

Deposit Compensation Under The Federal Law "On Consumer Deposit Insurance At Russian Banks"

Procedure and Amount

1. Insurable deposits

Pursuant to the Federal Law „On Consumer Deposit Insurance At Russian Banks“ (the „Law“), the following are deemed to be insured deposits: rouble and foreign currency funds deposited by individuals under a bank deposit agreement or a bank account agreement (including that which forms part of a banking services agreement and/or a credit card agreement), including interest accrued on the deposit amount.

The following are not deemed to be insured deposits:

- ▶ funds deposited in the bank accounts of individuals carrying on unincorporated business as a sole proprietor, if such bank accounts have been opened in connection with such business;
- ▶ bearer deposits, including those evidenced by a bearer certificate of deposit and/or passbook;
- ▶ funds held in trust by banks;
- ▶ deposits at the branches of Russian banks located outside Russia.

2. Insured event

The depositor's entitlement to compensation arises on the date of occurrence of an insured event.

Any of the following events is deemed an insured event:

- 1) Revocation/cancellation of the Bank of Russia's license;
- 2) A moratorium imposed by the Bank of Russia.

3. Amount of compensation

Compensation for deposits at the bank in relation to which an insured event has occurred will be paid out to the depositor at 100% of the amount of deposits, the maximum amount of compensation being RUB 700,000. Where the depositor has more than one deposit with a bank whose total liabilities to the depositor under these deposits are in excess of RUB 700,000, compensation will be paid on each deposit proportionally to their amounts.

In the case of a foreign currency deposit, the amount of compensation will be calculated and paid out in roubles at the Bank of Russia's exchange rate quoted on the date of the insured event.

Where the bank has also acted as lender to the depositor, the amount of compensation will be determined based on the difference between the amount of the bank's liabilities to, and the amount of the bank's counter-claims against, the depositor.

These deposit compensation parameters will apply to banks in relation to which an insured event occurs after October 1, 2008.

4. Procedure for applying for compensation

To receive a compensation, the depositor, or his/her representative, may apply to the State Corporation „Deposit Insurance Agency“ (the „Agency“), or to an agent bank if such has been appointed for the purpose of compensation payments. The depositor may do so starting from the date of occurrence of the insured event until completion of the bankruptcy procedure, or in the event of a moratorium imposed by the Bank of Russia – until the end date of such moratorium.

If the depositor misses the deadline, he/she may request and be granted an extension by decision of the Agency Board, providing circumstances referred to in the Law allow it.

When applying for compensation to the Agency or agent bank, the depositor shall present:

- 1) an application in the form prescribed by the Agency;
- 2) an identification document with the same details as those entered on the register of the bank's depositors. The register shall show the details of the document based on which the depositor has entered into the bank deposit and/or account agreement with the bank, or details of the document that is known to the bank (if the depositor changes his/her identification document and informs the bank of the fact).

A representative of the depositor shall also provide a notarized power of attorney evidencing his/her authority to claim compensation.

The above documents shall be sent by the depositor or his/her representative via post or mailroom, or hand-delivered directly to the officer who is authorized to consider them.

5. Payment of compensation

The Agency shall pay compensation in accordance with the register of the bank's deposit liabilities within three (3) days of receipt of the required documents from the depositor but no sooner than 14 days of the date of occurrence of the insured event.

Upon presentation of the documents to the Agency, the depositor shall be issued with an extract from the register of the bank's deposit liabilities stating the amount of compensation.

Information on the time, place, form and procedure of acceptance of depositors' applications shall be published by the Agency in "Vestnik of the Bank of Russia" and in a printed publication at the bank's location.

Within one month of receipt of the register of the bank's deposit liabilities from the bank, the corresponding information shall be individually sent to the depositors whose details appear on the register.

At the depositor's request, compensation may be paid out in cash or transferred to the bank account indicated by the depositor.

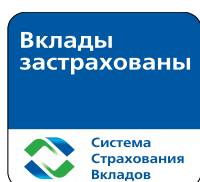
Compensation applications and other requisite documents may be accepted and compensations may be paid out by the Agency through agent banks acting in the name and for the account of the Agency.

6. Depositor's right to claim the balance exceeding the compensation received from the Agency

The depositor who has received compensation from the Agency retains the right to claim the rest of the deposit from the bank under applicable law.

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