

Proposals by TransRegionalCapital Limited (the “Issuer”)
with respect to the
U.S.\$100,000,000 10.514 per cent. Loan Participation Notes due 2017 with an interest rate
step-up in 2012 (the “Notes”)
(of which U.S.\$100,000,000 is currently outstanding)
(ISIN: XS0311369978; Common Code: 031136997)
issued by, but with limited recourse to, the Issuer
for the sole purpose of financing a subordinated loan to the
Open Joint Stock Bank “TRANSCAPITALBANK” (the “Borrower”)

28 April 2015 – the Issuer (with the agreement of the Borrower) today formally announces a proposal to amend certain provisions of the Loan Agreement, Conditions, Global Note, Trust Deed and Paying Agency Agreement (the “**Consent Solicitation**”) as set out in a consent solicitation memorandum dated 28 April 2015 (the “**Consent Solicitation Memorandum**”). The Issuer (with the agreement of the Borrower) is seeking approval for such proposals by way of an extraordinary resolution (the “**Extraordinary Resolution**”) of the holders of the Notes (“**Noteholders**”).

The Issuer (with the agreement of the Borrower) is inviting the Noteholders to consider the proposals upon the terms and conditions set out in the Consent Solicitation Memorandum.

Overview	ISIN / Common Code	Outstanding Amount	Interest Rate	Maturity Date	Write Down Provisions	Early Consent Fee	Late Consent Fee
The Notes	XS0311369978 / 031136997	U.S.\$100,000,000	7.74 per cent.	18 July 2017	None	U.S.\$50 per U.S.\$1,000	U.S.\$10 per U.S.\$1,000
The Notes (as amended)	XS0311369978 / 031136997	U.S.\$100,000,000	10 per cent.	18 September 2020	Apply as described in the Consent Solicitation Memorandum	principal amount of Notes	principal amount of Notes

All capitalised but undefined terms used in this announcement shall have the meaning given to them in the Consent Solicitation Memorandum.

An indicative timetable is set out below.

Event	Date	Description of Event
Launch Date	28 April 2015	Announcement of Consent Solicitation via RIS (as defined herein) and Notifying News Service (as defined herein).
		Notice of Meeting given to Noteholders through the Clearing Systems.
		Consent Solicitation Memorandum made available to Noteholders via the Tabulation Agent (without any charge for Noteholders). All public documents (including the Loan Agreement, draft Addendum, Trust Deed, draft Supplemental Trust Deed, Paying Agency Agreement and

draft Supplemental Paying Agency Agreement (as defined herein) will be made available to Noteholders for inspection via the Tabulation Agent (without any charge for Noteholders) with effect from the launch date.

Early Consent Deadline	4:00 p.m. (London time), 15 May 2015	Latest time and date for delivery of Consent Instructions to the Tabulation Agent for eligibility for payment of the Early Consent Fee, subject to the right of the Issuer (following consultation with the Borrower), to amend, extend, terminate or re-open the Consent Solicitation pursuant to paragraphs 2, 4 and 5 of the "Terms of the Consent Solicitation" below. After this date, Consent Instructions delivered prior to the Early Consent Deadline are irrevocable and votes may be withdrawn only in the limited circumstances set out herein. No Early Consent Fees shall be payable in respect of Consent Instructions received by the Tabulation Agent after the Early Consent Deadline.
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Expiration Time	4:00 p.m. (London time), 27 May 2015	Latest time and date for delivery of Consent Instructions to the Tabulation Agent and for eligibility for payment of the Late Consent Fee, subject to the rights of the Issuer (following consultation with the Borrower), to amend, extend, terminate or re-open the Consent Solicitation pursuant to paragraphs 2, 4 and 5 of the "Terms of the Consent Solicitation" below.
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Latest time and date to appoint the Tabulation Agent (or its nominee) as proxy to attend the Meeting and vote in favour of the Extraordinary Resolution or to appoint another proxy to attend and vote at the Meeting subject to and in accordance with the provisions of Schedule 5 of the Trust Deed and in accordance with the procedures set out in the Notice of Meeting.

Deadline for eligibility for payment of the Late Consent Fee. ***Consent Instructions received by the Tabulation Agent after the Expiration Time shall be invalid and the Tabulation Agent shall not be appointed as proxy for such Noteholders to attend the Meeting (and any adjourned Meeting) and to vote in favour of the Extraordinary Resolution in respect of Notes. No Consent Fees shall be payable in respect of such Consent Instructions.***

Noteholders Meeting	4:00 p.m. (London time), 29 May 2015	Time and date of the Meeting.
Announcement of results	29 May 2015 (or as soon as reasonably practicable after the Meeting)	Announcement of result of the Meeting or notice of adjournment of the Meeting, as the case may be.
Signing Date	2 June 2015 (or as soon as reasonably practicable after the Announcement of results)	If the Extraordinary Resolution is passed at the Meeting without the need to adjourn, the date on which signing of the Addendum, the Supplemental Agency Agreement and Supplemental Trust Deed is expected to occur. If the Meeting is adjourned, the Signing Date will also be postponed to a date within five Business Days after such later date on which the Extraordinary Resolution is duly passed.
Effective Date	The date of the Addendum.	The date on which the Addendum, the Supplemental Trust Deed and the Supplemental Paying Agency Agreement become effective.
Payment Date	Expected to be the Effective Date or such date no later than five Business Days following the Effective Date	The date on which the Early Consent Fee or the Late Consent Fee (as applicable) is expected to be paid.

Noteholders are advised to check with their broker, dealer, bank, custodian, trust company, Clearing Systems or other nominee or intermediary through which they hold their Notes as to whether such nominee or intermediary applies different deadlines for any of the events specified in the Consent Solicitation Memorandum, and then to adhere to such deadlines if such deadlines are prior to the deadlines set out in the Consent Solicitation Memorandum.

Fees

Noteholders who deliver Consent Instructions in favour of the Extraordinary Resolution (i) on or prior to the Early Consent Deadline, and do not revoke or withdraw such instructions, shall be eligible to receive an amount of U.S.\$50 per U.S.\$1,000 in principal amount of the Notes which are the subject of such instructions; and (ii) after the Early Consent Deadline but on or prior to the Expiration Time, and do not revoke or withdraw such instructions, shall be eligible to receive an amount of U.S.\$10 per U.S.\$1,000 in principal amount of the Notes which are the subject of such instructions, subject to the Extraordinary Resolution being duly passed. Noteholders are advised to read carefully the Consent Solicitation Memorandum for full details of and information on the procedures for participating in the Consent

Solicitation, including details of the fees referred to above. UBS Limited is acting as Solicitation Agent and Deutsche Bank AG, London Branch is acting as Tabulation Agent.

Background to the Proposals

The Consent Solicitation is being undertaken in conjunction with the Borrower in order to improve the composition of its regulatory capital and lengthen its debt redemption profile by:

- (i) modifying certain provisions of the Loan Agreement (as set out in the Addendum, the draft of which is attached in the Schedule to the Form of Notice of Meeting as set out in the Consent Solicitation Memorandum), in order to improve the regulatory capital treatment of the Loan from the perspective of the Borrower by, *inter alia*, (a) including the relevant principal write down and interest and penalties cancellation provisions to make the Loan fully compliant with the requirements for Tier 2 capital recognition under Regulation 395-P; (b) extending the maturity to 18 September 2020; and (c) amending the rate of interest to 10 per cent. from 7.74 per cent. in the Consent Solicitation Memorandum;
- (ii) making consequential changes to the Conditions and the Global Note as set out under the heading “*Proposals Relating to the Conditions and the Global Note*” in the Consent Solicitation Memorandum;
- (iii) making consequential changes to the Trust Deed as set out under the heading “*Proposals relating to the Trust Deed*” in the Consent Solicitation Memorandum; and
- (iv) modifying the Paying Agency Agreement as set out under the heading “*Proposals relating to the Paying Agency Agreement*” in the Consent Solicitation Memorandum.

With respect to items (i)(c) and (ii) above and in light of (a) the provisions of Regulation 395-P regarding the maximum interest rate for subordinated instruments denominated in foreign currency (in the absence of comparable instruments as further discussed in (b)) being 10 per cent. and (b) the absence, in the opinion of the Issuer and the Borrower, of instruments comparable to the Loan (within the meaning of Regulation 395-P), the Issuer and the Borrower believe that 10 per cent. is the highest interest rate which can be set in respect of the Loan and the Notes.

As of the date of the Consent Solicitation Memorandum, the Borrower has procured an approval from the CBR for the amendments contemplated by the Addendum.

Requests for all information in relation to the Consent Solicitation, including requests by holders of Notes for copies of the Consent Solicitation Memorandum, should be directed to:

- (i) Noteholders with any questions on the Consent Solicitation or the Proposals should contact the Solicitation Agent for further information (unless they are holders of Notes in the United States or are U.S. Persons, in which case they should only contact the Tabulation Agent):

UBS Limited
1 Finsbury Avenue
London EC2M 2PP
United Kingdom

Tel: +44 207 567 0525
E-mail: mark-t.watkins@ubs.com
Attention: Liability Management Group

- (ii) Requests by holders of Notes for copies of the Consent Solicitation Memorandum and requests for information in relation to voting procedures should be directed to the Tabulation Agent:

Deutsche Bank AG, London Branch

Winchester House
1 Great Winchester Street
London EC2N 2DB
United Kingdom

Telephone: +44 (0)20 7547 5000
Fax: +44 (0) 20 7547 5001
E-mail: xchange.offer@db.com
Attention: Issuer Services - Debt & Agency Services

All requests for information in relation to voting procedures should be directed to the Tabulation Agent.

This release does not constitute an invitation to participate in the Consent Solicitation.

No offer or invitation to issue or redeem any securities is being made pursuant to this release. This release must be read in conjunction with the Consent Solicitation Memorandum.

This release and the Consent Solicitation Memorandum contain important information which should be read carefully before any decision is made in relation to the Consent Solicitation. If Noteholders are in any doubt as to the action they should take, they are recommended to seek their own financial advice, including as to any tax consequences, from their stockbroker, bank manager, solicitor, accountant or independent financial adviser authorised under the Financial Services and Markets Act 2000 (if in the United Kingdom) or another appropriately authorised financial adviser.

Any Noteholders whose Notes are held on their behalf by a broker, dealer, bank, custodian, trust company or other nominee must contact such entity if they wish to participate in the Consent Solicitation. None of the Issuer, the Borrower, UBS Limited nor Deutsche Bank AG, London Branch (nor any person related to such entity) makes any recommendation as to whether or not Noteholders should participate in the Consent Solicitation.

The distribution of the Consent Solicitation Memorandum and this release in certain jurisdictions may be restricted by law. Persons into whose possession the Consent Solicitation Memorandum comes are required by the Issuer, the Borrower, UBS Limited and Deutsche Bank AG, London Branch to inform themselves about, and to observe, any such restrictions.

This document does not constitute or form part of, and should not be construed as, an offer for sale or subscription of, or a solicitation of any offer to buy or exchange or subscribe for, any securities of the Issuer

or the Borrower or any other entity. This document does not constitute a solicitation in any circumstances in which such solicitation is unlawful.

NOTICE TO U.S. NOTEHOLDERS: The Consent Solicitation is made with respect to the securities of a foreign company. The Consent Solicitation is subject to disclosure requirements of a foreign country that are different from those of the United States. It may be difficult for you to enforce your rights and any claim you may have arising under the U.S. federal securities laws, since the Issuer is located in a foreign country, and some or all of its officers and directors may be residents of a foreign country. You may not be able to sue a foreign company or its officers or directors in a foreign court for violations of the U.S. securities laws. It may be difficult to compel a foreign company and its affiliates to subject themselves to a U.S. court's judgment. You should be aware that the Issuer may also purchase the Notes in open market or privately negotiated purchases.