



BPS-SBERBANK

| Investment proposal

| Summary

| February 2016

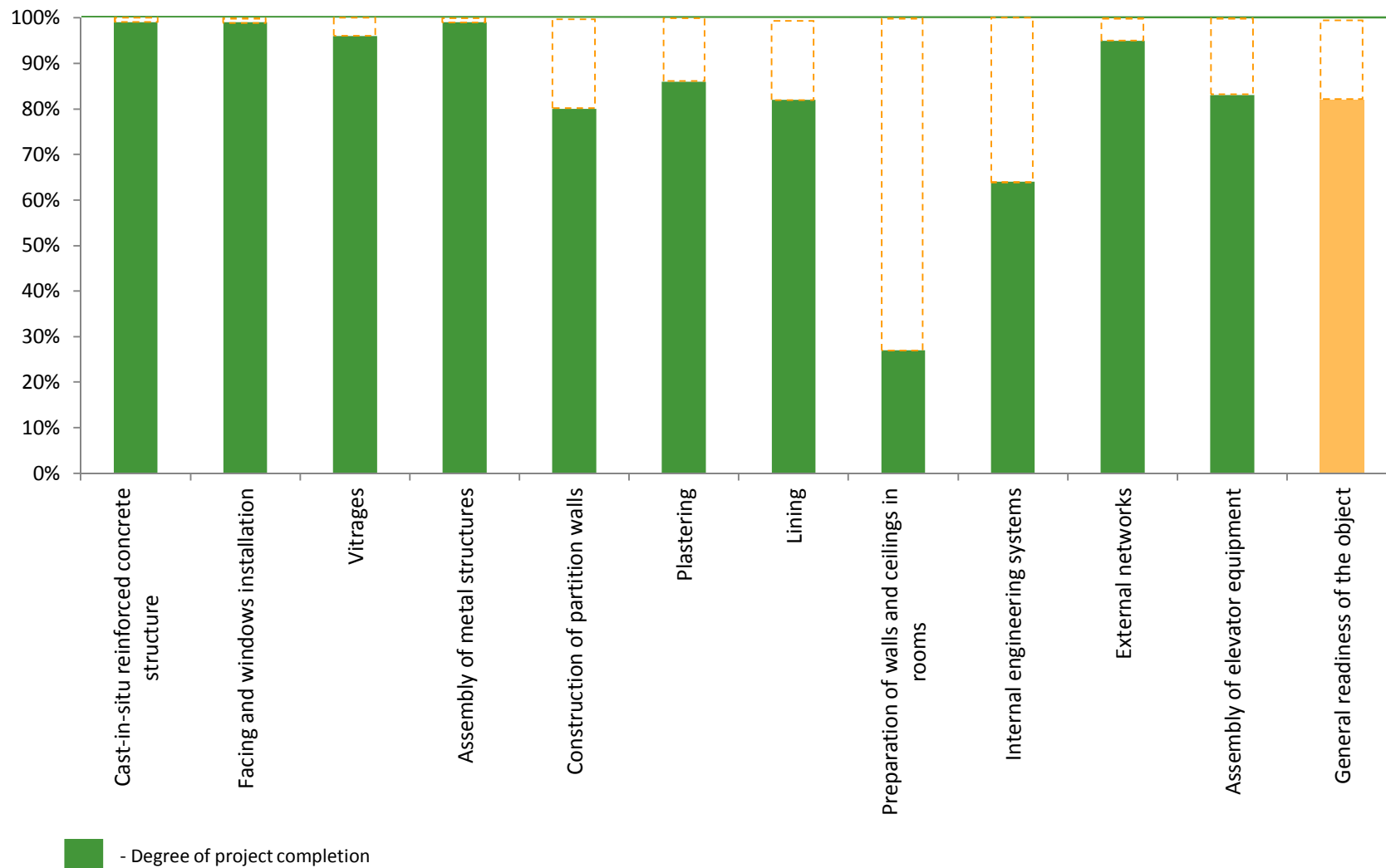
Proposal to the investor

Business project for the investor	Acquisition and completion of construction of the hotel (under Hyatt or other operator's management) with participation of loan resources of the bank
Readiness of the project	72,5%
Business location	Minsk, Republic of Belarus
Market segment	Hotel services
Amount invested into the project	USD 115 million, including loan - USD 70 million
Participation amount proposed to the investor	Subject to discussion
Total amount of investments to complete construction	From USD 40 million to USD 60 million
Structure of the investor's participation	Project acquisition at the auction or from the bank's balance sheet
Factors of success of the project	<ul style="list-style-type: none">• Uncovered niche of luxury and upper upscale hotel services• The highest hotel category compared to all existing hotels in Belarus• Tourist potential of the city of Minsk as the capital of Belarus• Hotel location• Discount – USD 43 million

Project summary

- The investor is proposed to acquire the hotel complex under construction in Minsk and finish its construction
- The structure of acquisition presupposes project purchase with no obligations at the auction or from the bank's balance sheet by the investor for USD 72 million in order to finance completion of construction and manage the hotel complex
- Hotel complex operator – at investor discretion, Hyatt (Hyatt Regency) could be attracted
- There are no hotels of the category that matches or higher than Hyatt Regency one (Upper Upscale 5*) in Belarus currently
- Location of the hotel, limited offer of high quality services, and tourist/business potential of the capital of Belarus are the factors that support project credibility and expected good return on investment

Degree of project implementation



Project information



Parameter	Value
Land plot	
Location	Republic of Belarus, Minsk, area of Novovilenskaya street and Kanatny lane
Area	3,5 ha
Title	Right of lease and permanent use
Validity of title	Term of lease – until completion of construction
General information on buildings and structures	
Type of building	Cultural and recreational centre with hotel
Floors:	
Above main entrance	7
Below main entrance	2
Area of development (total):	11 614 sq.m.
- Including above ground	9 686 sq.m.
Total area:	43 560 sq.m.
Area of roads and open parking lot:	10 521 sq.m.
Other external areas (improvement and landscaping):	13 145 sq.m.
Number of rooms:	253
Hotel class:	5*
Contracted or planned hotel operator	Hyatt International
Services and commercial areas of hotel:	Tea area, offices, shops, pubs, restaurants, banquet halls, conference halls, sports centre, fitness centre, spa centre, hairdressing salon, household services, casino, and other services.

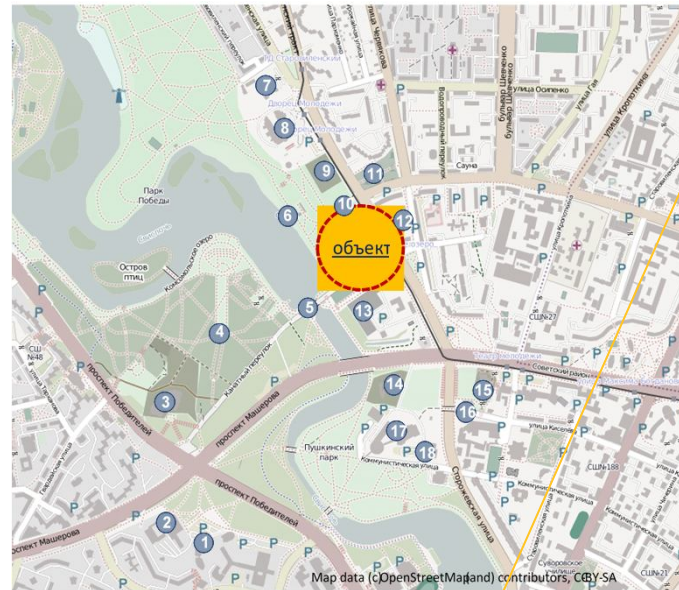
Rooms and commercial areas

Room type	Room area, sq.m.	Number of rooms
King Guestroom (standard)	38	172
Twin Guestroom (standard)	38	50
Disabled Guestroom (standard)	38	5
Junior Suites	76	20
General Manager apartment	38	1
Executive Suites	114	4
Presidential Suites	260	1
Total		253

Additional hotel areas	Area, sq.m.
Casino	3 973
Shops	73
SPA and fitness centre	3 835
4 conference halls	From 34 to 284 each
Banquet hall	481
Parking lot, cars	Underground – 28 Additional – 56

Land plot and surroundings

For development of the Project, the land plot of 3.5 ha was provided in the central part of Minsk – the recreational area on the bank of the river Svisloch (Lake Komsomolskoye). The Object is surrounded by many buildings of social, cultural and business importance. The Monument “Minsk – Heroic City” is located in the close vicinity, as well as embassies of Iran, Russia and Poland (the latter is under construction). From the side of the bank, the park area of Victory Park with recreational infrastructure is located.



1. Комплекс «Славянский квартал»
2. Отель «Планета»
3. Музей ВОВ, стела «Минск – город герой»
4. Парк Победы
5. Пешеходный мост через реку Свислочь
6. Здание ОСВОД и прокат лодок
7. Посольство Российской Федерации
8. Дворец детей и молодежи
9. Посольство Исламской Республики Иран
10. Строительство Посольства Республики Польша
11. Мемориал погибшим в 1 ой Мировой войне
12. Жилой квартал повышенной комфортности
13. Спорткомплекс «Динамо»
14. Офис Банка Развития
15. Реконструкция Молодежного театра
16. Церковь Св. Марии Магдалины
17. Отель «Беларусь»
18. Общественно -культурный центр Дом Москвы



Monument “Minsk – Heroic City” and Great Patriotic War Museum



Entrance to the Victory Park



Embassy of the Russian Federation



House of Moscow



Embassy of Iran

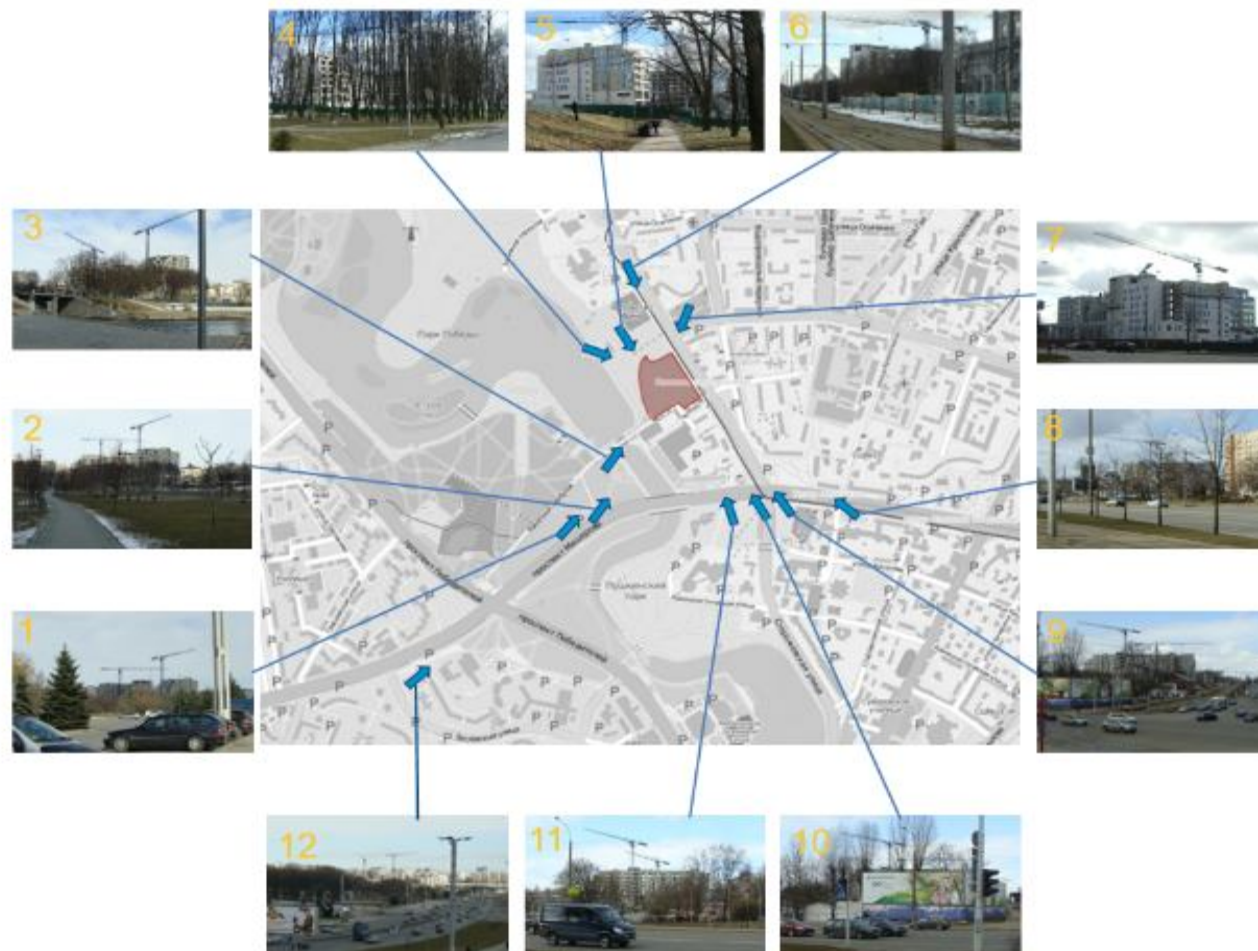
Visual accessibility

General visual accessibility of the
Object is good.

The Object is well observed from
points 1,2,3,5,6,7,8,11,12, View is
bad or absent from points 4,9,10.

It will be improved after
construction of upper floors of
the complex, creation of light and
visual advertising and
information illumination of
buildings and signboards.

It will also be improved in the
period of cessation of tree
vegetation, which limits visibility
in summer.



Hotel positioning

Belarus uses non-mandatory classification of hotels by star category in accordance with the local standard.

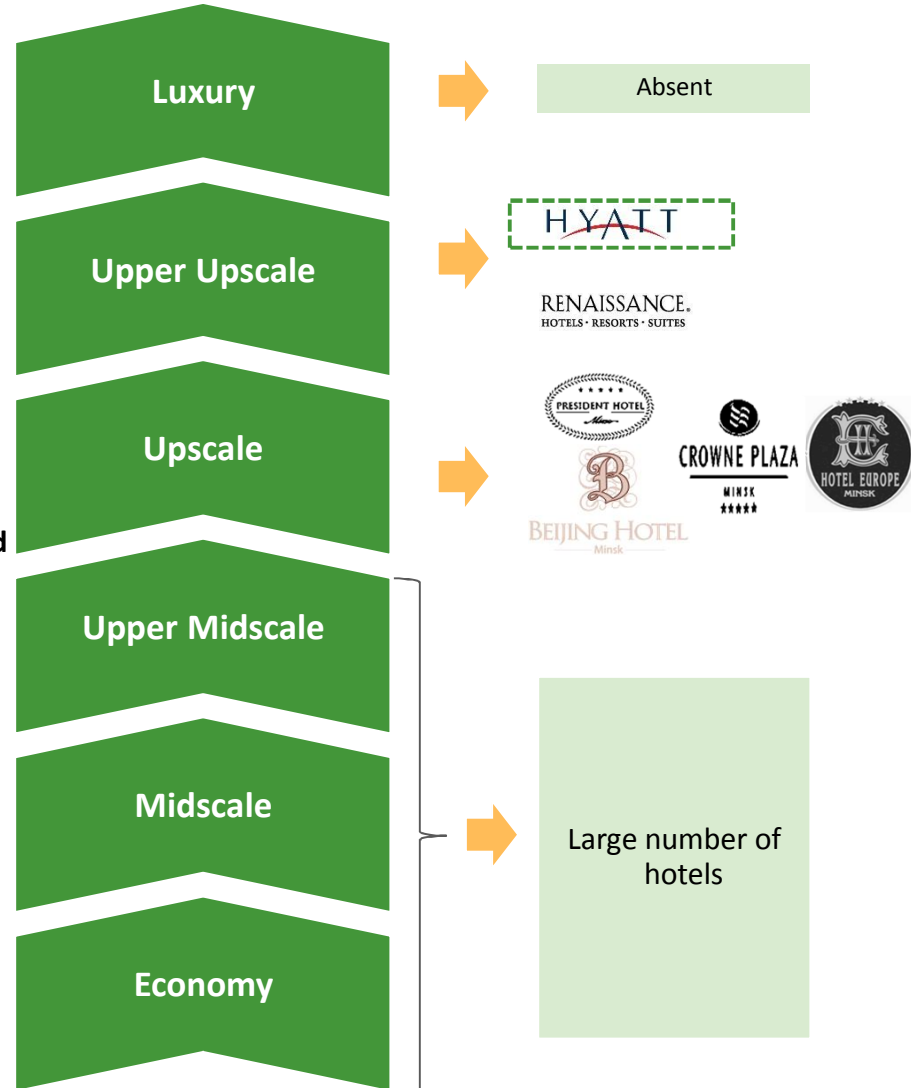
Globally, some networks can be divided into several notional groups by quality and service in accordance with STR Global classification

By this classification, Hyatt Regency hotels belong to the Upper Upscale category.

In spite of the assigned 5 stars, public non-branded hotels of Minsk (President Hotel, Hotel Europe) and Hotel Beijing are mostly Upscale by quality.

The branded 4-star Renaissance Hotel can pose some competition to the Object.

Growth of quantity and scope of services



- Hotel category corresponding to the quality and quantity of service

Source: STR Global classification









