



ECA FINANCE AT A GLANCE

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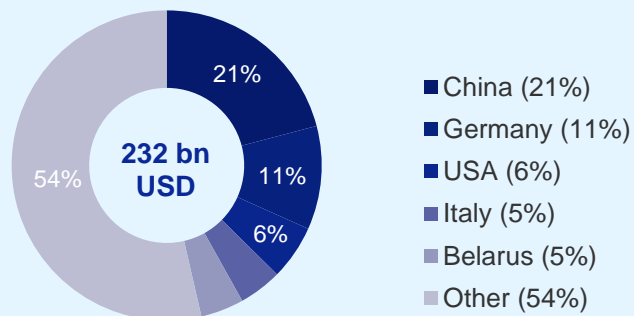
Export & Agency Finance

Trade and Export Finance, VTB Bank

January, 26th 2018

Statistics

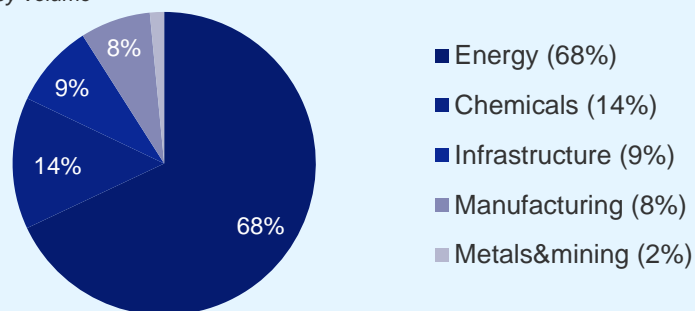
➤ Import to Russia, 3Q17



All goods included,
RuStat

➤ 2017 ECA industry breakdown in Russia

by volume*



*Trade Finance Analytics

Highlights

- Improvement of investment climate in Russia
- Localization trend: pros and cons
- Top priority – support of value-added export from Russia:
 - Preferential governmental program via REC
 - CBR refinancing
- In Iran:
 - high market potential (2017: 12x growth of foreign debt financing)*
 - specific risks to be covered by ECAs
- New ECA long-term finance executed in Russia in 2017 over \$1 bn*
- Russia remains among core markets for major European ECAs

Challenges

- 4th OECD risk category
- active DCM
- over-liquidity

	Bank – to – bank	Direct finance
Reserves	✗ High	✓ Preferential
Risk profile	✗ 100% remains	✓ ROE, RWA
Pricing	✗ Uncompetitive	✓ Refi programs

Growth points of ECA business

- increase in risk evaluation flexibility
- ECA joint support
- advanced finance solutions

Key achievements

- Multiple growth of ECA direct finance
- Tailor-made solutions for corporates worldwide
- New products launched (ECA-covered aircraft finance)
- Focus on:
 - New markets: Latin America, South Africa, CIS, MENA
 - Project finance (including greenfields)
 - Aircraft finance
- Intergroup synergy: VTB Bank (Europe) SE, VTB Shanghai, VTB Capital plc, VTB Bank (PJSC)

2017 Major deals

 - ECA: SACE (Italy) Tenor: 10Y	 €300 mn ECA: OeKB (Austria) Tenor: 10Y	 \$150 mn ECA: EXIAR (Russia)	 €60 mn ECA: EXIAR (Russia)
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VTB ECA: portfolio increase by over 50%



Global Finance Magazine

Global Trade Review Magazine

Trade & Forfaiting Review

International Finance

Russian Export Centre Group Award

Global Trade Review Magazine

«The Best Trade Finance Bank in Russia, **2016, 2017, 2018**»

«The Best Trade Finance Bank in Central and Eastern Europe, **2016**»

«The Best Trade Bank in Russia and CIS, **2016**»

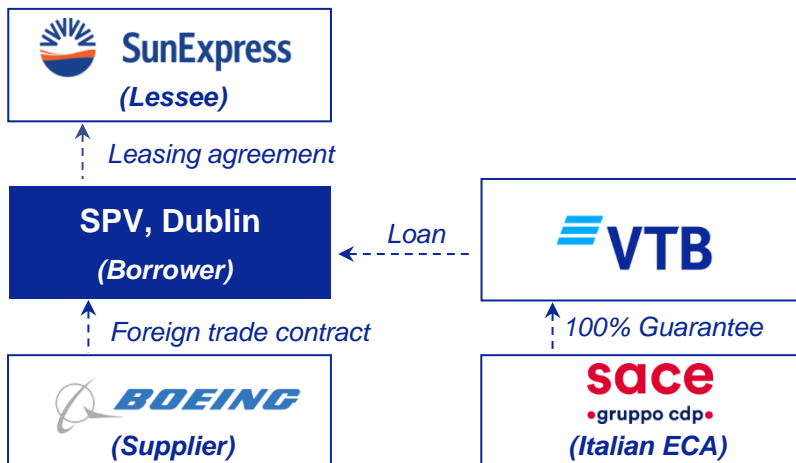
«The Best Trade Finance Bank in Russia, **2016**»

«The Best Export Finance Bank in Russia, **2016**»

«The Best Trade Finance Bank in CIS, **2015**»

CASE-STUDY: ECA FINANCE OF BOEING AIRCRAFT PURCHASE

Deal structure



Deal description

Purpose of loan:	Purchase of 3 Boeing 737-800
Arranger:	JP Morgan Chase, London Branch
Borrower/Lessor:	SPV, Dublin
Lessee:	SunExpress, Turkey
Lender/ECA Agent:	VTB Austria
Supplier:	Boeing
Loan tenor:	up to 10 years
Repayments:	equal quarterly installments
SACE (A-) cover	100% comm. and polit. risks

Key features of the deal

Unique deal structure:

- 1st financing under SACE-Boeing framework agreement for up to \$1.25 billion announced in May 2017
- 1st ever SACE guaranteed financing of aircraft transaction
- 1st Boeing aircraft ECA finance since US Ex-Im closed in July 2015
- 1st VTB ECA aircraft finance deal



Prospects for aircraft ECA finance

- Worldwide production facilities of Boeing and Airbus spare parts are located in:
 - Germany
 - Italy
 - UK
 - France
 - Austria, etc.
- Increased demand: 2017 orders and deliveries substantially exceeded 2016 rates

✓ **Access to mutual European ECAs programs**



THANK YOU!

WELCOME TO ECA SIDE-BY-SIDE DISCUSSIONS

4 TABLES, ECAs SWITCH EVERY 15 MIN

1ST ROUND: NEXI, SACE, OEKB, EGAP

2ND ROUND: FINNVERA, EKF, EKN, SINOSURE

TRICKY QUESTIONS APPRECIATED 😊