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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 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 document or make an investment decision with respect to the securities, you must be a person other than a U.S. person (within the meaning of Regulation S under the Securities Act). By accepting the e-mail and accessing the attached document, you shall be deemed to have represented to us that you are not a U.S. person and that you consent to delivery of such document by electronic transmission.

The attached document 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 RSHB Capital S.A. and Russian Agricultural Bank. Accordingly, the attached document 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 attached document 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 document relates is available only to relevant persons and will be engaged in only with relevant persons.

Under no circumstances shall the attached document 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 document who intend to subscribe for or purchase the securities described herein (the "**Series 12 Notes**") are reminded that any subscription or purchase may only be made on the basis of the information contained in the attached document. The attached document 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.

If a jurisdiction requires that the offering be made by a licensed broker or dealer and J.P. Morgan Securities (Asia Pacific) Limited or The Royal Bank of Scotland plc (each a "**Joint Lead Manager**" and together, the "**Joint Lead Managers**") or any affiliate of the relevant Joint Lead Manager is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by such Joint Lead Manager or its affiliate on behalf of the Issuer in that jurisdiction.

Under Russian law, the Series 12 Notes are securities of a foreign issuer. The Series 12 Notes are not eligible for initial offering and public circulation in the Russian Federation. Neither the issue of the Series

12 Notes nor a securities prospectus in respect of the Series 12 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 document is not an offer, or an invitation to make offers, to sell, exchange or otherwise transfer the Series 12 Notes in the Russian Federation or to or for the benefit of any Russian person or entity.

You are reminded that the attached document has been delivered to you on the basis that you are a person into whose possession the attached document 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 document to any other person.

The attached document 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.

The attached document 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 Russian Agricultural Bank, RSHB Capital S.A., the Joint Lead Managers 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 alterations to the document distributed to you in electronic format.



## DRAWDOWN PROSPECTUS

dated 28 January 2013  
prepared in connection with the  
**CNY1,000,000,000 3.6 per cent. Loan Participation Notes due 2016 (the "Series 12 Notes")**  
Issued under the  
U.S.\$15,000,000,000  
Programme for the Issuance of Loan Participation Notes  
to be issued by, but with limited recourse to,  
**RSHB CAPITAL S.A.**  
for the purpose of financing loans to  
**Russian Agricultural Bank**  
(the "**Programme**")

This Drawdown Prospectus (as read and construed as one document in conjunction with the entirety of the base prospectus dated 11 May 2012 prepared in connection with the Programme, as supplemented by the base prospectus supplement dated 9 November 2012, (together, the "**Base Prospectus**") and incorporated herein by reference - see "*Documents Incorporated by Reference*" on page 4) (the "**Drawdown Prospectus**") is prepared in connection with the issue of the Series 12 Notes by RSHB Capital S.A. (the "**Issuer**") under the Programme. The Series 12 Notes are being issued for the sole purpose of financing a loan (the "**Series 12 Loan**") to Russian Agricultural Bank ("**RAB**"), as borrower, on the terms of an amended and restated facility agreement between the Issuer and RAB dated 11 May 2012 (the "**Facility Agreement**") as amended and supplemented by a senior loan supplement dated 28 January 2013 (the "**Series 12 Loan Supplement**") in respect of the Series 12 Loan and reproduced herein (together with the Facility Agreement, the "**Series 12 Loan Agreement**").

Subject to the provisions of an amended and restated principal trust deed dated 11 May 2012 (the "**Principal Trust Deed**") between the Issuer and BNY Mellon Corporate Trustee Services Limited (the "**Trustee**") as amended in respect of the Series 12 Notes by a supplemental trust deed dated 4 February 2013 (together with the Principal Trust Deed, the "**Series 12 Trust Deed**"), the Issuer will (a) charge, in favour of the Trustee, by way of first fixed charge as security for its payment obligations in respect of the Series 12 Notes and under the Series 12 Trust Deed, certain of its rights and interests in respect of the Series 12 Loan Agreement; and (b) assign, in favour of the Trustee, certain of its other rights under the Series 12 Loan Agreement but excluding any Reserved Rights (as defined in the Terms and Conditions of the Series 12 Notes - see "*Terms and Conditions of the Series 12 Notes*"), in each case for the benefit of the holders of the Notes (the "**Noteholders**"), all as more fully described under "*Overview of the Programme*" in the Base Prospectus.

In each case where amounts of principal, interest and additional amounts (if any) are stated to be payable in respect of the Series 12 Notes, the obligation of the Issuer to make any such payment constitutes an obligation only to account to Noteholders, on each date upon which such amounts of principal, interest and additional amounts (if any) are due in respect of the Series 12 Notes, for an amount equivalent to all principal, interest and additional amounts (if any) actually received from RAB by or for the account of the Issuer pursuant to the Series 12 Loan Agreement. The Issuer will have no other financial obligation under the Series 12 Notes. **Noteholders will be deemed to have accepted and agreed that they will be relying solely on the credit and financial standing of RAB in respect of payment obligations of the Issuer under the Series 12 Notes.**

The Series 12 Loan will rank *pari passu* in right of payment with RAB's other outstanding unsecured and unsubordinated indebtedness. Other than as described in this Drawdown Prospectus and the Series 12 Trust Deed, Noteholders have no proprietary or other direct interest in the Issuer's rights under or in respect of the Series 12 Loan Agreement or the Series 12 Loan. Subject to the terms of the Series 12 Trust Deed, no Noteholder will have any rights to enforce any of the provisions in the Series 12 Loan Agreement or have direct recourse to RAB except through action by the Trustee.

**This Drawdown Prospectus is to be read and construed in conjunction with the documents which are deemed to be incorporated herein by reference (see "*Documents Incorporated by Reference*" on page 4).**

**AN INVESTMENT IN THE SERIES 12 NOTES INVOLVES A HIGH DEGREE OF RISK. SEE "*RISK FACTORS*" BEGINNING ON PAGE 1.**

**THE SERIES 12 NOTES AND THE CORRESPONDING SERIES 12 LOAN HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (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 ONLY BE OFFERED AND SOLD TO NON-U.S. PERSONS IN OFFSHORE TRANSACTIONS IN RELIANCE ON REGULATION S. THE ISSUER HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE INVESTMENT COMPANY ACT. SEE "SUBSCRIPTION AND SALE" AND "TRANSFER RESTRICTIONS" IN THE BASE PROSPECTUS (INCORPORATED BY REFERENCE HEREIN) FOR FURTHER DETAILS.**

This Drawdown Prospectus has been approved by the Central Bank of Ireland, as competent authority under Directive 2003/71/EC (the "**Prospectus Directive**"). The Central Bank of Ireland only approves this Drawdown 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 Limited (the "**Irish Stock Exchange**") for the Series 12 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. There is no guarantee that a trading market in the Series 12 Notes will develop or be maintained. References to the Series 12 Notes being "listed" and all related references shall mean that the Series 12 Notes have been admitted to trading on the Main Securities Market.

The Series 12 Notes will be offered and sold in minimum denominations of CNY1,000,000 and integral multiples of CNY10,000 in excess thereof. The Series 12 Notes will initially be represented by interests in a global unrestricted Note in registered form (the "**CNY Global Note Certificate**") which will be registered in the name of a nominee of the Hong Kong Monetary Authority (the "**HKMA**") and lodged with a sub-custodian of the Central Moneymarkets Unit Service (the "**CMU**") operated by the HKMA on or about 4 February 2013 (the "**Issue Date**"). Interests in the CNY Global Note Certificate will be shown on, and transfers effected only through records maintained by, the CMU. Individual note certificates ("**Individual Note Certificates**") in registered form will only be available in certain limited circumstances as described herein.

*Joint Lead Managers*

**J.P. Morgan**

**The Royal Bank of Scotland**

This Drawdown Prospectus (when read and construed in conjunction with the Base Prospectus and other documents incorporated herein by reference) comprises a prospectus for the purposes of the Prospectus Directive and for the purpose of giving information with regard to the Issuer, RAB and RAB and its subsidiaries and associates taken as a whole (the "**RAB Group**") which, according to the particular nature of the Issuer, RAB, the RAB Group, the Series 12 Notes and the Series 12 Loan, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses or prospects of the Issuer, RAB and the RAB Group.

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

RAB's legal name is Russian Agricultural Bank and its registered address is 3 Gagarinsky Lane, 119034 Moscow, the Russian Federation. RAB is registered under main state registration number 1027700342890. The phone number of RAB is +7 495 363 0653.

The Issuer's legal name is RSHB Capital S.A., the address of the Issuer's registered office is 46 A, Avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg and it is registered with the Register of Commerce and Companies of Luxembourg under number B.111.968. The phone number of the Issuer is +352 427 1711.

Each of RAB and the Issuer has derived certain information in this Drawdown Prospectus, including certain information concerning the Russian banking market and its competitors, which in each case may include estimates or approximations, from publicly available information, including industry publications, market research, press releases, filings under various securities laws and official data published by certain Russian Government agencies, such as the Central Bank of the Russian Federation (the "**CBR**"), the Ministry of Economic Development of the Russian Federation and the Russian Committee for State Statistics. Each of RAB and the Issuer has accurately reproduced such information. As far as each of the Issuer and RAB are aware, no facts have been omitted that would render the reproduced information inaccurate or misleading. However, RAB and the Issuer have relied on the accuracy of such information without carrying out independent verification and do not accept responsibility for the accuracy of such information. The official data published by Russian federal, regional and local governments may be substantially less complete or researched than data published by governmental agencies of member states of the Organisation for Economic Co-Operation and Development (the "**OECD**"). Official statistics may be compiled on different bases than those used in the OECD countries. Any discussion of matters relating to the Russian Federation in this Drawdown Prospectus may, therefore, be subject to uncertainty due to concerns about the completeness or reliability of available official and public information. See "*Risk Factors – Economic Risks – RAB has not independently verified official data from Russian Government agencies, nor has it independently verified information regarding the banking sector*" in the Base Prospectus.

To the extent that there is any inconsistency between (a) any statement in this Drawdown Prospectus and (b) any statement in the Base Prospectus, the statement in this Drawdown Prospectus will prevail in respect of the Series 12 Notes only.

This Drawdown Prospectus does not constitute an offer of, or an invitation by or on behalf of, the Issuer, RAB, the Trustee, J.P. Morgan Securities (Asia Pacific) Limited or The Royal Bank of Scotland plc (the "**Joint Lead Managers**") to subscribe for or purchase any of the Series 12 Notes.

The distribution of this Drawdown Prospectus and the offer or sale of the Series 12 Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Drawdown Prospectus comes are required by the Issuer, RAB, the RAB Group and the Joint Lead Managers to inform themselves about and to observe any such restrictions. Further information with regard to restrictions on offers and sales of the Series 12 Notes and the distribution of this Drawdown Prospectus is set out under "*Issue Terms of the Series 12 Notes*" and "*Subscription and Sale*".

Under Russian law, the Series 12 Notes are securities of a foreign issuer. The Series 12 Notes are not eligible for offering and circulation in the Russian Federation unless otherwise permitted by Russian law. No sale, exchange or transfer of the Series 12 Notes may take place in the Russian Federation or to or for the benefit of any Russian person or entity unless otherwise permitted by Russian law. Neither the issue of the Series 12 Notes nor a securities prospectus in respect of the Series 12 Notes has been, or is intended to be, registered in the Russian Federation. The information set forth in this Drawdown Prospectus is not an offer of, or an invitation to make offers, sell, exchange or otherwise transfer, the Series 12 Notes in the Russian Federation or to or for the benefit of any Russian person or entity. Information set forth in this Drawdown Prospectus is not an advertisement of the Series 12 Notes in the Russian Federation and is not intended to create or maintain an interest in the Issuer or the Series 12 Notes or to facilitate any sale, exchange or transfer of the Series 12 Notes in the Russian Federation or to or for the benefit of any Russian person or entity.

No person is authorised to provide any information or to make any representation not contained in this Drawdown Prospectus and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of any of the Issuer, RAB, the RAB Group, the Trustee or the Joint Lead Managers. Neither the delivery of this Drawdown Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer, RAB or the RAB Group since the date hereof or that there has been no adverse change (financial or otherwise) in the condition of the Issuer, RAB or the RAB Group since the date hereof. The delivery of this Drawdown Prospectus at any time does not imply that the information set forth in it is correct as of any time after its date.

None of RAB's website, any website of any member of the RAB Group nor any websites referred to in this Drawdown Prospectus form part of this Drawdown Prospectus.

The Joint Lead Managers make no representation, express or implied, or accept any responsibility, with respect to the accuracy or completeness of any of the information in this Drawdown Prospectus. The Joint Lead Managers shall not be deemed to have approved the contents of this Drawdown Prospectus nor be deemed to have made any representation, express or implied, or accept any responsibility, with respect to the accuracy or completeness of any of the information in this Drawdown Prospectus. In particular, this Drawdown Prospectus is not intended, and does not, apply to any Notes issued under the Programme other than the Series 12 Notes. This Drawdown Prospectus is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer, RAB, the Trustee or the Joint Lead Managers that any recipient of this Drawdown Prospectus or any financial statements should purchase the Series 12 Notes. Any potential purchaser of the Series 12 Notes should determine for itself the relevance of the information contained in this Drawdown Prospectus, read and construed in conjunction with the Base Prospectus and other documents deemed incorporated herein by reference, and its purchase of the Series 12 Notes should be based upon such investigation as it deems necessary. The Joint Lead Managers have not undertaken to review the financial condition or affairs of RAB or the Issuer while the Series 12 Notes are outstanding nor to advise any investor or potential investor in the Series 12 Notes of any information coming to the attention of the Joint Lead Managers. Furthermore, none of the Issuer, RAB, the Trustee, the Joint Lead Managers or any of their respective representatives is making any representation to any offeree or purchaser of the Series 12 Notes regarding the legality of an investment by such offeree or purchaser under relevant legal investment or similar laws. Any investor should consult with its own advisers as to the legal, tax, business, financial and related aspects of purchase of the Series 12 Notes.

Prospective purchasers must comply with all laws that apply to them in any place in which they buy, offer or sell any Series 12 Notes or possess this Drawdown Prospectus or the Base Prospectus. Persons into whose possession this Drawdown Prospectus or the Base Prospectus comes are required by RAB, the RAB Group, the Issuer, the Trustee and the Joint Lead Managers to inform themselves about and to observe such restrictions. Any consents or approvals that are needed in order to purchase any of the Series 12 Notes must be obtained. RAB, the RAB Group, the Issuer, the Trustee and the Joint Lead Managers are not responsible for compliance with these legal requirements. The appropriate characterisation of any of the Series 12 Notes under various legal investment restrictions, and thus the ability of investors subject to these restrictions to purchase such Series 12 Notes, is subject to significant interpretative uncertainties.

This Drawdown 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**") and (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 Series 12 Notes are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such Series 12 Notes will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this Drawdown Prospectus or any of its contents, or on the Base Prospectus.

This Drawdown Prospectus contains ratings of RAB, as well as ratings of securities or issuers of securities held by RAB, that are provided by rating agencies. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating agency. 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 Community and registered under Regulation (EC) No. 1060/2009 of the European Parliament and of the Council dated 16 September 2009 on credit rating agencies, as amended (the "**CRA Regulation**") unless the rating is provided by a credit rating agency operating in the European Community before 7 June 2010 which has submitted an application for registration in accordance with the CRA Regulation and such registration is not refused. Fitch Ratings CIS Limited ("**Fitch**") is a credit rating agency established in the European Community and is registered under the CRA Regulation. Each of Moody's Investors Service, Inc. ("**Moody's**") and Standard & Poor's Rating Services, a division of The McGraw-Hill Companies, Inc. ("**S&P**"), is a credit rating agency established outside the European Community and is not registered under the CRA Regulation. The ratings issued by Moody's and S&P are endorsed in

accordance with the CRA regulation by Moody's Investors Service Ltd. and Standard & Poor's Credit Market Services Europe Limited, respectively, each of which is established in the European Union and registered under the CRA Regulation. The list of credit rating agencies registered in accordance with the CRA Regulation is available on the European Securities and Market Authority's website (<http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>).

Renminbi is not freely convertible and conversion of Renminbi through banks in Hong Kong is subject to certain restrictions. Prospective Noteholders are reminded of the conversion risk in Renminbi products. In addition, there is liquidity risk associated with Renminbi products, especially if such investments do not have an active secondary market and their prices have large bid/offer spreads. The Series 12 Notes are denominated and settled in Renminbi deliverable in Hong Kong, which represents a market which is different from that of Renminbi deliverable in the People's Republic of China ("PRC").

The language of this Drawdown 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.

**In connection with the issue of the Series 12 Notes, the Stabilising Manager (as defined in the *Issue Terms of the Series 12 Notes* set out herein), or persons acting on behalf of the Stabilising Manager, may over-allot the Series 12 Notes or effect transactions with a view to supporting the market price of the Series 12 Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the 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 Series 12 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 and 60 days after the date of allotment of the Series 12 Notes. Any stabilisation action or over-allotment must be conducted by the Stabilising Manager in accordance with all applicable laws and rules.**

**NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, IS MADE BY THE JOINT LEAD MANAGERS AS TO THE ACCURACY OR COMPLETENESS OF THE INFORMATION SET FORTH IN THIS DRAWDOWN PROSPECTUS, AND NOTHING CONTAINED IN THIS DRAWDOWN PROSPECTUS IS, OR SHALL BE RELIED UPON AS, A PROMISE OR REPRESENTATION, WHETHER AS TO THE PAST OR THE FUTURE. TO THE FULLEST EXTENT PERMITTED BY LAW THE JOINT LEAD MANAGERS DO NOT ACCEPT ANY RESPONSIBILITY FOR THE CONTENTS OF THIS DRAWDOWN PROSPECTUS OR FOR ANY OTHER STATEMENT, MADE OR PURPORTED TO BE MADE BY THE JOINT LEAD MANAGERS OR ON THEIR BEHALF IN CONNECTION WITH THE ISSUER, RAB OR THE RAB GROUP OR IN CONNECTION WITH THE ISSUE AND OFFERING OF THE SERIES 12 NOTES. THE JOINT LEAD MANAGERS ACCORDINGLY DISCLAIM ALL AND ANY LIABILITY WHETHER ARISING IN TORT OR CONTRACT OR OTHERWISE (SAVE AS REFERRED TO ABOVE) WHICH THEY MIGHT OTHERWISE HAVE IN RESPECT OF THIS DRAWDOWN PROSPECTUS OR ANY SUCH STATEMENT.**

**ANY PERSON CONTEMPLATING MAKING AN INVESTMENT IN ANY SERIES 12 NOTES MUST MAKE ITS OWN INVESTIGATION AND ANALYSIS OF THE CREDITWORTHINESS OF RAB, THE RAB GROUP AND THE ISSUER AND ITS OWN DETERMINATION OF THE SUITABILITY AND RISKS 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.**

**THE SERIES 12 NOTES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER U.S. REGULATORY AUTHORITY, NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THE SERIES 12 NOTES OR THE ACCURACY OR THE ADEQUACY OF THIS DRAWDOWN PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.**

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## RISK FACTORS

*Investment in the Series 12 Notes involves a high degree of risk. Prospective Noteholders should carefully review this Drawdown Prospectus (including the Base Prospectus and other documents incorporated by reference herein – see "Documents Incorporated by Reference") and, in particular, should consider carefully the risks set forth below and the other information contained in this Drawdown Prospectus and the documents incorporated by reference herein.*

***Attention is drawn particularly to the information under the heading "Risk Factors" in the Base Prospectus, which must be read in conjunction with the additional risk factors set out below.***

*Prospective Noteholders should note that the risks described under the heading "Risk Factors" on pages 26 to 60 (inclusive) of the Base Prospectus and those described below are not the only risks that RAB and the Issuer face. These are the risks that RAB and the Issuer currently consider to be material. There may be additional risks that RAB and the Issuer currently consider to be immaterial or of which RAB and the Issuer are currently unaware, and any of these risks could have similar effects to those set forth below. Prospective Noteholders should also read the detailed information set out elsewhere in this Drawdown Prospectus and the Base Prospectus and reach their own views prior to making any investment decision.*

### **Additional Risks Relating to the Series 12 Notes**

***The Renminbi is not freely convertible and there are significant restrictions on remittance of Renminbi into and outside the People's Republic of China ("PRC") which may adversely affect the liquidity of the Series 12 Notes***

The Renminbi is not freely convertible at present. The government of the PRC (the "**PRC Government**") continues to regulate conversion between the Renminbi and foreign currencies, including the Hong Kong dollar, despite the significant reduction over the years by the PRC Government of control over routine foreign exchange transactions. These transactions are known as current account items. Participating banks in Hong Kong have been permitted to engage in the settlement of current account trade transactions in Renminbi under a pilot scheme introduced in July 2009 which originally applied to approved pilot enterprises in five cities in the PRC. The pilot scheme was extended in August 2011 to cover all provinces and cities in the PRC and to make the settlement of current account trade transactions in Renminbi available worldwide.

However, remittance of Renminbi by foreign investors into the PRC for purposes such as capital contributions, known as capital account items, is generally only permitted upon obtaining specific approvals from the relevant authorities on a case-by-case basis and subject to a strict monitoring system. Regulations in the PRC on the remittance of Renminbi into the PRC for settlement of capital account items is developing gradually.

On 12 October 2011, the Ministry of Commerce of the PRC ("**MOFCOM**") promulgated the "Circular on Certain Issues Concerning Direct Investment Involving Cross border Renminbi" (商務部關於跨境人民幣直接投資有關問題的通知) (the "**MOFCOM Circular**"). Pursuant to the MOFCOM Circular, the appropriate office of MOFCOM and/or its local counterparts were authorised to approve Renminbi foreign direct investments ("**FDI**") with certain exceptions based on, amongst others, the size and industry of the investment. The MOFCOM Circular also stipulates that the proceeds of FDI may not be used towards investment in securities, financial derivatives or entrustment loans in the PRC, except for investments in domestic companies listed in the PRC through private placements or share transfers by agreement.

On 13 October 2011, the People's Bank of China (the "**PBOC**") promulgated the "Administrative Measures on Renminbi Settlement of Foreign Direct Investment" (外商直接投資人民幣結算業務管理辦法) (the "**PBOC FDI Measures**") as part of the implementation of the PBOC's detailed FDI accounts administration system. The system covers almost all aspects in relation to FDI, including capital injections, payments for the acquisition of PRC domestic enterprises, repatriation of dividends and other distributions, as well as Renminbi denominated cross-border loans. On 14 June 2012, the PBOC further issued the implementing rules for the PBOC FDI Measures. Under the PBOC FDI Measures, special approval for FDI and shareholder loans from the PBOC, which was previously required, is no longer necessary. In some cases however, post-event filing with the PBOC is still necessary.

As the MOFCOM Circular and the PBOC FDI Measures are relatively new circulars, they will be subject to interpretation and application by the relevant authorities in the PRC.

There is no assurance that the PRC government will continue to gradually liberalise the control over cross-border Renminbi remittances in the future, that the pilot scheme introduced in July 2009 will not be discontinued or that new PRC regulations will not be promulgated in the future which have the effect of restricting or eliminating the remittance of Renminbi into or outside the PRC. In the event that funds cannot be repatriated outside the PRC in Renminbi, this may affect the overall availability of Renminbi outside the PRC and the ability of RAB to source Renminbi to finance its obligations under the Loan.

Further, if any new PRC regulations are promulgated in the future which have the effect of permitting or restricting (as the case may be) the remittance of Renminbi for payment of transactions categorised as capital account items, then such remittances will need to be made subject to the specific requirements or restrictions set out in such rules. In the event that funds cannot be repatriated outside the PRC in Renminbi, RAB will need to source Renminbi offshore to finance its obligations under the Series 12 Notes, and its ability to do so will be subject to the overall availability of Renminbi outside the PRC.

Noteholders may be required to provide certifications and other information (including Renminbi account information) in order to be allowed to receive payments in Renminbi in accordance with the Renminbi clearing and settlement system for participating banks in Hong Kong.

***There is only limited availability of Renminbi outside the PRC, which may affect the liquidity of Series 12 Notes and RAB's ability to source Renminbi outside of the PRC to service the Series 12 Loan***

As a result of the restrictions imposed by the PRC Government on cross-border Renminbi fund flows, the availability of Renminbi outside of the PRC is limited. Since February 2004, in accordance with arrangements between the PRC Government and the government of the Hong Kong Special Administration Region of the PRC ("**Hong Kong**"), licensed banks in Hong Kong may offer limited Renminbi-denominated banking services to Hong Kong residents and specified business customers. The PBOC, the central bank of the PRC, has also established a Renminbi clearing and settlement system for participating banks in Hong Kong. On July 19, 2010, further amendments were made to the Settlement Agreement on the Clearing of RMB Business (the "**Settlement Agreement**") between the PBOC and Bank of China (Hong Kong) Limited (the "**Renminbi Clearing Bank**") to further expand the scope of Renminbi business for participating banks in Hong Kong. Pursuant to the revised arrangements, all corporations are allowed to open Renminbi accounts in Hong Kong: there is no longer any limit on the ability of corporations to convert Renminbi, and there will no longer be any restriction on the transfer of Renminbi funds between different accounts in Hong Kong.

However, the current size of Renminbi-denominated financial assets outside the PRC is limited. As of the end of October 2012, the total amount of Renminbi deposits held by institutions authorised to engage in Renminbi banking business in Hong Kong amounted to approximately CNY 554.8 billion according to the HKMA. In addition, participating authorised institutions are also required by the HKMA to maintain their Renminbi liquidity ratios at no less than 25 per cent. (computed on the same basis as the statutory liquidity ratio), which further limits the availability of Renminbi that participating authorised institutions can utilise for conversion services for their customers. Renminbi business participating banks do not have direct Renminbi liquidity support from the PBOC. The Renminbi Clearing Bank only has access to onshore liquidity support from the PBOC. They are only permitted to square their open positions with the Renminbi Clearing Bank after consolidating the renminbi trade position of banks outside Hong Kong that are in the same bank group of the participating banks concerned with their own trade positions, and the Renminbi Clearing Bank only has access to onshore liquidity support from the PBOC for the purpose of squaring open positions of participating banks for limited types of transactions, including open positions resulting from conversion services for corporations relating to cross-border trade settlement, for Hong Kong residents of up to CNY 20,000 per person per day and for designated business customers relating to the Renminbi received in providing their services.

The Renminbi Clearing Bank is not obliged to square for participating banks any open positions resulting from other foreign exchange transactions or conversion services and the participating banks will need to source Renminbi from the offshore market to square such open positions.

On 14 June 2012, the HKMA introduced a facility for providing Renminbi liquidity to authorised institutions participating in Renminbi business ("**Participating AIs**") in Hong Kong. The facility will

make use of the currency swap arrangement between the PBOC and the HKMA. With effect from 15 June 2012, the HKMA will, in response to requests from individual Participating AIs, provide Renminbi term funds to the Participating AIs against eligible collateral acceptable to the HKMA. The facility is intended to address short-term Renminbi liquidity tightness which may arise from time to time, for example due to capital market activities or a sudden need for Renminbi liquidity by the Participating AIs' overseas bank customers.

Although it is expected that the offshore Renminbi market will continue to grow in depth and size, its growth is subject to many constraints as a result of PRC laws and regulations on foreign exchange. There is no assurance that no new PRC regulations will be promulgated or the Settlement Agreement will not be terminated or amended in the future which will have the effect of restricting the availability of Renminbi offshore. The limited availability of Renminbi outside of the PRC may affect the liquidity of the Series 12 Notes. To the extent that RAB is required to source Renminbi in the offshore market to service the Series 12 Notes, there is no assurance that RAB will be able to source such Renminbi on satisfactory terms, if at all.

***Investment in the Series 12 Notes is subject to exchange rate risk***

The value of the Renminbi against the U.S. dollar and other foreign currencies fluctuates and is affected by changes in the PRC and international political and economic conditions. All payments of interest and principal in respect of the Series 12 Notes will be made in Renminbi. As a result, the value of these Renminbi payments in U.S. dollar terms may vary with the prevailing exchange rates in the marketplace. If the value of Renminbi depreciates against the U.S. dollar or other foreign currencies, the value of the investment in U.S. dollar or other applicable foreign currency terms will decline.

***Payments in respect of the Series 12 Notes will only be made to investors in the manner specified in the Terms and Conditions of the Series 12 Notes as modified by the terms of the CNY Global Note Certificate***

All payments to Noteholders in respect of the Series 12 Notes will be made as follows:

For so long as the Series 12 Notes are represented by the CNY Global Note Certificate registered in the name of the HKMA and lodged with a sub-custodian of the CMU all payments to Noteholders in respect of the Series 12 Notes will be made solely by transfer to a Renminbi bank account maintained in Hong Kong to the persons for whose account a relevant interest in the CNY Global Note Certificate is credited as being held by the CMU at the relevant time, as notified to the CMU Lodging Agent (as defined in *Overview of Provisions relating to the Series 12 Notes in Global Form* below) by the CMU in a relevant CMU instrument position report or in any other relevant notification by the CMU. Should Individual Notes Certificates be issued, payments to Noteholders in respect of the Series 12 Notes will be made by transfer to a Renminbi bank account maintained in Hong Kong in accordance with prevailing rules and regulations. The Issuer cannot be required to make payment by any other means (including in any other currency or in bank notes, by cheque or draft or by transfer to a bank account in the PRC).

## DOCUMENTS INCORPORATED BY REFERENCE

The Base Prospectus (which Base Prospectus constitutes a base prospectus for the purposes of Article 5.4 of the Prospectus Directive) shall be deemed to be incorporated into and form part of this Drawdown Prospectus in its entirety and can be viewed at:

- (a) [http://www.ise.ie/debt\\_documents/Base%20Prospectus\\_856cf618-90b5-4977-bd2b-c5e943d5688c.pdf](http://www.ise.ie/debt_documents/Base%20Prospectus_856cf618-90b5-4977-bd2b-c5e943d5688c.pdf), in the case of the base prospectus dated 11 May 2012 prepared in connection with the Programme; and
- (b) [http://www.ise.ie/debt\\_documents/Supplements\\_28f68092-97eb-448d-8c44-5cc88bed3fc0.pdf](http://www.ise.ie/debt_documents/Supplements_28f68092-97eb-448d-8c44-5cc88bed3fc0.pdf), in the case of the base prospectus supplement dated 9 November 2012.

Any statement contained in the Base Prospectus shall be deemed to be modified or superseded for the purpose of this Drawdown 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 Drawdown Prospectus.

Terms used herein but not otherwise defined shall have the meanings given to them in the Base Prospectus. This Drawdown Prospectus must be read in conjunction with the Base Prospectus. Full information on RAB, the RAB Group, the Issuer and the Series 12 Notes is only available on the basis of the combination of disclosure and provisions set out within this document (including the Terms and Conditions of the Series 12 Notes, the Issue Terms of the Series 12 Notes and the Series 12 Loan Supplement, each of which is set out herein) and the Base Prospectus.

## OVERVIEW OF PROVISIONS RELATING TO THE SERIES 12 NOTES WHILE IN GLOBAL FORM

The section of the Base Prospectus entitled "*Summary of the Provisions Relating to the Series 12 Notes in Global Form*" shall not apply in respect of the Series 12 Notes. An overview of the provisions relating to the Series 12 Notes while in Global form is set out below.

*Provisions applicable for so long as the CNY Global Note Certificate is registered in the name of a nominee of the HKMA as operator of the CMU*

The Notes will be issued in registered form and represented by the CNY Global Note Certificate registered in the name of a nominee of the HKMA in its capacity as registered holder (the "**Registered Holder**") and shall be delivered on or prior to the Issue Date of the Series 12 Notes to and held by, a sub-custodian nominated by the HKMA in its capacity as operator of the CMU (the "**CMU Operator**"). The CNY Global Note Certificate will be held for the account of CMU members who have accounts with the CMU Operator, or the CMU participants.

For so long as the CNY Global Note Certificate is registered in the name of the Registered Holder, payments of interest or principal shall be made to the persons for whose account a relevant interest in the CNY Global Note Certificate is credited as being held by the CMU Operator at the relevant time, as notified to the CMU Lodging Agent by the CMU Operator in a relevant CMU instrument position report (as defined in the rules of the CMU) or in any other relevant notification by the CMU Operator.

For so long as the CNY Global Note Certificate is registered in the name of the Registered Holder, a payment to the order of the registered holder by or on behalf of the Issuer in accordance with the relevant CMU instrument position report shall discharge the Issuer's obligations in respect of that payment. Payments shall be made by transfer to a settlement account in accordance with the rules and procedures of the CMU Operator. Each of the persons shown in the CMU instrument position report or any other statement by the CMU of the identities and interests of the persons credited with interests in the CNY Global Note Certificate as the holder of a particular principal amount of the Series 12 Notes must look solely to the CMU for his share of each payment so made by the Issuer and in relation to all other rights arising under the CNY Global Note Certificate, subject to and in accordance with the respective rules and procedures of the CMU, and such person(s) shall have no claim directly against the Issuer or RAB.

Any payments by CMU participants to indirect participants shall be governed by arrangements agreed between CMU participants and indirect participants and will depend on the inter-bank clearing system and traditional payment methods. Such payments shall be the sole responsibility of such CMU participants and neither the Issuer nor the Trustee nor the CNY Paying Agent shall have any obligation or liability in connection therewith.

Payments, transfers, exchanges and other matters relating to interests in the CNY Global Note Certificate may be subject to various policies and procedures adopted by the CMU Operator from time to time. None of the Issuer, RAB, the Trustee, any of the Joint Lead Managers, the CMU Lodging Agent or any of their agents will have any responsibility or liability for any aspect of the CMU Operator's records relating to, or for payments made on account of, interests in the CNY Global Note Certificate, or for maintaining, supervising or reviewing any records relating to such interests.

For so long as the CNY Global Note Certificate is registered in the name of the Registered Holder, notices to holders of the Series 12 Notes may be given by delivery of the relevant notice to the persons shown in a CMU instrument position report issued by the CMU Operator on the business day preceding the date of despatch of such notice as holding interests in the CNY Global Note Certificate for communication to the CMU participants. Any such notice shall be deemed to have been given to the holders of the Series 12 Notes on the second business day after such notice is delivered to the persons shown in the relevant CMU instrument position report as aforesaid. Indirect participants will have to rely on the CMU participants (through whom they hold the Series 12 Notes, in the form of interests in the CNY Global Note Certificate) to deliver the notices to them, subject to the arrangements agreed between the indirect participants and the CMU participants.

The CMU Operator is under no obligation to maintain or continue to operate the CMU and the CMU Operator is under no obligation to perform or continue to perform the procedures described above. Accordingly, the CMU and such procedures may be discontinued or modified at any time. None of the

Issuer, RAB, any of the Joint Lead Managers, the Trustee, the CMU Lodging Agent or any of their agents will have any responsibility for the performance by the CMU Operator or the CMU participants of their respective obligations under the rules and procedures governing their operations.

*Holders through Euroclear or Clearstream*

For persons seeking to hold a beneficial interest in the Series 12 Notes through Euroclear or Clearstream, such persons will hold their interests through an account opened and held by Euroclear or Clearstream with the CMU Operator. Interests in the CNY Global Note Certificate will only be shown on, and transfers of interests will be effected through, records maintained by the CMU Operator.

## RECENT DEVELOPMENTS

### General Market Conditions and Operating Environment

Due to the substantial concentration of the assets of the RAB Group in Russia, the RAB Group is materially affected by Russian economic conditions. Whilst there have been improvements in economic trends in the country after the financial crisis which commenced in September 2008, the Russian Federation continues to display certain characteristics of an emerging market. These characteristics include, but are not limited to, the existence of a currency that is not widely convertible outside of the Russian Federation and relatively high inflation.

The following table sets forth certain Russian economic indicators as at or for the nine months ended 30 September 2012 and 2011.

	<b>As at or for the nine months ended 30 September</b>	
	<b>2011</b>	<b>2012</b>
Nominal gross domestic product (" <b>GDP</b> ") ( <i>in billions of roubles</i> )	14,405.6	15,949.3
Real GDP growth ( <i>in %</i> )	5.0	2.9
Federal budget utilisation: surplus of federal budget of the Russian Federation ( <i>in billions of roubles</i> )	1,130.9	635.8
Official reserves ( <i>in millions of U.S. dollars</i> )	516,848	529,893
Inflation <sup>(1)</sup> ( <i>in %</i> )	4.7	5.2
Nominal appreciation/(depreciation) of the Russian rouble against the U.S. dollar <sup>(2)</sup> ( <i>in %</i> )	5.2	(7.4)
Real appreciation/(depreciation) of the Russian rouble against the U.S. dollar <sup>(2)(3)</sup> ( <i>in %</i> )	11.3	(5.2)

*Sources: CBR, Russian Federal State Statistics Service, Ministry of Economic Development in Russia*

<sup>(1)</sup> Inflation is measured as change in the consumer price index.

<sup>(2)</sup> Nominal and real (depreciation)/appreciation of the Russian rouble against the U.S. dollar are measured by comparing the change in the reporting period with the change in the corresponding period of the previous year.

<sup>(3)</sup> Real (depreciation)/appreciation is distinguished from nominal (depreciation)/appreciation because the former also takes into account inflation in Russia and the United States, as well as taking into account certain other macroeconomic parameters that are calculated by the CBR.

Nominal GDP for the nine months ended 30 September 2012 was 15,949.3 billion roubles as compared to 14,405.6 billion roubles for the nine months ended 30 September 2011. However, the real GDP growth for the nine months ended 30 September 2012 decreased to 2.9 per cent. from 5.0 per cent. for the nine months ended 30 September 2011. In November 2012, the Organisation for Economic Cooperation and Development ("**OECD**") revised its estimate of Russian economy growth from 4.5 per cent. to 3.4 per cent. on the basis of decelerating growth of the global economy and Eurozone debt crisis. The Ministry of Economic Development in Russia estimated real GDP growth for the eleven months ended 30 November 2012 at 3.5 per cent. and forecasted the same for the year ended 31 December 2012.

Inflation increased from 4.7 per cent. for the nine months ended 30 September 2011 to 5.2 per cent. for the nine months ended 30 September 2012. On 9 January 2013, the Russian Federal State Statistics Service forecasted that inflation for the year ended 31 December 2012 would be 6.6 per cent. as compared to 6.1 per cent. for the year ended 31 December 2011.

The Russian rouble/U.S. dollar exchange rate fluctuated in the nine months ended 30 September 2012, with the rouble depreciating against the U.S. dollar to 29.33 Russian roubles per U.S.\$1.00 as at 31 March 2012, 32.82 Russian roubles per U.S.\$1.00 as at 30 June 2012, 32.33 Russian roubles per U.S.\$1.00 as at 30 September 2012 and reaching to 30.92 Russian roubles per U.S.\$1.00 as at 31 December 2012, according to data published by the CBR.

The Russian banking sector is particularly sensitive to economic conditions in Russia and fluctuations in the value of the rouble. See "*Risk Factors—Risks Related to RAB's Business and the Banking Sector — The continuation of turmoil in global credit markets may continue to adversely affect RAB's business, financial condition, results of operations and prospects*" and "*Risk Factors—Turmoil in global credit markets has already adversely affected, and may continue to adversely affect, the Russian economy, the Russian banking industry in general and RAB in particular*" in the Base Prospectus. In addition, the need for further developments in the bankruptcy laws, the absence of formalised procedures for the registration and enforcement of certain categories of collateral, and other legal and fiscal impediments also contribute to difficulties experienced by banks currently operating in Russia. The stability of the Russian economy will be significantly affected by the Government's continued implementation of administrative, legal and economic reforms.

### **Impact of the 2012 summer drought and African Swine Fever**

At the date of this Drawdown Prospectus, RAB is assessing the impact of the 2012 summer drought and African Swine Fever (described in the second paragraph on page 3 of the Base Prospectus Supplement) on the RAB's borrowers' ability to service their outstanding debts. RAB does not exclude the possibility of a significant increase in the amount of provision for the loan impairment as a result of this assessment to be recorded in the second half of 2012. The latest available unaudited condensed consolidated interim financial statements of the RAB Group as of and for the six months ended 30 June 2012, prepared in accordance with IAS 34, are set out on pages F-2 to F-27 of the Base Prospectus Supplement.

### **Strategy**

On 21 November 2012, the Supervisory Board of RAB approved a new strategy of RAB for the period to 2020 (the "**Strategy**"). According to the Strategy, RAB will continue supporting the agricultural sector of the Russian economy and focus on financing:

- companies which operate in the agricultural sector and related subsectors of Russia;
- small and medium-size businesses; and
- individuals who reside in rural areas, and small and medium towns.

The share of these customers in the gross loan portfolio of RAB is to be at least 70 per cent., which is in line with the State Programme on Agribusiness Development for the years 2013–2020 approved by the Russian Government.

The Strategy also calls for RAB to continue developing its business as a universal commercial bank. According to the Strategy, RAB's loan portfolio is targeted to reach approximately RUB 3 trillion by 2020, with loans to customers in the agricultural sector, fishery, forestry and residing in rural areas exceeding RUB 2 trillion.

One of the key areas of RAB's development under the Strategy is financing programmes for the development of rural areas and small and medium towns, in order to improve the living standards of the rural population. RAB targets to provide banking services to more than 12 million retail customers by 2020.

The Strategy calls for RAB to continue diversifying and expanding the range of its banking products and services, focused on the various needs of its clients. In particular, RAB intends to offer various types of project financing loans. In addition, RAB intends to increase its regional coverage from 84 per cent. to 90 per cent. of municipalities in constituent territories of the Russian Federation by developing its regional branch network with the focus on optimisation and opening of small additional offices, as well as remote and partnership channels for distributing products and services.

In accordance with the Strategy, RAB will continue to implement various measures to decrease the level of non-performing loans in its portfolio, such as loan restructurings and write-offs. Financing from the Russian Government is expected to remain a significant source of RAB's funding through 2017.

### Share capital increase

On 29 November 2012, the sole shareholder of RAB approved amendments to RAB's charter with respect to additional authorised shares. According to these amendments, RAB was authorised to issue 100,000 additional shares with the nominal value of RUB 1 million each.

As a result, the Russian federal budget for 2012 was revised to provide for contributions by the Russian Federation into RAB's share capital in the amount of RUB 40,000 million for the purposes of financing loans to agricultural companies, peasant farm enterprises, farmers and agricultural consumer co-operatives. On 27 December 2012, RAB's share capital was increased by RUB 40,000 million and amounted to RUB 188,048 million.

### Credit Ratings

On 16 November 2012, Fitch placed RAB on Rating Watch Negative ("**RWN**"). Fitch stated that the RWN on RAB's ratings reflects concerns about RAB's current asset quality and capital positions. However, Fitch noted that its current rating reflects a base case expectation that the Russian Government will take measures to provide sufficient support to RAB. RAB's 'BBB' Long-Term Issuer Default Ratings are currently aligned with the Russian sovereign credit ratings. RAB does not believe the RWN has had a material effect on the RAB Group's ability to access the international capital markets. However, there can be no assurance that further commentary or ratings downgrades by Fitch or other credit ratings agencies would not have an impact on RAB's cost of funding. See "*Management's Discussion of Financial Condition and Results of Operations — Liquidity and Capital Resources — Funding*" of the Base Prospectus and the Base Prospectus Supplement, as well as "*Risk Factors — Risks Relating to the Programme, Notes and the Trading Market — Credit ratings of the Russian Federation, RAB or the Notes could adversely affect the value of the Notes*" of the Base Prospectus.

### Chairman of the Management Board and the Management Board

As of date of this Drawdown Prospectus, RAB's Management Board consists of nine members, the names of whom are set out below.

<b>Name</b>	<b>Age</b>	<b>Position</b>	<b>Date of Appointment</b>
Dmitry N. Patrushev .....	35	Chairman	25 May 2010
Boris P. Listov .....	43	First Deputy Chairman	30 October 2009
Alexey A. Zhdanov .....	50	Deputy Chairman	12 January 2012
Andrey A. Alyakin .....	43	Deputy Chairman	16 December 2010
Victoria V. Kirina.....	56	Deputy Chairman	18 August 2010
Kirill U. Levin .....	43	Deputy Chairman	28 February 2011
Dmitry G. Sergeev.....	37	Deputy Chairman	14 July 2010
Evgeniy V. Kryukov.....	43	Deputy Chairman	14 February 2010
Eduard A. Issopov .....	46	Deputy Chairman	3 December 2012

The biographical data of members of the Management Board is set forth in the Base Prospectus and the Base Prospectus Supplement dated 9 November 2012.

## RUSSIAN TAXATION

The section of the Base Prospectus headed "*Risk Factors - Risks relating to the Programme, Notes and the Trading Market - Payments on the relevant Loan may be subject to Russian withholding tax*" starting on page 52 of the Base Prospectus and the section of the Base Prospectus headed "*Taxation – Russian Taxation – Taxation of Interest Income on the Loan*" starting on page 241 of the Base Prospectus shall, for the purposes of this Drawdown Prospectus, be deemed to be supplemented by the addition of the following information:

The amendments to the Russian Tax Code providing an exemption from the obligation to withhold tax from interest paid under transactions similar to the transactions described in the Base Prospectus (the "**Amendments**") have recently been approved by the Russian State Duma, the Russian Council of the Federation and signed by the President of the Russian Federation. The Amendments have entered into force starting from 1 July 2012.

Since the date of the Base Prospectus certain further main changes have been introduced to the Amendments, in particular:

- (1) The Amendments apply only to traded bonds issued prior to 1 January 2014. According to the Amendments, Russian borrowers are entitled to apply tax exemptions from interest payments made to foreign companies on debt obligations arising in connection with placement by foreign companies of traded bonds in respect of bonds issued prior to 1 January 2014 provided that (1) there is a double tax treaty between the Russian Federation and the jurisdiction of tax residence of foreign company receiving interest income, and (2) foreign company receiving interest income duly confirms its tax residence.
- (2) The debt obligation is treated as connected with the issuance of traded bonds by foreign organisations if it is explicitly stated in the agreement governing the relevant debt obligation, and (or) in the terms and conditions and (or) prospectus for the issuance of traded bonds or if this fact is confirmed by the actual movement of funds upon the issuance of traded bonds.
- (3) For the purpose of the Amendments "traded bonds" mean bonds and other debt obligations which passed the listing procedure and/or were admitted to circulation on one or more foreign stock exchanges and/or rights to which are recorded by a foreign depository-clearing organisation, provided that such foreign stock exchanges and depository-clearing organisations are specified in the list approved by the Federal Authority for Securities Markets in consultation with the Ministry of Finance of the Russian Federation. Such list was approved by the Federal Authority for Securities Markets on 25 October 2012. Both the Irish Stock Exchange and the Central Moneymarkets Unit Service are included in this list. The fact that bonds are listed and/or admitted to circulation on an "approved" foreign stock exchange and/or rights to which are recorded by an "approved" depository-clearing organisation should be confirmed by the Russian company paying interest based on information provided by foreign stock exchanges and/or foreign depository and clearing organizations, or the prospectus of the traded bonds or other documents related to the issue of these bonds, or on the basis of information from publicly available sources.
- (4) According to the Amendments the above exemption established for the interest payments is also applicable to (i) income payable by a Russian legal entity in connection with a guarantee, surety or other security granted by such Russian organisation with respect to a debt obligation to a foreign organisation and/ or with respect to traded bonds and (ii) to other income payable by a Russian organisation providing payment of such income is established by the provisions of the respective debt obligation or such income is paid due to a change in the terms and conditions of the respective traded bonds and/or debt obligations including the cases of their early repurchase or redemption.
- (5) The Amendments address the Russian withholding tax treatment of interest payments or other above payments to be made to foreign companies on debt obligations arising in connection with the issuance of traded bonds before 1 January 2014. These Amendments do not address Russian tax treatment of such payments on or after 1 January 2014.

- (6) Current version of the Amendments does not provide clear guidance in respect to whether RAB will be released from the obligation to withhold the Russian withholding tax if interest payments or other above payments will be paid to the Trustee. If interest payments or other above payments will be paid to the Trustee such payments of interest may become subject to the Russian withholding tax at a rate of 20 per cent., or such other rate as may be effective at the time of payment. It is not expected that the Trustee will, or will be able to, claim a withholding tax exemption under any double tax treaty under such circumstances.
- (7) RAB believes that it should be released from the obligation to withhold Russian withholding tax from interest payments or other above payments made to the Issuer under the relevant Loan Agreement, provided that the Issuer duly confirms its tax residency since the Series 12 Notes should be considered as "traded bonds" as described above and the relevant Loan is financed from the funds received from the issue of the relevant Series of Notes. Such release, in practice, means that no withholding tax on interest payments should arise in Russia, because currently there is no mechanism or requirement for non-resident organisations to self-assess and pay the tax if it hasn't been withheld at the source of payment. There can be no assurance that such rules will not be introduced in the future or that the tax authorities would not make attempts to collect the tax from the foreign income recipients, including the Issuer or the Noteholders.
- (8) If the Series 12 Notes are simultaneously (i) delisted from Irish Stock Exchange and (ii) exchanged for duly executed and authenticated registered Notes in definitive form in the limited circumstances specified in the Global Notes, the Notes could not fall within the definition of traded bonds under the Tax Code and RAB would be required to withhold Russian withholding income tax from interest payments made by RAB to the Issuer.
- (9) Historically, there was residual uncertainty regarding the tax treatment of the portion of the sales or disposal proceeds received by Non-Resident Noteholders who a legal entity from a source within the Russian Federation. The Amendments have removed this uncertainty.

In addition:

- (i) the second paragraph of the section headed "*Risk Factors — Risks Relating to the Issuer, the Notes and the Trading Market — Payments on the relevant Loan may be subject to Russian withholding tax*" in the Base Prospectus shall, for the purposes of this Drawdown Prospectus, be deemed to be amended as follows:

"The new protocol to the Convention was signed in 2011. The protocol introduces certain changes to the provisions of the Convention. Such changes include inter alia taxation of "other income" (which, in respect of the Series 12 Notes, may include payments other than interest and/or principal) in the source country, a limitation of benefits of a resident of one contracting state if the main purpose or one of the main purposes of the establishment and existence of such resident was receipt of treaty benefits; further exchange of information procedures are extended. Once the protocol is ratified and becomes effective, it may have an impact on future payments under the Loan Agreement (other than interest and/or principal)."; and

- (ii) the section headed "*Taxation — Russian Taxation Non — Resident Holders*" in the Base Prospectus shall, for the purposes of this Drawdown Prospectus, be deemed to be supplemented by the addition of the following paragraph:

"Additionally, acquisition of the Series 12 Notes by a non-resident Noteholder who is an individual may constitute a taxable event pursuant to provisions of the Tax Code relating to the material benefit (deemed income) received by individuals as a result of acquisition of securities. If the acquisition price of the Series 12 Notes is below the lower threshold of the range of fair market value calculated under a specific procedure for the determination of market prices of securities for tax purposes, the difference may be subject to the Russian personal income tax at the rate of 30 per cent. (arguably, this would be subject to reduction or elimination under the applicable double tax treaty). As noted above with respect to the disposal of the Series 12 Notes, under Russian tax legislation, taxation of the income of non-resident Noteholders who are individuals will depend on whether this income would be assessed as received from Russian or non-Russian sources. Although Russian tax legislation does not contain any provisions on how

the related material benefit should be sourced, the tax authorities may infer that such income should be considered as Russian source income if the Series 12 Notes are purchased in the Russian Federation. In the absence of any additional guidance as to what should be considered as a purchase of securities in the Russian Federation, the Russian tax authorities may apply various criteria in order to determine the source of the related material benefit, including looking at the place of conclusion of the acquisition transaction, the location of the Issuer, or other similar criteria."

The section headed "Russian Taxation" in the base prospectus supplement dated 9 November 2012 which is incorporated by reference herein shall be deemed for the purposes of the Series 12 Notes to be superseded by the information set out above.

## TERMS AND CONDITIONS OF THE SERIES 12 NOTES

The terms of conditions of the Series 12 Notes shall comprise the "*Terms and Conditions of the Notes*" set out on pages 208 to 224 (inclusive) of the Base Prospectus (the "**Conditions**"), as modified and completed by the Issue Terms in respect of the Series 12 Notes set out in the "*Issue Terms of the Series 12 Notes*" section (the "**Issue Terms of the Series 12 Notes**") and as further modified as set out below.

All references in this Drawdown Prospectus or (in respect of the Series 12 Notes only) in the Base Prospectus to "**Conditions**" or to a numbered "**Condition**" shall be to the Terms and Conditions or the relevant numbered Condition, respectively, as modified and completed by the Issue Terms of the Series 12 Notes. References in the Terms and Conditions, this Drawdown Prospectus and (in respect of the Series 12 Notes only) the Base Prospectus to "**Final Terms**" shall be to the Issue Terms of the Series 12 Notes.

## ISSUE TERMS OF THE SERIES 12 NOTES

Issue Terms dated 28 January 2013

### RUSSIAN AGRICULTURAL BANK

Issue of CNY1,000,000,000 3.6 per cent. Loan Participation Notes due 2016 (the "**Series 12 Notes**") by RSHB Capital S.A. (the "**Issuer**") for the purpose of financing a loan (the "**Series 12 Loan**") to Russian Agricultural Bank ("**RAB**") under a US\$15,000,000,000 Programme for the Issuance of Loan Participation Notes to be issued by, but with limited recourse to, the Issuer (the "**Programme**").

### PART A- CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (the "**Conditions**") set forth in the Base Prospectus dated 11 May 2012, as supplemented by the base prospectus supplement dated 9 November 2012 (the "**Base Prospectus**") and incorporated in relation to the Notes only into a drawdown prospectus dated 28 January 2013 (the "**Drawdown Prospectus**") which constitutes a prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the "**Prospectus Directive**"). These Issue Terms modify and complete the Conditions in relation to the Notes only.

- |     |       |   |  |
|-----|-------|---|--|
| 1.  | (i)   | Issuer:   | RSHB Capital S.A.  |
|     | (ii)  | Borrower:   | Russian Agricultural Bank  |
| 2.  |       | Series Number:  | 12   |
| 3.  |       | Specified Currency:   | Renminbi (" <b>CNY</b> ")  |
| 4.  | (i)   | Aggregate Nominal Amount of Series 12 Notes:                | CNY1,000,000,000   |
|     | (ii)  | Principal Amount of Loan:                                   | CNY1,000,000,000   |
| 5.  |       | Issue Price:  | 100 per cent. of the Aggregate Nominal Amount  |
| 6.  |       | Specified Denominations:                                    | CNY1,000,000 and higher integral multiples of CNY10,000 in excess thereof              |
| 7.  | (i)   | Issue Date:   | 4 February 2013  |
|     | (ii)  | Interest Commencement Date:                                 | Issue Date   |
| 8.  | (i)   | Maturity Date   | 4 February 2016  |
| 9.  |       | Interest Basis:   | 3.6 per cent. Fixed Rate<br>(further particulars specified below)                      |
| 10. |       | Redemption/Payment Basis:                                   | Redemption at par  |
| 11. |       | Change of Interest or Redemption/Payment Basis:             | Not Applicable   |
| 12. |       | Put/Call Options:   | Not Applicable   |
| 13. | (i)   | Status of the Series 12 Notes:                              | Senior   |
|     | (ii)  | Status of the Series 12 Loan                                | Senior   |
|     | (iii) | Dates of Board approval for issuance of Series 12 Notes and | The issue of the Series 12 Notes and the making of the Series 12 Loan were approved by |

borrowing of the Series 12 Loan obtained: the Board of Directors of the Issuer on 25 January 2013 and by the Management Board of RAB on 24 January 2013, respectively.

14. Method of distribution: Syndicated
15. Financial Centres: London, Moscow, Hong Kong.

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

16. Fixed Rate Note Provisions: Applicable
- (i) Rate of Interest: 3.6 per cent. per annum payable semi-annually in arrear
- (ii) Interest Payment Date(s): 4 February and 4 August in each year, provided that if any Interest Payment Date is not a business day in each of the Financial Centres, payment shall not be made until the next following business day in each of the Financial Centres and no further interest or other payment shall be made in respect of such delay in accordance with Condition 7(e).
- (iii) Fixed Coupon Amount: Not Applicable
- (iv) Broken Amount: Not Applicable
- (v) Day Count Fraction: Actual/365 (Fixed) (as defined in Clause 4.9 of the Facility Agreement)
- (vi) Determination Dates: Not Applicable
- (vii) Other terms relating to the method of calculating interest for Fixed Rate Notes: Not Applicable
17. Floating Rate Note Provisions: Not Applicable

**PROVISIONS RELATING TO REDEMPTION**

18. Final Redemption Amount of each Series 12 Note: CNY10,000 per CNY10,000 in Principal Amount
19. Early Redemption Amount(s) per CNY10,000 in Principal Amount payable on redemption for taxation reasons or on event of default or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions): As set out in the Conditions

**GENERAL PROVISIONS APPLICABLE TO THE SERIES 12 NOTES**

20. Form of the Series 12 Notes: Registered Notes.
- The Series 12 Notes will initially be represented by a Global Note Certificate (the "**CNY Global Note Certificate**") registered in the name of a nominee of the Hong Kong Monetary Authority in its capacity as operator

of the Central Moneymarkets Unit Service (the "CMU") as registered holder and deposited with a sub-custodian of the CMU, the book-entry clearing system operated by the Hong Kong Monetary Authority (in such capacity, the "CMU Operator"). Beneficial interests in the CNY Global Note Certificate will be shown on, and transfers thereof will only be effected through, records maintained by the CMU. For persons seeking to hold a beneficial interest in the Notes through Euroclear or Clearstream, Luxembourg, such persons will hold their interests through an account opened and held by Euroclear or Clearstream, Luxembourg with the CMU Operator.

The CNY Global Note Certificate will be exchangeable for Individual Note Certificates in the limited circumstances set out therein.

21. Other issue terms:

The Conditions shall be deemed modified, with respect to the Series 12 Notes only, as follows:

1. The following defined terms shall be amended and/or inserted:

"**business day**" means a day (other than a Saturday, Sunday or a public holiday) on which commercial banks and foreign exchange markets settle payments and are open for general business in Moscow, London and Hong Kong;

"**CMU**" means the Central Moneymarkets Unit Service operated by the CMU Operator;

"**CMU Lodging Agent**" means The Bank of New York Mellon, Hong Kong Branch or any successor appointed under the Supplemental Paying Agency Agreement;

"**CMU Operator**" means the Hong Kong Monetary Authority in its capacity as CMU operator;

"**CNY**" or "**Renminbi**" means the lawful currency of the PRC from time to time;

"**CNY Paying Agent**" means The Bank of New York Mellon, Hong Kong Branch or any successor appointed under the Supplemental Paying Agency Agreement;

"**CNY Registrar**" means The Bank of New York Mellon, Hong Kong Branch or any successor appointed under the

Supplemental Paying Agency Agreement;

"**CNY Transfer Agent**" means The Bank of New York Mellon, Hong Kong Branch or any successor appointed under the Supplemental Paying Agency Agreement;

"**Hong Kong**" means the Hong Kong Special Administrative Region of the People's Republic of China;

"**Notes**" means the Series 12 Notes;

"**PRC**" means the People's Republic of China excluding Hong Kong, the Macau Special Administrative Region of the People's Republic of China and Taiwan;

"**Series 12 Loan**" means the CNY1,000,000,000 loan extended by the Issuer (as lender) to RAB upon the terms of the Series 12 Loan Agreement financed by the Series 12 Notes;

"**Series 12 Loan Agreement**" means the Facility Agreement as supplemented by a loan supplement dated 28 January 2013 and entered into by the Issuer (as lender) and RAB in relation to the Series 12 Loan;

"**Series 12 Notes**" means the CNY1,000,000,000 3.6 per cent. Loan Participation Notes due 2016; and

"**Supplemental Paying Agency Agreement**" means the supplemental paying agency agreement dated 28 January 2013 between the Issuer, RAB, the Trustee, the CNY Paying Agent, CMU Lodging Agent and CNY Registrar and the other agents named therein relating to the issue of the Notes.

2. Unless the context requires otherwise, references to (a) the "**Paying Agency Agreement**" shall be deemed to be to the Paying Agency Agreement as supplemented by the Supplemental Paying Agency Agreement; (b) the "**Principal Paying Agent and Transfer Agent**" and a "**Paying Agent**" shall be deemed to be to the CNY Paying Agent (including any successor thereto and any additional paying agent appointed in accordance with the Paying Agency Agreement;

(c) the "**Registrar**" shall be deemed to be to the CNY Registrar (including any successor thereto); and (d) a "**Transfer Agent**" shall be deemed to be to the CNY Transfer Agent (including any successor thereto and any additional transfer agent appointed in accordance with the Paying Agency Agreement).

3. Conditions 7(a)(i) and 7(c) shall be deemed modified and shall be construed such that:

(a) Payments of principal and interest in respect of the Series 12 Notes shall be made by transfer to an account maintained in the Specified Currency with a bank in Hong Kong and the definitions of "**Designated Account**" and "**Designated Bank**" in Condition 7(c) shall be construed accordingly; and

(b) The definition of "**Record Date**" in Condition 7(c) shall be deemed to mean the close of business (Hong Kong time) on the fifteenth business day before the relevant due date for payment. All payments in respect of the CNY Global Note Certificate by the Issuer will be made through the CMU Lodging Agent for the persons and accounts so required (and the definition of Record Date shall be construed in accordance with the terms of the CNY Global Note Certificate).

(c) The definition of "**business day**" in Condition 7(e) shall be deemed deleted and replaced with the following:

"**business day**" means a day (other than a Saturday, Sunday or a public holiday) on which commercial banks and foreign exchange markets settle payments and are open for general business in Moscow, London and Hong Kong.

## **DISTRIBUTION**

22. (i) If syndicated, names of Managers: J.P. Morgan Securities (Asia Pacific) Limited  
The Royal Bank of Scotland plc
- (ii) Stabilisation Manager (if any): The Royal Bank of Scotland plc
23. If non-syndicated, name of Dealer: Not Applicable
24. U.S. Selling Restrictions: Reg S
25. Additional selling restrictions: **People's Republic of China**

Each Joint Lead Manager has represented and agreed that neither it nor its affiliates has offered or sold or will offer or sell any of the Series 12 Notes in the People's Republic of China (excluding the Hong Kong Special Administrative Region of the People's Republic of China, the Macau Special Administrative Region of the People's Republic of China and Taiwan) as part of the initial distribution of the Series 12 Notes.

### **Taiwan**

Each Lead Manager has represented and agreed that the offer of the Notes has not been and will not be registered with the Financial Supervisory Commission of the Republic of China (Taiwan) (the "FSC") pursuant to relevant securities laws and regulations and may not be sold, issued or offered within the Republic of China (Taiwan) through a public offering or in a circumstance which constitutes an offer within the meaning of the Securities and Exchange Act of the Republic of China (Taiwan) that requires registration by or approval from the FSC. Each Lead Manager has also represented and agreed that no person or entity in the Republic of China (Taiwan) has been authorised to offer, sell, give advice regarding or otherwise intermediate the offering and sale of the Notes in the Republic of China (Taiwan).

## **PURPOSE OF ISSUE TERMS**

These Issue Terms comprise the Issue Terms which complete the Conditions of the Series 12 Notes to be issued pursuant to the U.S.\$15,000,000,000 Programme for the Issuance of Loan Participation Notes by, but with limited recourse to, RSHB Capital S.A. for the purpose of financing a loan to RAB.

## **RESPONSIBILITY**

The Issuer and RAB accept responsibility for the information contained in these Issue Terms and acknowledge and agree that these Issue Terms modify and complete the Conditions in respect of the Notes only.

Signed on behalf of **RSHB Capital S.A.:**

By:

Duly authorised

Signed on behalf of **Russian Agricultural Bank:**

By:

By:

Duly authorised

By:

## PART B – OTHER INFORMATION

### 1. LISTING

- (i) Admission to trading: Application has been made by the Issuer (or on its behalf) for the Series 12 Notes to be admitted to the Official List and trading on the regulated market of the Irish Stock Exchange with effect from the Issue Date.
- (ii) Estimate of total expenses related to admission to trading: EUR2,991.20

### 2. RATINGS

Ratings: The Series 12 Notes are expected to be rated:

Fitch: BBB

Moody's: Baa1

A rating is not recommendation to buy, sell or hold securities and can be revised, suspended or withdrawn at any time by the assigning rating agency. Similar ratings of different types of notes may not necessarily bear the same meanings.

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 Community and registered under Regulation (EC) No. 1060/2009 of the European Parliament and of the Council dated 16 September 2009 on credit rating agencies as amended (the "**CRA Regulation**") unless the rating is provided by a credit rating agency operating in the European Community before 7 June 2010 which has submitted an application for registration in accordance with the CRA Regulation and such registration is not refused.

Moody's Investors Service, Inc. ("**Moody's**") is a credit rating agency established outside the European Union and is not registered under the CRA Regulation.

Fitch Ratings CIS Limited ("**Fitch**") is a credit rating agency established in the European Union and is registered under the CRA Regulation.

### 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 Series 12 Notes has an interest material to the offer.

### 4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

- (i) Reasons for the offer: See "*Use of Proceeds*" in the Base Prospectus.

- |       |   |  |
|-------|---|--|
| (ii)  | Estimated net proceeds of the Issue:  | The net proceeds will be equal to the gross proceeds of the Series 12 Notes in the amount of CNY1,000,000,000. |
| (iii) | Estimated total expenses:   | U.S.\$444,635.34   |
| (iv)  | Estimated proceeds of the Series 12 Loan from the Issuer to the Borrower, less the estimated fees and expenses payable by the Borrower in connection with the Series 12 Loan: | CNY1,000,000,000   |

5. **FIXED RATE NOTES ONLY – YIELD**

Indication of yield: 3.6 per cent. per annum

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

6. **OPERATIONAL INFORMATION**

ISIN Code: HK0000138237

CMU Instrument Number: BNYHFN13004

Common Code: 088111923

Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking société anonyme and the relevant identification number(s):	The Notes will be cleared through CMU. For persons seeking to hold a beneficial interest in the Notes through Euroclear or Clearstream, Luxembourg, such persons will hold their interests through an account opened and held by Euroclear or Clearstream, Luxembourg with the CMU Operator.
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Delivery: Delivery against payment

Names and addresses of initial Paying Agent(s): As set out in the Drawdown Prospectus

Names and addresses of additional Paying Agent(s) (if any): Not Applicable

7. **OTHER** Not Applicable

## SERIES 12 LOAN SUPPLEMENT

**THIS SENIOR LOAN SUPPLEMENT** is made on 28 January 2013

### **BETWEEN:**

- (1) **RSHB CAPITAL S.A.**, a public limited liability company (*société anonyme*), incorporated in the Grand Duchy of Luxembourg, whose registered office is at 46 A, Avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg, and registered with the Register of Commerce and Companies of Luxembourg under number B111 968 (the "**Lender**"); and
- (2) **RUSSIAN AGRICULTURAL BANK**, an open joint-stock company established under the laws of the Russian Federation whose registered office is at 3 Gagarinsky Pereulok, Moscow 119034, the Russian Federation ("**RAB**").

### **WHEREAS:**

- (A) RAB has entered into an amended and restated senior facility agreement dated 11 May 2012 (as may be amended or supplemented from time to time, the "**Facility Agreement**") with the Lender in respect of RAB's U.S.\$15,000,000,000 Programme for the Issuance of Loan Participation Notes (the "**Programme**").
- (B) RAB proposes to borrow CNY1,000,000,000 (the "**Loan**") and the Lender wishes to make such Loan on the terms set out in the Facility Agreement and this Loan Supplement.

**IT IS AGREED** as follows:

#### **1. Definitions**

Capitalised terms used but not defined in this Loan Supplement shall have the meaning given to them in the Facility Agreement save to the extent supplemented or modified herein.

#### **2. Additional Definitions**

For the purpose of this Loan Supplement, the following expressions used in the Facility Agreement shall have the following meanings:

"**Account**" means the account in the name of the Lender with the CNY Paying Agent (account number 0255931526);

"**Closing Date**" means 4 February 2013;

"**CNY**" or "**Renminbi**" means the lawful currency of the PRC from time to time;

"**CNY Paying Agent**" means The Bank of New York Mellon, Hong Kong Branch;

"**Facility Fee**" means the fee payable by RAB to the Lender in connection with the provision of the Loan pursuant to Clause 3.2 of the Facility Agreement and Clause 6 hereof;

"**Hong Kong**" means the Hong Kong Special Administrative Region of the People's Republic of China;

"**Loan Agreement**" means the Facility Agreement as amended and supplemented by this Loan Supplement;

"**Notes**" means CNY1,000,000,000 3.6 per cent. Loan Participation Notes due 2016 issued by the Lender as Series 12 under the Programme;

"**PRC**" means the People's Republic of China excluding Hong Kong, the Macau Special Administrative Region of the People's Republic of China and Taiwan;

"**RAB Account**" means the account in the name of RAB with J.P. Morgan Chase Bank N.A., London Branch with account number 41037405;

"**Repayment Date**" means 4 February 2016;

"**Specified Currency**" means Renminbi;

"**Subscription Agreement**" means an agreement between the Lender, RAB, J.P. Morgan Securities (Asia Pacific) Limited and The Royal Bank of Scotland plc dated 28 January 2013 relating to the Notes; and

"**Trust Deed**" means the Amended and Restated Principal Trust Deed between the Lender and the Trustee dated 11 May 2012, as supplemented by a supplemental trust deed to be dated on or about 4 February 2013 (as may be amended or supplemented from time to time) constituting and securing the Notes.

### 3. **Incorporation by Reference**

Except as otherwise provided, the terms of the Facility Agreement shall apply to this Loan Supplement as if they were set out herein and the Facility Agreement shall be read and construed, only in relation to the Loan constituted hereby, as one document with this Loan Supplement.

### 4. **AMENDMENTS TO THE FACILITY AGREEMENT**

In relation to the Loan only, the Facility Agreement shall be amended as follows:

- 4.1 the definition of "**Business Day**" in Clause 1.1 of the Facility Agreement shall be deemed deleted and replaced with the following:

"**Business Day**" means a day (other than a Saturday or Sunday or a public holiday) on which commercial banks and foreign exchange markets settle payments and are open for general business in Moscow, London and Hong Kong";

- 4.2 Clause 5.1 of the Facility Agreement shall be deemed deleted and replaced with the following:

"RAB shall repay the Loan not later than 10:00 (Hong Kong time) one Business Day prior to the Repayment Date or such other number of Business Days as may be agreed in advance between the Lender and RAB such that the Lender will be able to make the relevant payment due under the Trust Deed on the Repayment Date in Same-Day Funds to the Account.";

- 4.3 Clause 6.1 of the Facility Agreement shall be deemed deleted and replaced with the following:

"All payments of principal and interest to be made by RAB under this Loan Agreement shall be made to the Lender not later than 10:00 (Hong Kong time) one Business Day prior to each Interest Payment Date or the Repayment Date (as the case may be) or such other number of Business Days as may be agreed in advance between the Lender and RAB such that the Lender will be able to make the relevant payment on the date on which it is due under the Trust Deed in Same-Day Funds to the Account.";

- 4.4 Clause 6.3 of the Facility Agreement shall be deemed deleted and replaced with the following:

"If the Lender notifies RAB (setting out in reasonable detail the nature and extent of the obligation with such evidence as RAB may reasonably require and upon the request of RAB, providing an Opinion of Counsel in respect of the existence of such obligation) that it has become obliged to make any withholding or deduction for or on account of any Taxes from any payment which it is obliged to make under or in respect of the Notes in circumstances where the Lender, subject to receipt thereof, is required to pay additional amounts pursuant to Condition 8 (*Taxation*), RAB agrees to pay to the Lender, not later than 10:00 (Hong Kong time) one Business Day prior to the date on which payment is due to the Noteholders or such other party (as the case may be) or such other number of Business Days prior to the date on which payment is due to the Noteholders or such other party (as the case may be) as may be agreed in advance between the Lender and RAB such that the Lender will be able to make the relevant payment on the date on which it is due under the Trust Deed, in each case in Same-Day Funds to the Account, such additional amounts as are equal to the said additional amounts which the Lender must pay pursuant to the terms of Condition 8 or otherwise provided, however, that the Lender

shall procure that immediately upon receipt from any Paying Agent of any sums paid pursuant to this provision, to the extent that the Noteholders or such other party, as the case may be, are not entitled to such additional amounts pursuant to the Conditions, pay such additional amounts to RAB (it being understood that neither the Lender, nor the Principal Paying Agent and Transfer Agent nor any Paying Agent shall have any obligation to determine whether any Noteholder or such other party is entitled to such additional amount)."

**5. The Loan**

**5.1 Drawdown**

Subject to the terms and conditions of the Loan Agreement, the Lender agrees to make the Loan on the Closing Date to RAB and RAB shall make a single drawing in the full amount of the Loan.

**5.2 Interest**

The Loan is a Fixed Rate Loan. Interest shall be calculated, and the following terms used in the Facility Agreement shall have the meanings, as set out below:

<b>5.2.1. Fixed Rate Loan Provisions</b>	Applicable
(i) Rate of Interest:	3.6 per cent. per annum payable semi-annually in arrear
(ii) Interest Payment Date(s):	4 February and 4 August in each year, provided that if any Interest Payment Date is not a Business Day, payment shall not be made until the next following Business Day and no further interest or other payment shall be made in respect of such delay
(iii) Interest Commencement Date:	4 February 2013
(iv) Fixed Amount:	Not Applicable
(v) Broken Amount(s):	Not Applicable
(vi) Day Count Fraction:	Actual/365 (Fixed)
(vii) Determination Date(s):	Not Applicable
(viii) Other terms relating to the method of calculating interest for Fixed Rate Loans:	Not Applicable

<b>5.2.2. Floating Rate Loan Provisions</b>	Not Applicable
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**5.3 Use of Proceeds**

The proceeds of the Loan will be applied to general corporate purposes.

**6. Fees and Expenses**

Pursuant to Sub-clause 3.2 of the Facility Agreement and in consideration of the Lender making the Loan to RAB, RAB hereby agrees that it shall, two Business Days before the Closing Date, pay to the Lender, in Same-Day Funds, the Facility Fee as increased by the front end fees, commissions and expenses incurred by the Lender in connection with financing the Loan, pursuant to an invoice submitted by the Lender to RAB as separately set out in the Fees and Expenses Side Letter dated 28 January 2013.

## **7. Jurisdiction**

- 7.1 Clauses 14.10.1 to 14.10.2 (inclusive) of the Senior Facility Agreement shall be deleted and replaced in their entirety with the following:

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 14.10.1 (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) (the "**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 court under sections 45 and 69 of the Arbitration Act 1996."

- 7.2 Clauses 14.10.4 to 14.10.6 (inclusive) of the Senior Facility Agreement shall be deleted.
- 7.3 Clauses 14.10.3 and 14.10.7 to 14.10.8 (inclusive) of the Senior Facility Agreement shall be deemed renumbered accordingly.

## **8. Governing Law**

This Loan Supplement and any non-contractual obligations arising herefrom shall be governed by, and construed in accordance with, English law.

## SUBSCRIPTION AND SALE

*The section headed "Subscription and Sale" in the Base Prospectus is supplemented in respect of the Series 12 Notes as set out below.*

### **Selling Restrictions**

#### ***People's Republic of China***

Each Joint Lead Manager has represented and agreed that neither it nor its affiliates has offered or sold or will offer or sell any of the Series 12 Notes in the People's Republic of China (excluding the Hong Kong Special Administrative Region of the People's Republic of China, the Macau Special Administrative Region of the People's Republic of China and Taiwan) as part of the initial distribution of the Series 12 Notes.

#### ***Taiwan***

Each Lead Manager has represented and agreed that the offer of the Notes has not been and will not be registered with the Financial Supervisory Commission of the Republic of China (Taiwan) (the "FSC") pursuant to relevant securities laws and regulations and may not be sold, issued or offered within the Republic of China (Taiwan) through a public offering or in a circumstance which constitutes an offer within the meaning of the Securities and Exchange Act of the Republic of China (Taiwan) that requires registration by or approval from the FSC. Each Lead Manager has also represented and agreed that no person or entity in the Republic of China (Taiwan) has been authorised to offer, sell, give advice regarding or otherwise intermediate the offering and sale of the Notes in the Republic of China (Taiwan).

## GENERAL INFORMATION

- (a) Except as described in "*Recent developments*" in this Drawdown Prospectus, there has been no significant change in the financial or trading position or prospects of RAB or the RAB Group since 30 June 2012 and no material adverse change in the financial or trading position or prospects of the RAB or the RAB Group since 31 December 2011.
- (b) There has been no significant change in the financial or trading position or prospects of the Issuer and no material adverse change in the financial or trading position or prospects of the Issuer since 31 December 2011. The Issuer has no subsidiaries.
- (c) Neither RAB nor any of its subsidiaries is involved in, or has been involved in, any governmental, legal or arbitration proceedings that may have had in the twelve months before the date of this Drawdown Prospectus, a significant effect on the financial position or profitability of the RAB Group, nor, so far as RAB is aware, are any such proceedings pending or threatened.
- (d) The Issuer has not been involved in any governmental, legal or arbitration proceedings that may have had, in the twelve months before the date of this Drawdown Prospectus, a significant effect on the Issuer's financial position or profitability, nor, so far as the Issuer is aware, are any such proceedings pending or threatened.
- (e) For so long as any of the Notes is outstanding, copies (and English translations where the documents in question are not in English) of the following documents may be obtained in physical form free of charge at the specified offices of the Trustee and the Paying Agent in Dublin during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted):
- the audited consolidated financial statements of the RAB Group as of 31 December 2009, 2010 and 2011 and for each year then ended, prepared in accordance with IFRS, and the unaudited condensed consolidated interim financial statements of the RAB Group as of and for the six months ended 30 June 2012, prepared in accordance with IAS 34; and
  - the audited consolidated financial statements of the Issuer as of 31 December 2009, 2010 and 2011 and for each year then ended, prepared in accordance with IFRS,
- and copies of the following documents will be available for inspection at the specified offices of the Trustee and the Paying Agent in Dublin during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted):
- the Memorandum and Articles of Incorporation of the Issuer;
  - RAB's Articles of Association (charter);
  - the Facility Agreement;
  - the Trust Deed in respect of the Notes (including the forms of the CNY Global Note Certificate and Individual Note Certificates);
  - the Paying Agency Agreement; and
  - a copy of this Drawdown Prospectus together with any supplement to this Drawdown Prospectus.
- (f) As of the date of this Drawdown Prospectus, RAB is in compliance with applicable Russian law corporate governance requirements in all material respects.
- (g) The Issuer does not intend to provide any post issuance information in respect of the Notes.

**RAB**

**Russian Agricultural Bank**  
3 Gagarinsky Lane  
Moscow 119034  
Russian Federation

**ISSUER**

**RSHB Capital S.A.**  
46 A, Avenue J.F. Kennedy  
L-1855 Luxembourg  
Grand Duchy of Luxembourg

**JOINT LEAD MANAGERS**

**J. P. Morgan Securities (Asia Pacific) Limited**  
28/F Chater House  
8 Connaught Road Central  
Hong Kong

**The Royal Bank of Scotland plc**  
135 Bishopsgate  
London EC2M 3UR  
United Kingdom

**LEGAL ADVISERS TO RAB**

*As to English law*  
**Clifford Chance LLP**  
10 Upper Bank Street  
London E14 5JJ  
United Kingdom

*As to Russian law*  
**Clifford Chance CIS Limited**  
6 Ulitsa Gasheka  
Moscow 125047  
Russian Federation

*As to Luxembourg law*  
**Clifford Chance**  
2-4, place de Paris  
L-1011 Luxembourg  
Grand Duchy of Luxembourg

**LEGAL ADVISERS TO THE JOINT LEAD MANAGERS**

*As to English law*  
**Allen & Overy LLP**  
One Bishops Square  
London E1 6AD  
United Kingdom

*As to Russian law*  
**Allen & Overy Legal Services**  
Dmitrovsky pereulok 9  
Moscow 107031  
Russian Federation

**TRUSTEE**

**BNY Mellon Corporate Trustee Services  
Limited**  
One Canada Square London E14 5AL  
United Kingdom

**PRINCIPAL PAYING AGENT, TRANSFER  
AGENT AND CALCULATION AGENT**

**The Bank of New York Mellon**  
One Canada Square  
London E14 5AL  
United Kingdom

**REGISTRAR, PAYING AGENT AND  
TRANSFER AGENT**

**The Bank of New York Mellon  
(Luxembourg) S.A.**  
Vertigo Building - Polaris  
2-4 rue Eugène Ruppert  
L-2453 Luxembourg

**LISTING AGENT**

**The Bank of New York Mellon  
(Ireland) Limited**  
Hanover Building  
Windmill Lane  
Dublin 2  
Ireland

**CMU LODGING AGENT,  
CNY PAYING AGENT, CNY  
TRANSFER AGENT AND  
CNY REGISTRAR**

**The Bank of New York Mellon,  
Hong Kong Branch**  
Level 24, Three Pacific Place  
1 Queen's Road East  
Hong Kong

**IRISH PAYING AGENT**

**The Bank of New York Mellon  
(Ireland) Limited**  
Hanover Building  
Windmill Lane  
Dublin 2  
Ireland

**AUDITORS TO RAB**

**ZAO PricewaterhouseCoopers Audit**  
Butyrsky Val 10  
Moscow 125047  
Russian Federation

**AUDITORS TO THE ISSUER**

**L'Alliance Révision SARL**  
1, rue des Glacis  
L-1628  
Luxembourg  
Grand Duchy of Luxembourg