its fourth update on 24 July 2008, its fifth update on 16 May 2012 and its sixth update on 20 September 2012. The Issuer's board of directors approved the issue of this Series 11 Prospectus on 4 October 2012.
- (3) Application has been made to the Irish Stock Exchange for the Notes to be admitted to the Official List and to trading on the Main Securities Market through Arthur Cox Listing Services Limited. Arthur Cox Listing Services Limited is acting solely in its capacity as listing agent for the Issuer in relation to the Notes and is not itself seeking admission of the Notes to the Official List or to trading on the regulated market of the Irish Stock Exchange for the purposes of the Prospectus Directive.
- (4) No consents, approvals or orders of any regulatory authorities are required by the Issuer under the laws of the Grand Duchy of Luxembourg for the maintenance of the Subordinated Loan and for the issue of the Notes.
- (5) There has been no significant change in the financial position or trading position of RSB or the Group since 30 June 2012. There has been no significant change in the financial position or trading position of the Issuer since 31 December 2011.
- (6) There has been no material adverse change in the prospects of RSB or the Group since 31 December 2011. There has been no material adverse change in the prospects of the Issuer since 31 December 2011.
- (7) There are no and have not been any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which RSB is aware) which may have or have had during the 12 months prior to the date of this Series 11 Prospectus a significant effect on the consolidated financial position or profitability of RSB or the Group.
- (8) There are no and have not been any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) which may have or have had since incorporation, a significant effect on the financial position or profitability of the Issuer.
- (9) For so long as the Notes are outstanding, copies (and certified English translations where documents at issue are not in English) of the following documents may be inspected at the offices of the Principal Paying Agent in London during usual business hours on any weekday (Saturdays and public holidays excepted):
  - (a) a copy of the Base Prospectus along with any supplement to the Base Prospectus;
  - (b) a copy of this Series 11 Prospectus along with any supplement to this Series 11 Prospectus;

- (c) the Articles of Incorporation of the Issuer;
  - (d) the charter of RSB;
  - (e) the Group's audited consolidated financial statements as at and for the years ended 31 December 2011, 2010 and 2009, together with audit reports thereon;
  - (f) the Group's interim reviewed financial statements as at and for the six months ended 30 June 2012 and 2011; and
  - (g) the Subordinated Loan Agreement, the Trust Deed and the Agency Agreement.
- (10) Copies of the following documents are available for inspection at the office of the Luxembourg Paying Agent and at the registered office of the Issuer during usual business hours on any weekday (Saturdays and bank holidays excepted) and free of charge:
- (a) a copy of the Base Prospectus along with any supplement to the Base Prospectus;
  - (b) a copy of this Series 11 Prospectus along with any supplement to this Series 11 Prospectus;
  - (c) the Articles of Incorporation of the Issuer;
  - (d) the Issuer's audited financial statements as at and for the years ended 31 December 2011, 2010 and 2009, together with audit reports thereon; and
  - (e) the Subordinated Loan Agreement, the Trust Deed and the Agency Agreement.
- (11) Deutsche Bank Trust Company Americas will act as Registrar in relation to the Rule 144A Notes and Deutsche Bank Luxembourg S.A. will act as Registrar in relation to the Regulation S Notes. A register of the Notes will be kept at the Issuer's registered office. In case of inconsistency between the register of the Notes kept by either of the Registrars and the one kept by the Issuer at its registered office, the register kept by the Issuer at its registered office shall prevail.

**RSB**

**JSC Russian Standard Bank**

36 Tkatskaya Str.  
Moscow 105187  
Russia  
Tel.: +7 495 797 8402

**THE ISSUER**

**Russian Standard Finance S.A.**

2, Bd. Konrad Adenauer  
L-1115 Luxembourg  
Tel: +352 421 22 462

**JOINT LEAD MANAGERS**

**Goldman Sachs  
International**

Peterborough Court  
133 Fleet Street  
London EC4A 2BB  
United Kingdom

**UBS Limited**

1 Finsbury Avenue  
London EC2M 2PP  
United Kingdom

**VTB Capital plc**

14 Cornhill  
London EC3V 3ND  
United Kingdom

**TRUSTEE**

**Deutsche Trustee Company Limited**

Winchester House  
1 Great Winchester Street  
London EC2N 2DB  
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