

Construction of Affordable Housing

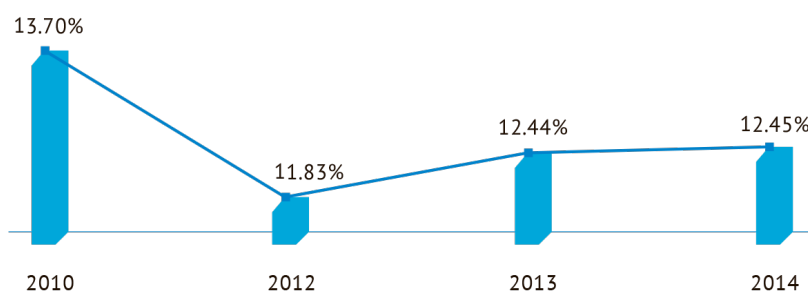
Housing bought under the Programme (including under construction) totalled around 4 mn square metres

In 2014, Vnesheconombank completed the buyout of bonds under the Programme for Investment in Affordable Housing Construction and Mortgage Loans in 2010–2013. All participants of the Programme met their obligations in full and on time. The Programme has made mortgage loans more affordable for wider public and has had a positive impact on construction of value class housing in Russia.

Vnesheconombank's Programme for Investment in Affordable Housing Construction and Mortgage Loans in 2010–2013 was designed to encourage mortgage lending and increase affordability of homes. The gross amount of mortgage loans issued under the Programme (including those repaid ahead schedule) exceeded RUB 300 bn. Loans were issued at rates not exceeding 11% p. a., which helped reduce mortgage loan rates in the market.

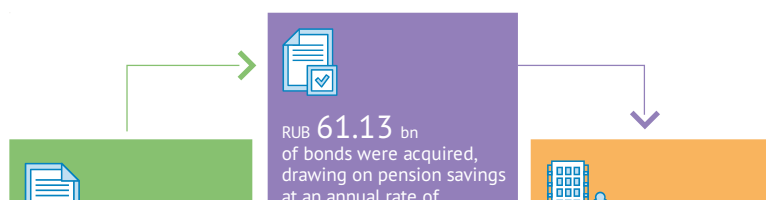
Since the Programme's approval in early 2010, average weighted interest rates on rouble-denominated housing mortgage loans in Russia have declined from 13.7 to 12.4% in the primary and secondary markets. When banks participating in the Programme were actively issuing mortgage loans in early 2014, rates went as low as 11.8%.

Performance of Annual Interest Rates on Mortgage Loans in Russia Since the Programme's Launch (at the Year End)



As part of the Programme, Vnesheconombank bought 32 mortgage-backed bonds for a total of RUB 91.7 bn. In line with the Programme's terms, two thirds of them were bought using pension savings under the STMC's management and one third using the Bank's own funds. The offerings of mortgage-backed bonds made under the Programme were arranged by a subsidiary of Vnesheconombank Group, VEB Capital. In 2014, VEB Capital successfully discharged its commitments by issuing 18 mortgage-backed bonds for a total of RUB 49.356 bn.

Outcomes of Vnesheconombank's Programme for Investment in Affordable Housing Construction and Mortgage Loans in 2010–2013





Programme: Russian Family Housing

Vnesheconombank, the China Development Bank (CDB), AHML and VEB Asia signed a memorandum of understanding in the presence of Russian President Vladimir Putin and the President of the People's Republic of China Xi Jinping in Beijing in 2014. In the document, Vnesheconombank and CBD reiterate their interest in the financing of social housing programmes of AHML and their commitment to interact with the agency as financial advisers and potential investors.

The Russian Family Housing programme run by AHML is included in the government's crisis management plan of priority actions to ensure sustainable economic development and social stability in 2015. 25 mn square metres of value housing are planned to be built under the programme until mid-2017. These apartments will be offered at a price 20% below market prices. AHML's financing requirements reach up to RUB 135.5 bn, with loan maturities up to 25 years.