

## **General requirements of Raiffeisenbank to insurance companies**

### **GENERAL REQUIREMENTS OF THE BANK TO INSURANCE COMPANIES**

1. The company has a *valid insurance license*, in particular to issue insurance policies relevant to the planned partnership.
2. The insurance company has carried out insurance activities (receives premiums, pays insurance claims) without revocation or suspension of its insurance license for at least 3 years. This does not include insurance companies – subsidiaries of companies which have a long-term credit rating of investment grade from one of the international rating agencies - Standard & Poor's and Fitch Ratings: from BBB- and above, Moody's: from Baa3 and above. No restriction is imposed on minimal period of operation of such subsidiaries.
3. No bankruptcy proceedings are conducted in respect of the insurance company, and at the time of the analysis the insurance company has no unfulfilled orders from the Federal Financial Markets Service (FFMS) issued for the following reasons (according to the Federal Law “On the organization of the insurance business in the Russian Federation” No.4015-1, Article 32.3, paragraph 1, subparagraphs 2-9):
  - failure of the insurer to comply with insurance legislation in the part of formation and placement of insurance reserves, and other funds which guarantee insurance payments;
  - failure of the insurer to comply with the established requirements to maintenance of the regulatory ratio of assets and liabilities, and other established requirements for maintenance of financial stability and solvency.
4. The insurance company has no admitted by the court to examination claims, resulting from its economic and financial activities, which concern funds collection<sup>1</sup> in amount able to make significant adverse impact on its operations.
5. The insurance company must provide information about the nominal and ultimate owners who hold more than 5% of the shares in the authorized capital.

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<sup>1</sup> A significant impact is considered one which may lead to the restriction, suspension or revocation of a license; also a significant is considered impact, due to which the value of the assets of the company changes by 10% or more, or the net profit (or loss) changes by 10% or more. (Similar to Article. 30 Federal Law No. 39-FZ “On the securities market”).

6. For the last three months before the insurance company's analysis date, it must not have witnessed the exit of a shareholder/participant, who owned 50% or more of the authorized capital.

7. The assets of the insurance company over the past three completed financial years did not reduce by more than 30% compared to the maximum level reached.

8. The placement of insurance reserves and equity capital must comply with the Order of the Ministry of Finance of the Russian Federation as of 08.08.2005. No. 100N "On the approval of the rules for the placement of insurance reserves by insurance companies" and the Order of the Ministry of Finance of the Russian Federation as of 16.12.2005 No. 149N "On the approval of the requirements for the composition and structure of assets taken to cover the insurer's capital."

9. The regulatory ratio of the Insurer's assets to insurance liabilities should meet the requirements of the Order of the Ministry of Finance of the Russian Federation as of 02.11.2001 no.90N "On the Approval of the Regulation on the Insurers' assets to insurance liabilities regulatory ratio calculation mode."

9. The share of premiums from motor third-party liabilities insurance shall not exceed 30% of the total portfolio.

10. Not more than 25% of the insurance reserves and (or) equity (according to the reporting forms, No. 7 and No. 14) should be invested in bank accounts, deposits, bank securities, for which at least one of the following points is valid:

- a. Suspended or revoked license;
- b. Some operations are suspended;
- c. There is an unfulfilled Central Bank order;
- d. During the last 4 months there are unfulfilled offers to repurchase securities issued;
- e. Limits have been imposed on cash withdrawals;
- f. Deposits withdrawals have been suspended;
- g. Payment transactions have been suspended;
- h. Deposits placement have been suspended.

The official website of the Bank of Russia ([www.cbr.ru](http://www.cbr.ru)) and open mass media serve the sources of the facts given above.

12. The insurance company, its subsidiaries (affiliates) and/or parent<sup>2</sup> companies must not have cases of delay the performance of its obligations, including civil, to the Bank and to companies of the Raiffeisen Group (Raiffeisen-Leasing, NPF Raiffeisen, Raiffeisen Capital Management, Raiffeisen Life), during the last 3 years for more than 30 days, confirmed by valid judicial acts, or recognized by the insurance company and/or the indicated companies.

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<sup>2</sup> The parent structure is regarded a company with predominant participation in the share capital of another company (subsidiary), or in accordance with the contract between them or otherwise a company which can influence the decisions taken by the subsidiary.