



VEB.RF EXPORT CREDITS CASE STUDY: FINANCING OF ECONOMIC COOPERATION BETWEEN RUSSIA AND UZBEKISTAN

February 2022



VEB.RF AT A GLANCE



Coordinates development institutions' activities to ensure an integrated system supporting the government and business



Attracts private investment in priority development projects, mitigating the risks of economic cycles or complex project stages



Structures priority economy projects and comprehensive development programmes, ensuring repayment and efficiency of public resources

US\$ **53.6** bn
total assets

US\$ **43.4** Bn
total liabilities

US\$ **28.0** bn
loan portfolio



Strategic role for the Russian economy



"VEB.RF" is a State Development Corporation¹ with a unique legal status under ad hoc federal law not subordinated to the Bank of Russia



International credit ratings on par with the Russian sovereign



RUSSIAN EXPORT CENTER



RSMB Corporation



RUSNANO
Joint Stock Company



FUND FOR INFRASTRUCTURE AND EDUCATIONAL PROGRAMS
RUSNANO Group



Industrial Development Fund



AGENCY OF TECHNOLOGICAL DEVELOPMENT



Российский фонд развития информационных технологий



FASIE



Skolkovo

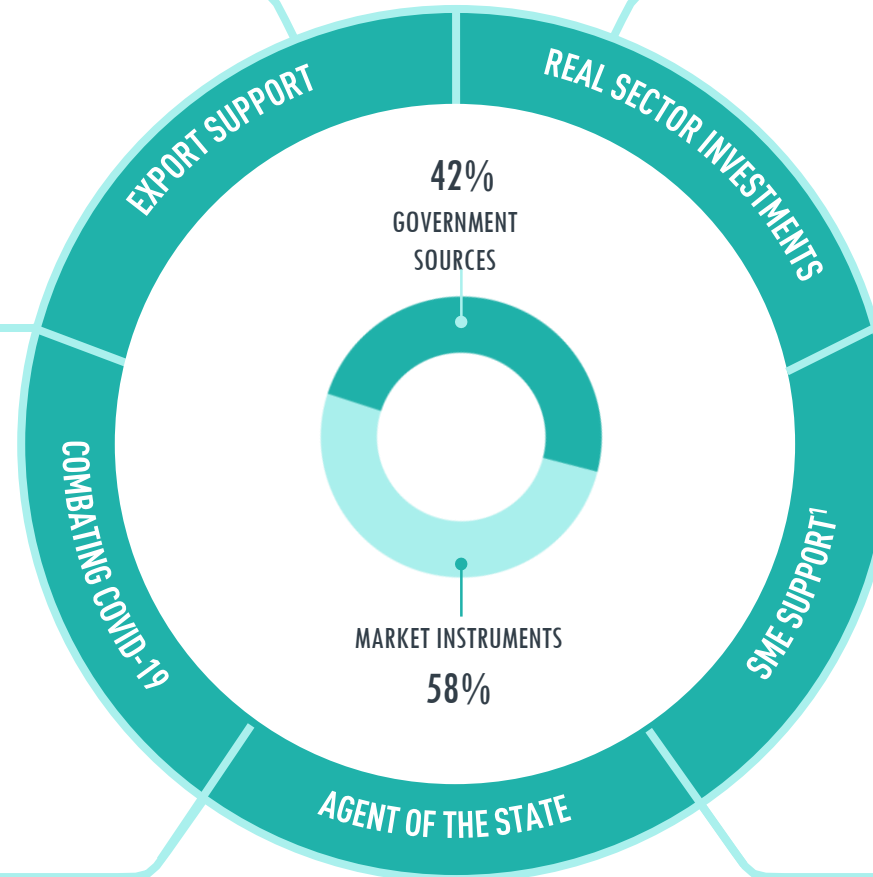
VEB.RF'S CRUCIAL ROLE IN IMPLEMENTING STRATEGIC INITIATIVES OF THE GOVERNMENT

In 2021 **export finance portfolio** (loans and guarantees, incl. guarantees for EXIAR's obligations) exceeded **RUB 320 bn**

In 2021 VEB.RF participated in more than **225 projects** with total value of over **RUB 14.4 trl** with VEB.RF's share of over **RUB 4.5 trl**

In 2021 the **total amount of guarantees** issued by VEB.RF in favour of commercial banks for the loans to business at reduced interest rate reached **RUB 113.6 bn**

In 2021 within the SME Financial Support Program VEB Group supported over **70 thousand SMEs** in the total amount of more than **RUB 1.5 trl**




Servicing sovereign debt and sovereign foreign financial assets of the Russian Federation, Pension Fund Management and Mortgage Lending Market support.

RUSSIAN EXPORTS AND NETWORK OF DEVELOPMENT INSTUTIONS IN CIS-EURASIA

БЕЛ ВЭБ | БЕЛ ВЭБ | ЛИЗИНГ

РОССИЙСКИЙ
ЭКСПОРТНЫЙ ЦЕНТР
ЭКСАР
РОСЭКСИМБАНК

-  Agriculture & forestry
-  Transport machinery
-  Energy
-  Heavy machinery
-  Pharmaceutical & chemicals

РОССИЙСКИЙ
ЭКСПОРТНЫЙ ЦЕНТР
ЭКСАР
РОСЭКСИМБАНК

РОССИЙСКИЙ
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РОСЭКСИМБАНК

РОССИЙСКИЙ
ЭКСПОРТНЫЙ ЦЕНТР
ЭКСАР
РОСЭКСИМБАНК
RAIL Leasing
ВЭБ
ОФ

RUSSIA

РОССИЙСКИЙ
ЭКСПОРТНЫЙ ЦЕНТР
ЭКСАР
РОСЭКСИМБАНК



Корпорация
МСП

-  Armenia
-  Belarus
-  Kazakhstan
-  Kyrgyzstan
-  Uzbekistan
-  Azerbaijan
-  Mongolia
-  Moldova
-  Tajikistan

VEB.RF EXPORT SUPPORT INSTRUMENTS

VEB.RF provides full support to the exporters of the Russian production and have a wide range of instruments and options.

Main products:

1. Guarantees, including stand-by letters of credit
2. Financing for buyers, including subsidized loans for buyers of Russian high-technology production (including buyer's credit structured through local bank)
3. Financing for exporters, including pre-export financing, financing of deferred payment under export contracts
4. Short-term tied interbank loans
5. Export letters of credit (confirmation and post-financing)
6. Project finance

VEB.RF EXPORT CREDIT FOR BUYERS

- ✓ Purpose – financing of Russian content (goods and services), supplied within the project
- ✓ Local costs financing – up to 30% of the total cost of Russian content
- ✓ International cooperation support (financing of third country originated goods, produced with major Russian content)
- ✓ Focusing mostly on large/strategic or pilot (scalable) deals
- ✓ Subsidized interest rates are applied for exporting goods and services, included in the List of high-tech goods and services (approved by the Ministry of Industry and Trade of Russia)
- ✓ Minimum interest rate level is defined (depending on economy sector) according to OECD Arrangement On Officially Supported Export Credits
- ✓ Loan tenor – depending on sector, normally up to 15 years



Sovereign risk loans

- Borrower – Ministry of finance or state owned entity (bank or corporate), backed by sovereign guarantee
- Loan tenor – 10-15 years
- Infrastructure projects and projects of strategic socio-economic importance for the borrower country



Buyer's bank loan

- Borrower – financially stable bank, rated with acceptable international credit rating (S&P, Moody's, Fitch)
- Loan tenor – 5-7 year
- Unsecured interbank lending with financial covenants for the borrower bank



Direct buyer loans

- Borrower – financially sound, large state or private real sector entity
- Security package and financial covenants defined on individual basis depending on project, economy sector and company's economic profile

VEB.RF EXPORT DEALS IN UZBEKISTAN

- Uzbekistan is one of the fastest growing economies in the world (>5% per year except 2020 due to COVID-19)
- Historic ties with Russian companies open great opportunity for Russian industrial exports growth
- VEB.RF Group strategically support Russian export to all sectors of Uzbekistan economy

ALMALKYK MINING COMPLEX EXPANSION



- 2020 – individual loan agreements for mining equipment supply (first RUR-nominated VEB.RF loan in Uzbekistan) and mining trucks supply
- 18.11.2021 – 712 mln. EUR individual loan agreement for financing of new copper processing plant
- Corporate risk profile

TRAINS FOR TASHKENT SUBWAY



- In 2019-2020 VEB.RF supported new trains supply (20 carriages, 5 trains), through 22 MEUR individual loan
- In 2021 r. VEB.RF together with Russian export center supported supply of another 10 trains (total amount 52 MEUR)

MUNICIPAL UTILITY EQUIPMENT



- In 2020, VEB.RF together with Russian export center have signed 4,7 bln. RUR loans agreements with National Bank of Uzbekistan for Foreign Economic Activity for 600 items of utility equipment
- Pilot loan which allows support of localized equipment (cars which are assembled in Uzbekistan from Russian components)

RENOVATION OF POWER PLANTS



- Due to the rapid economic development and obsolescence of energy infrastructure (installed in USSR times) electricity generation capacities might become a “bottle-neck” for further economic growth
- During 2018-2021 VEB.RF financed modernization of Uzbekistan energy generation system, carried out by Russian companies