MINISTRY OF FINANCE OF THE RUSSIAN FEDERATION
(MINFIN OF RUSSIA)
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STATE GUARANTEE OF THE RUSSIAN FEDERATION
No. 04-04-10/173

Moscow 6 December 2010


1. TERMS AND DEFINITIONS

- **State Guarantee** – a written obligation of the Russian Federation to be liable for performance by the Issuer of the Bonds Obligations to the Bond Holders subject to the Bond Holders following the terms of the State Guarantee.
- **Cap Guarantee** – the amount of the Guarantor’s obligations under the State Guarantee limited to the sum of up to fourteen billion (14,000,000,000) Roubles to pay the par value of the Bonds.
- **Guarantor** - the Russian Federation represented by the Ministry of Finance of the Russian Federation.
Issuer – Open Joint Stock Company «The Agency for Housing Mortgage Lending» registered by the Moscow Registration Chamber on 5 September 1997, state registration number 067.470 (uniform state register of legal entities number 1027700262270).

Bonds – non-convertible documentary coupon bearer bonds series А23 issued by Open Joint Stock Company «The Agency for Housing Mortgage Lending» denominated in the currency of the Russian Federation (the par value of one Bond equals one thousand (1,000) Roubles).

Resolution authorizing issuance of securities – the resolution authorizing issuance of the Bonds made based on the decision of the Supervisory Council of Open Joint Stock Company «The Agency for Housing Mortgage Lending» of 22 October 2010 (Minutes of 22 October 2010 No. 02) authorizing placement of the Bonds.

Prospectus – the prospectus made in accordance with the Regulation on disclosures by issuers of issuance securities approved by Order of the FFMS of Russia of 10 October 2006 No. 06-117/pz-n, and based on the decision of the Supervisory Council of Open Joint Stock Company «The Agency for Housing Mortgage Lending» of 22 October 2010 (Minutes of 22 October 2010 No. 02) authorizing placement of the Bonds.

Certificate – a document issued by the Issuer which certifies aggregate rights to the number of the Bonds stated in the Certificate and which is made in accordance with Federal Law of 22 April 1996 No. 39-FZ ‘On Securities Market’, the Standards of issuing securities and registering prospectuses approved by Order of the FFMS of Russia of 25 January 2007 No. 07-4/pz-n, the Regulation on disclosures by issuers of issuance securities approved by Order of the FFMS of Russia of 10 October 2006 No. 06-117/pz-n.

Depositary – Closed Joint Stock Company National Depositary Center acting as a depositary for centralized storage of the Certificate, centralized storage of the Bonds and recording and certifying the rights (transfer of the rights) to the Bonds.

Paying Agent – VTB Bank (Open Joint Stock Company) approved by the decision of the Supervisory Council of Open Joint Stock Company «The Agency for Housing Mortgage Lending» of 22 October 2010 (Minutes of 22 October 2010 No. 02). Functions of the Paying Agent include making payments in order to perform the Bonds Obligations and collecting Claims for the performance of the Obligations and mandatory documents, examining their justification and providing the Guarantor with the register of the received Claims for the performance of the Obligations containing the results of this examination.

Bonds Obligations – the Issuer’s obligations to pay a Portion of the par value of the Bonds at repayment of the respective Portion of the par value of the Bonds, the performance of which is secured by the State Guarantee. The terms and order of performance by the Issuer of the Bonds Obligations are determined by the Resolution authorizing issuance of securities, the Prospectus and the Certificate.
− **Payment Date** – the date of payment of the Portion of the par value of the Bonds provided for by the Resolution authorizing issuance of securities and the Prospectus for the Issuer to perform its Bonds Obligations.

− **Fact of Default** – failure to perform or partial performance by the Issuer of the Bonds Obligations.

− **Bond Holders** – individuals or legal entities who own the Bonds.

− **Claim for the performance of the Obligations** – a claim made by a Bond Holder on the Guarantor in accordance with clause 4.3. of the State Guarantee delivered to the Guarantor by the Bond Holder through the Paying Agent.

− **Portion of the par value of the Bonds** – the respective amount of the Portion of the par value of the Bonds determined by the Resolution authorizing issuance of securities and the Prospectus and payable on the Payment Date with the following repayment dates:
  − 15 December 2017 – ten (10)% of the par value of the Bonds;
  − 15 December 2018 – twenty (20)% of the par value of the Bonds;
  − 15 December 2021 – twenty (20)% of the par value of the Bonds;
  − 15 December 2022 – ten (10)% of the par value of the Bonds;
  − 15 December 2023 – ten (10)% of the par value of the Bonds;
  − 15 December 2025 – ten (10)% of the par value of the Bonds;
  − 15 December 2026 – five (5)% of the par value of the Bonds;
  − 15 December 2027 – five (5)% of the par value of the Bonds;
  − 15 December 2028 – five (5)% of the par value of the Bonds;
  − 15 December 2029 – five (5)% of the par value of the Bonds;

The terms not specifically defined in this State Guarantee shall be used in meanings determined by laws and other regulations of the Russian Federation.

2. SUBJECT OF THE STATE GUARANTEE

2.1. The State Guarantee shall be issued by the Guarantor to secure proper performance of the Bonds Obligations by the Issuer.

2.2. Under the State Guarantee, in case of the Fact of Default by the Issuer of the Bonds Obligations the Guarantor shall pay the Bond Holders the amount of the Portion of the par value of the Bonds at repayment of the respective Portion of the par value of the Bonds subject to the Bond Holders meeting the periods of and procedure for making the Claim for performance of the Bonds Obligations but not exceeding the amount of the Cap Guarantee.

3. TERMS OF THE STATE GUARANTEE

3.1. The State Guarantee shall be public. Any person who is the Bond Holder shall have the right to make a Claim on the Guarantor for the performance of the Obligations as and when established by the State Guarantee in case of the Issuer’s failure to perform the Bonds Obligations.

3.2. The State Guarantee shall be irrevocable.
3.3. The terms of the State Guarantee may not be changed for the whole validity period of the State Guarantee.

3.4. All terms of the State Guarantee shall be fully included into the Resolution authorizing issuance of securities, the Prospectus and the Certificate.

3.5. The Guarantor’s obligations under the State Guarantee shall cover only the Fact of Failure by the Issuer to perform its obligations to pay the Bond Holders the Portion of the par value of the Bonds at repayment of the respective Portion of the par value of the Bonds. Any Issuer’s delay in performance or failure to perform other obligations to the Bond Holders as well as the obligation to pay the amounts of interest, fines, commissions, penalties for the delay in performance of the Bonds Obligations and other Issuer’s obligations shall not be the guarantee event for the purposes of providing the State Guarantee. The Guarantor shall not be responsible for indemnifying the costs incurred by the Bond Holders to collect the Issuer’s debt and other losses incurred by the Bond Holders due to failure to perform or improper performance of the Issuer’s Bonds Obligations.

3.6. The Bonds shall grant the Bond Holders all rights arising out of the State Guarantee. The transfer of the rights to the Bonds to the purchaser shall be accompanied by the transfer of the rights under the State Guarantee within the scope and on the terms established at the moment of the transfer of the rights to the Bonds. Any transfer of the rights arising out of the State Guarantee apart from the transfer of the rights to the Bonds shall be invalid.

3.7. The Guarantor shall perform its obligations under the State Guarantee within the scope of the federal budget designated for these purposes by the federal law on the federal budget for the respective year and the planning period and shall be accounted for as expenditure of the federal budget.

3.8. Along with performance by the Issuer of the Bonds Obligations and/or by the Guarantor of the obligations under the State Guarantee the amount of the Guarantor’s obligations under the State Guarantee shall reduce accordingly. Failure to make a Claim for performance of the Bonds Obligations or making a claim in violation of clause 4.3 of the State Guarantee shall also result in reduction of the Guarantor’s obligations under the State Guarantee for the amount of these claims upon expiry of the period stated in clause 4.3 of the State Guarantee.

4. PERFORMANCE OF OBLIGATIONS UNDER THE STATE GUARANTEE

4.1. The Guarantor shall perform the Issuer’s Bonds Obligations only after the Fact of Default by the Issuer to perform the Bonds Obligations (the Guarantor’s subsidiary liability) is acknowledged and only to the extent that the Bonds Obligations are not performed by the Issuer.

4.2. The Fact of Default by the Issuer to perform the Bonds Obligations shall be acknowledged if:

4.2.1. the Issuer fails to pay or does not pay in full the amount of the Portion of the par value of the Bonds at repayment of the respective Portion of the par value of the Bonds to the Bond Holders on the respective Payment Date;

4.2.2. the Bond Holder makes a claim on the Issuer to immediately indemnify the
Portion of the par value of the Bonds and within thirty (30) days from the date of making this claim the Bond Holder does not receive the Issuer’s response to the made claim or does not receive the Issuer’s refusal to satisfy the claim before expiry of the thirty-day period;

4.2.3. the Bond Holder makes a claim on the Guarantor to perform the Bonds Obligations by sending this Claim for performance of the Bonds Obligations to the Paying Agent in the form, order and period established by clauses 4.3, 4.4 and 4.5 of the State Guarantee.

4.3. When making Claims on the Guarantor for the performance of the Bonds Obligations the following terms and restrictions shall be observed:

4.3.1. The Claim for the performance of the Bonds Obligations shall be made on the Guarantor within ninety (90) days from the respective Payment Date on which the Issuer did not perform the Bonds Obligations;

4.3.2. The Claim for the performance of the Bonds Obligations shall be made on the Guarantor on writing, signed by the Bond Holder and sealed by the Bond Holder (for legal entities);

4.3.3. The Claim for the performance of the Bonds Obligations shall state: the surname, name, patronymic or the company name of the Bond Holder, its taxpayer’s identification number (INN), residence (business address), the scope of the non-performed Bonds Obligations to pay the Portion of the par value of the Bonds at repayment of the respective Portion of the par value of the Bonds in favour of the Bond Holder making this Claim for the performance of the Bonds Obligations, the reference to the State Guarantee as basis for making the Claim for the performance of the Bonds Obligations.

4.4. The Claim for the performance of the Bonds Obligations shall be accompanied by the following documents:

4.4.1. the statement of the deposit account with the Depositary or depositaries who are depositors of the Depositary confirming the rights of the Bond Holder to its Bonds;

4.4.2. the notarized copy of the document substantiating making the claim by the Bond holder on the Issuer and the receipt of this claim by the Issuer in accordance with sub-clause 4.2.2 of clause 4.2 of the State Guarantee;

4.4.3. the copy of the claim sent by the Bond Holder to the Issuer in accordance with sub-clause 4.2.2 of clause 4.2 of the State Guarantee which is notarized by the Issuer or the Bond Holder;

4.4.4. the copy of the Issuer’s refusal to perform the Bonds Obligations received by the Bond Holder in accordance with sub-clause 4.2.2 of clause 4.2 of the State Guarantee (if any), which is notarized by the Issuer.

4.5. The Claim for the performance of the Bonds Obligations and accompanying documents shall be sent to the Paying Agent for the Guarantor at the following postal address: 37 Pluschikha st., Moscow, 119121 marked ‘To the Depositary of OJSC VTB Bank for the Ministry of Finance of the Russian Federation’.

4.6. In case of changes in the postal address stated in clause 4.5 of the State Guarantee the respective information shall be published in the Vremya
Novostei newspaper not later than ten (10) days before the Payment Date.

4.7. The date of making the Claim for the performance of the Bonds Obligations on the Guarantor shall be the date of receipt thereof by the Paying Agent.

4.8. The Claim for the performance of the Bonds Obligations and examination of its justification shall be made within thirty (30) days from the date of making the claim on the Guarantor. The Guarantor shall have the right to make any objections to the Claim for the performance of the Bonds Obligations which could have been made by the Issuer and shall not lose the right to these objections even in case the Issuer has cancelled such objections and acknowledged the debt.

In exceptional cases for the purposes of an additional examination the period of consideration of the Claim for the performance of the Bonds Obligations may be extended but shall not exceed sixty (60) days from the date of the Claim.

4.9. The Claim for the performance of the Bonds Obligations shall be acknowledged as unjustified in any of the following cases:

4.9.1. violation of the period for making the Claim for the performance of the Bonds Obligations established by sub-clause 4.3.1 of clause 4.3 of the State Guarantee;

4.9.2. the Claim for the performance of the Bonds Obligations is unduly executed or does not contain complete information provided for by sub-clauses 4.3.2 and 4.3.3 of clause 4.3 of the State Guarantee;

4.9.3. the documents provided for by clause 4.4 of the State Guarantee are incomplete and/or unduly executed;

4.9.4. there is a discrepancy between the amounts claimed by the Bond Holder and the amounts payable by the Issuer and/or Guarantor in accordance with the Bonds Obligations;

4.9.5. the Bond Holder has refused to accept the duly performance of the Issuer’s obligations offered by the Issuer or a third party.

4.10. The Claims for the performance of the Bonds Obligations made on the Guarantor upon expiry of ninety (90) days from the respective Payment Date on which the Issuer did not perform the Bonds Obligations shall result in the Guarantor’s refusal to perform the obligations under the State Guarantee.

4.11. If the Guarantor acknowledges the Claim for the performance of the Bonds Obligations as justified the Paying Agent for the Bonds shall, under instructions of the Guarantor and not later than sixty (60) days from the date of making the Claim for the performance of the Bonds Obligations, transfer the amounts payable to the Bond Holder to its bank account in accordance with the details of the Bond Holder’s bank account stated in the Claim for the performance of the Bonds Obligations.

4.12. If the Claim for the performance of the Bonds Obligations shall be acknowledged as unjustified the Guarantor shall, within sixty (60) days from the date of making the Claim for the performance of the Bonds Obligations, send the Bond Holder a reasoned notification of refusal to satisfy the Claim for the performance of the Bonds Obligations.
5. VALIDITY PERIOD OF THE STATE GUARANTEE

5.1. The State guarantee shall come into force from the state of the state registration of the Bonds issue.

5.2. The State Guarantee shall be valid through 15 March 2030.

5.3. The Bond Holders shall have the right to make Claims for the performance of the Bonds Obligations within ninety (90) days from the date of the Fact of Default by the Issuer of its obligations to pay the Portion of the par value of the Bonds at repayment of the respective Portion of the par value of the Bonds.

5.4. The State Guarantee shall terminate upon occurrence of any of the following:
   5.4.1. upon expiry of the validity period of the State Guarantee stated in clause 5.2 of the State Guarantee;
   5.4.2. upon full performance by the Guarantor of its obligations under the State Guarantee;
   5.4.3. upon full performance by the Issuer of the Bonds Obligations;
   5.4.4. if the Issuer’s obligation secured by the State Guarantee does not occur;
   5.4.5. as a result of the Bond Holder’s waiver of its rights under the State Guarantee by returning the same to the Guarantor or making a written statement of waiver of the Guarantor’s obligations.

6. MISCELLANEOUS

5.5. Any disputes concerning the State Guarantee shall be subject for consideration by the Moscow Court of Arbitration.

5.6. The State Guarantee is executed in one copy on nine (9) pages. The State Guarantee shall be delivered to the Issuer against the acceptance report. The Issuer shall make and notarize copies of the State Guarantee for the Guarantor and for the Paying Agent.
7. ADDRESS AND BANKING DETAILS OF THE GUARANTOR

Ministry of Finance of the Russian Federation
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Deputy Minister of Finance of the Russian Federation,

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D.V. Pankin

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Bound, numbered and sealed nine (9) pages. (M.G. Ryabkova)