



РоссельхозБанк

# ANNUAL REPORT **2013**



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**648,1**  
**billions rubles**

the Bank's corporate  
credit portfolio

On 01.01.2011



## LENDING DIVERSIFICATION

Russian Agricultural Bank is the only government-owned bank in the Russian Federation exclusively focused on providing services to agribusiness and the rural population, which makes up 27% of Russia's total population. The Bank strengthened its market position by increasing lending to agribusiness sub-sectors, as well as by upgrading the quality of banking services and broadening the range of products and services provided to customers via its network of regional branches and additional offices. Agribusiness is a highly diversified sector with more than 20 sub-sectors and related

industries, which provides multiple areas for lending within the framework of agribusiness production chain (Scheme 1).

Russian Agricultural Bank is also engaged in rural infrastructure development, mortgage lending and consumer lending, including loans designed to promote the implementation of modern environmentally-friendly technologies. The Bank has expanded on its special innovative lending programs, which are targeted at developing local handicrafts and agricultural specialties.



## SUBSIDIZED LENDING

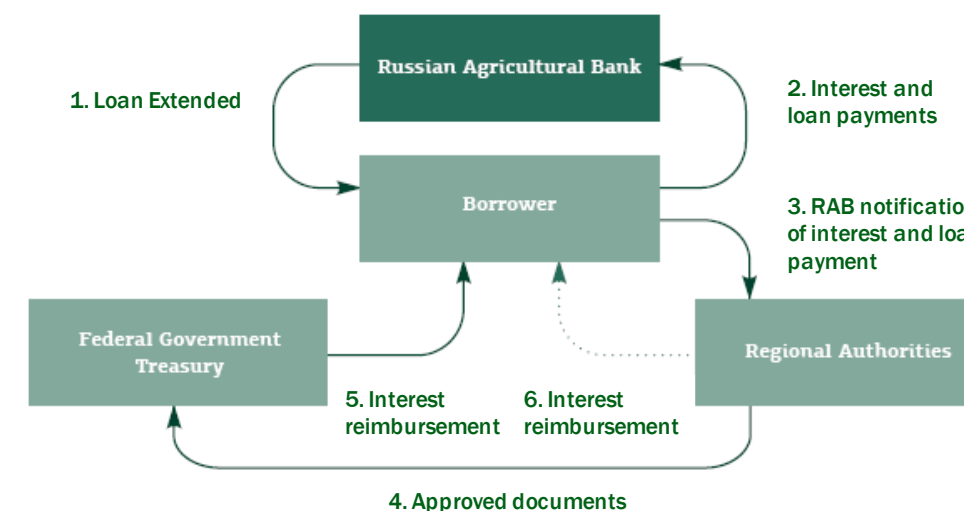
Russian Agricultural Bank is a key participant in the federal and regional programs under which agricultural producers receive compensation in the form of a subsidy from federal and/or regional budgets for a portion of their interest costs. In 2012, federal budget allocates over RUB 76 billion for these purposes. For a borrower to receive compensation from the appropriate budget, a loan must be granted to agricultural producers, farmers,

SMEs, agricultural cooperatives or personal household plots owners, for the purchase of agricultural machinery or equipment, seeds, fodder, fertilizers or other similar products required for seasonal work and other products in compliance with a list approved by the Russian Ministry of Agriculture. The borrower must also have a good credit history and be in good financial condition. The borrower could receive a subsidy in

the next period, only if he makes timely loan payments in the previous periods. Borrowers are eligible for interest subsidies amounting to:

- Corporate enterprises: federal subsidies of 80%, regional subsidies of 20% of the refinancing rate; livestock (meat and dairy) production – federal subsidies of 100% of the refinancing rate and regional subsidies – greater than or equal to 3%.
- Individuals and farmers: federal subsidies of 95% of the refinancing rate and the remaining 5% is compensated by regional budgets.

Subsidy calculations are based on the Bank of Russia refinancing rate, which is currently set at 8%. Depending on the purpose of the loan and the borrower category, loans subject to subsidies may have a maturity of up to ten years. Availability of subsidy for the borrower does not require the Bank to approve such a loan, the procedure for a decision on granting subsidized loan is the same as for a regular loan. Subsidized lending allows Russian Agricultural Bank to upgrade the quality of its loan portfolio; on-time payments on subsidized loans are stated in the Law as a condition to compensate borrowers' interest expenses by the State (Scheme 2).



In 2012, Russian Agricultural Bank will continue to provide existing products and services and will also launch new banking products and services that promote the sustainability and resilience of the country's agribusiness and the social development of rural Russia. Special attention will be paid to enhancing business effectiveness targeted, first of all, at strengthening the potential of Russian agribusiness and improvement of

its competitiveness and infrastructure. A diversified network of storage, processing and marketing of agricultural products is essential to industry development. That is why the Bank will continue to finance all stages of the agribusiness production chain, as well as to expand lending to agri-related industries – fish industry, wood processing, food industry, etc.

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**+18,7%**  
**in billions rubles**

credit dynamics  
for corporate enterprises





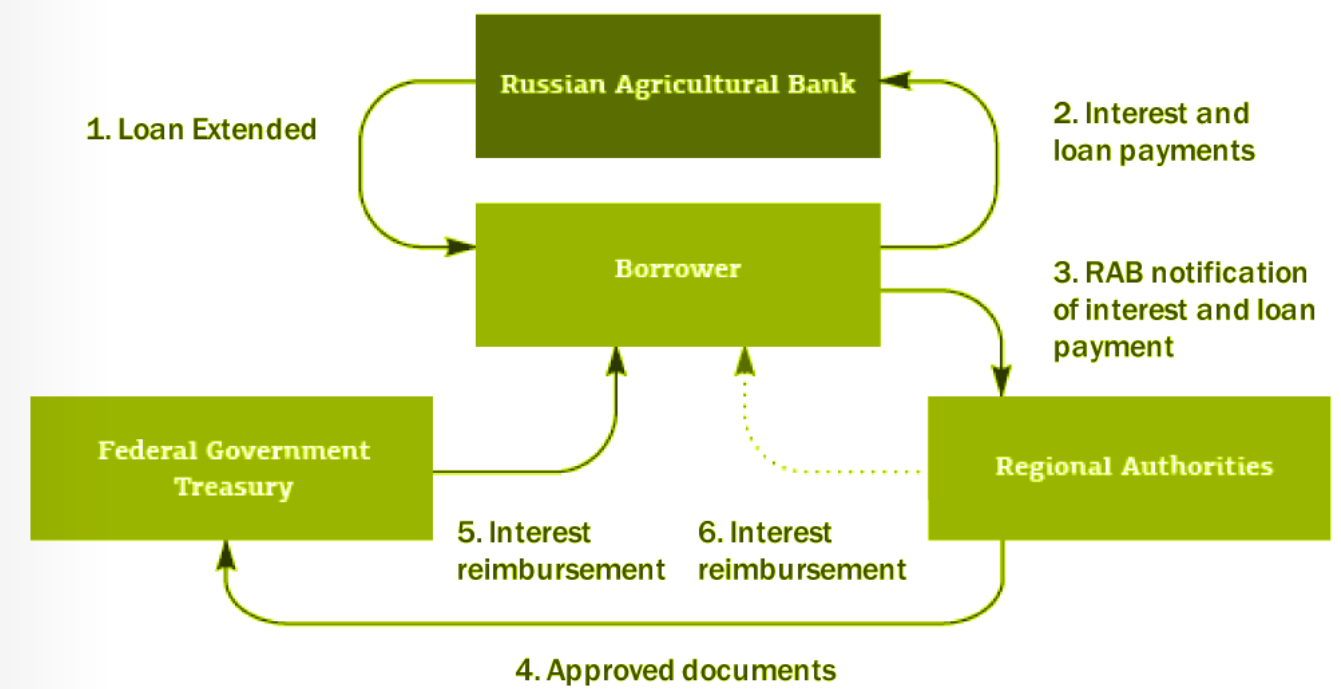


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**756,6**  
**billions acrs**

the Bank's corporate  
credit portfolio

On 01.01.2011

