

FINAL TERMS dated 2 December 2009

AK BARS BANK

Issue of U.S.\$205,859,000 10.25 per cent. Loan Participation Notes due 2012
by **AK BARS Luxembourg S.A. (the "Issuer")**
for the purpose of financing a loan to AK BARS Bank

under a U.S.\$1,500,000,000 Programme for the Issuance of Loan Participation Notes

PART A — CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 16 November 2009 which constitutes a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the "**Prospectus Directive**"). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus. Full information on the Issuer, AK BARS Bank and the offer of the Notes described herein is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus is available for viewing at AK BARS Luxembourg S.A., 2 boulevard Konrad Adenauer, L-1115 Luxembourg, at the principal office of the Trustee being, at the date hereof, at Winchester House, 1 Great Winchester Street, London EC1N 2DB, United Kingdom and at the specified office of the Principal Paying Agent during normal business hours.

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| 1. | Issuer | AK BARS Luxembourg S.A. |
| 2. | Borrower: | AK BARS Bank |
| 3. | (i) Series Number: | 3 |
| | (ii) Tranche Number: | 1 |
| | (if fungible with an existing Series, details of that Series, including the date on which the Notes become fungible). | |
| 4. | Specified Currency or Currencies: | United States Dollars ("U.S.\$") |
| 5. | Aggregate Nominal Amount of Notes admitted to trading: | |
| | (i) Series: | U.S.\$205,859,000 |
| | (ii) Tranche: | U.S.\$205,859,000 |
| 6. | Issue Price: | 100% of the aggregate Nominal Amount |
| 7. | (i) Specified Denominations: | U.S.\$100,000 plus integral multiples of U.S.\$1,000 thereafter |
| | (ii) Calculation Amount: | U.S.\$1,000 |
| 8. | (i) Issue Date: | 3 December 2009 |
| | (ii) Interest Commencement Date: | Issue Date |
| 9. | Maturity Date: | 3 December 2012 |
| 10. | Interest Basis: | 10.25 per cent. Fixed Rate (further particulars specified below) |

11.	Redemption/Payment Basis:	Redemption at par
12.	Change of Interest or Redemption/ Payment Basis:	Not Applicable
13.	Put/Call Options:	Change of Control Put (Condition 6.3 (<i>Redemption at the option of the Noteholders upon a Change of Control</i>))
14.	(i) Status of the Notes:	Senior
	(ii) Date Board approval by the Issuer for issuance of Notes obtained:	16 November 2009
	(iii) Date Board approval by the Borrower for the borrowings under the Loan obtained:	12 November 2009
15.	Method of distribution:	Non-syndicated
16.	Financial Centres (Condition 7 (<i>Payments and Agents</i>)):	London and New York
17.	Loan:	Loan of U.S.\$205,859,000 to be advanced by the Issuer to the Borrower pursuant to the Loan Supplement dated 2 December 2009

Provisions Relating To Interest Payable Under The Notes

18.	Fixed Rate Note Provisions:	Applicable
	(i) Rate of Interest:	10.25 per cent. per annum payable semi-annually in arrear
	(ii) Interest Payment Date(s):	3 June and 3 December in each year
	(iii) Fixed Coupon Amount:	U.S.\$51.25 per Calculation Amount
	(iv) Broken Amount(s):	Not Applicable
	(v) Day Count Fraction (Condition 5 (<i>Interest</i>)):	30/360
	(vi) Determination Date(s) (Condition 5 (<i>Interest</i>)):	Not Applicable
	(vii) Other terms relating to the method of calculating interest for Fixed Rate Notes:	Not Applicable
19.	Floating Rate Note Provisions:	Not Applicable
20.	Step-Up Rate of Interest Provisions:	Not Applicable
21.	Dual Currency Note Provisions:	Not Applicable

Provisions Relating To Redemption

22.	Final Redemption Amount of each Note:	U.S.\$1,000 per Calculation Amount
23.	Early Redemption Amount(s) of each Note payable if the Loan should become repayable under the Loan Agreement prior to the	Principal amount

Maturity Date:

General Provisions Applicable To The Notes

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| 24. | Form of the Notes: | Registered Notes |
| 25. | New Global Note: | No |
| 26. | Other final terms: | Not Applicable |

Distribution

- | | | |
|-----|---------------------------------------|---|
| 27. | (i) If syndicated, names of Managers: | Not Applicable |
| | (ii) Stabilising Manager(s) (if any): | Credit Suisse Securities (Europe) Limited |
| 28. | U.S. Selling Restrictions: | Reg. S Compliance Category |
| 29. | If non-syndicated, name of Dealer: | Credit Suisse Securities (Europe) Limited |
| 30. | Additional selling restrictions: | Not Applicable |

General

- | | | |
|-----|---|----------------|
| 31. | Additional steps that may only be taken following approval by an Extraordinary Resolution in accordance with Condition 10 (<i>Meetings of Noteholders; Modification of Notes, Trust Deed and Loan Agreement; Waiver; Substitution of the Issuer; Appointment/Removal of Trustee</i>): | Not Applicable |
| 32. | The aggregate principal amount of Notes issued has been translated into U.S. dollars at the rate of [●] producing a sum of (for Notes not denominated in U.S. dollars): | Not Applicable |
| 33. | Loan to value ratio: | 100 per cent. |

Listing and Admission to Trading Application

These Final Terms comprise the final terms required for issue and admission to trading on the Irish Stock Exchange of the Notes described herein pursuant to the U.S.\$1,500,000,000 Programme for the Issuance of Loan Participation Notes of AK BARS Luxembourg S.A.

Responsibility

The Issuer and AK BARS Bank accept responsibility for the information contained in these Final Terms.

Signed on behalf of
AK BARS LUXEMBOURG S.A.

By: 
.....
Director **Helke Kubica**

By: 
.....
Director **Anja Lakoudi**

Signed on behalf of
AK BARS BANK

By:
Duly authorised

By:
Duly authorised

Signed on behalf of
AK BARS LUXEMBOURG S.A.

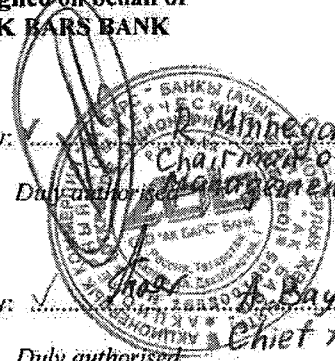
By:
Director

By:
Director

Signed on behalf of
AK BARS BANK

By: ✓
Minbegaliev
Chairman of the
Duly authorised Management Board

By: ✓
Shayk
Bayazitov
Duly authorised Chief Accountant



FORM OF FINAL TERMS

PART B — OTHER INFORMATION

1. **Listing**
 - (i) Listing: Irish Stock Exchange.
 - (ii) Admission to trading: Application has been made to the Irish Stock Exchange for the Notes to be admitted to the Official List and to trading on its regulated market with effect from 3 December 2009.

2. **Ratings**

Ratings: The Notes to be issued have been rated:

Moody's: Ba3

Fitch: BB

3. **Interests Of Natural And Legal Persons Involved In The Issue**

Save as discussed in "*Subscription and Sale*", so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.

4. **Reasons for the Offer**

The Notes are being issued for the Borrower's general corporate purposes.

5. **Fixed Rate Notes only - Yield**

Indication of yield: 10.25 per cent.

As set out above, the yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

6. **Operational Information**

ISIN Code (Reg S Notes): XS0470427476.

Common Code (Reg S Notes): 047042747.

Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking *société anonyme* and the relevant identification number(s): Not Applicable

Delivery: Delivery versus payment

FORM OF LOAN SUPPLEMENT

THIS LOAN SUPPLEMENT is made on 2 December 2009

BETWEEN:

- (1) **AK BARS BANK**, a commercial bank organised as an open joint stock company under the laws of the Russian Federation the registered address of which is Dekabristov Street 1, Kazan 420006, Republic of Tatarstan, Russian Federation (the "**Borrower**"); and
- (2) **AK BARS LUXEMBOURG S.A.**, a Luxembourg *société anonyme* the registered office of which is 2, boulevard Konrad Adenauer, L-1115 Luxembourg and being registered with the Luxembourg trade and companies register (*Registre de commerce et des sociétés, Luxembourg*) under number B127473 (the "**Lender**", which expression, where the context so admits, includes any successor Lender pursuant to the terms of this Agreement and the Trust Deed).

WHEREAS:

- (A) The Borrower has entered into an amended and restated facility agreement dated 16 November 2009 (the "**Facility Agreement**") with the Lender in respect of the Borrower's U.S.\$1,500,000,000 Programme for the issuance of Loan Participation Notes (the "**Programme**").
- (B) The Borrower proposes to borrow U.S.\$205,859,000 (the "**Loan**") and the Lender wishes to make such Loan on the terms set out in the Facility Agreement and this Loan Supplement.

IT IS AGREED as follows:

1. Definitions

Capitalised terms used but not defined in this Loan Supplement shall have the meaning given to them in the Facility Agreement save to the extent supplemented or modified herein.

2. Additional Definitions

For the purpose of this Loan Supplement, the following expressions used in the Facility Agreement shall have the following meanings:

"**Account**" means the account in the name of the Lender with the Principal Paying Agent (account number 0288078 0000 USD 002 CTA) or such other account as may from time to time be agreed between the Lender and the Trustee pursuant to the Trust Deed and notified to the Borrower in writing at least 5 Business Days in advance of such change;

"**Borrower Account**" means the account in the name of the Borrower (BENEFICIARY: AK BARS Bank; Address: 420066 Kazan, Russian Federation, Dekabristov Street, 1; S.W.I.F.T.: ARRSRU2K; Correspondent account of AK BARS Bank with Standard Chartered Bank: No 3582023423001; INTERMEDIARY BANK: Standard Chartered Bank, One Madison Avenue, New York, N.Y. 10010-3603; SWIFT.: SCBLUS33);

"**Closing Date**" means 3 December 2009;

"**Loan Agreement**" means the Facility Agreement as amended and supplemented by this Loan Supplement;

"**Notes**" means U.S.\$205,859,000 10.25 per cent. Loan Participation Notes due 2012 issued by the Lender as Series 3 under the Programme;

"**Repayment Date**" means 3 December 2012;

"Specified Currency" means U.S. dollars;

"Subscription Agreement" means the Subscription Agreement between the Borrower, the Lender and Credit Suisse Securities (Europe) Limited dated 2 December 2009; and

"Trust Deed" means the Principal Trust Deed between the Lender and the Trustee dated 16 November 2009 as amended and supplemented by a Supplemental Trust Deed dated 3 December 2009 constituting and securing the Notes.

3. Incorporation by Reference

Except as otherwise provided, the terms of the Facility Agreement shall apply to this Loan Supplement as if they were set out herein and the Facility Agreement shall be read and construed, only in relation to the Loan constituted hereby, as one document with this Loan Supplement.

4. The Loan

4.1 Drawdown

Subject to the terms and conditions of the Loan Agreement, the Lender agrees to make the Loan on the Closing Date to the Borrower and the Borrower shall make a single drawing in the full amount of the Loan.

4.2 Interest

The Loan is a Fixed Rate Loan. Interest shall be calculated, and the following terms used in the Facility Agreement shall have the meanings, as set out below:

4.2.1	Fixed Rate Loan Provisions	Applicable
(i)	Interest Commencement Date	3 December 2009
(ii)	Rate of Interest:	10.25 per cent. per annum payable semi-annually in arrear
(iii)	Interest Payment Dates:	3 June and 3 December in each year
(iv)	Calculation Amount:	U.S.\$1,000
(v)	Fixed Amount:	U.S.\$51.25 per Calculation Amount
(vi)	Broken Amount:	Not Applicable
(vii)	Day Count Fraction:	30/360
(viii)	Determination Date(s):	Not Applicable
(ix)	Other terms relating to the method of calculating interest for Fixed Rate Loans:	Not Applicable
4.2.2	Floating Rate Loan Provisions	Not Applicable
4.2.3	Step-Up of Interest Provisions	Not Applicable

4.2.4 **Dual Currency Provisions**

Not Applicable

5. **Fees and Expenses**

Pursuant to Clause 3.2 (*Loan Arrangement Fee*) of the Facility Agreement and in consideration of the Lender making the Loan to the Borrower, the Borrower hereby agrees that it shall, one (1) Business Day before the Closing Date, pay to or to the order of the Lender, in Same-Day Funds, the total amount of U.S.\$4,309,631.89, being the "**Arrangement Fee**" in respect of the Loan, representing the costs and expenses incurred by the Lender in connection with such Loan, increased by front-end fees, commissions and expenses, which shall include the amount of all of the commissions, fees, costs and expenses as set forth in the Fee Side Letter and Clauses 3.2 (*Loan Arrangement Fee*) and 14.1 (*Reimbursement of Front-end Expenses*) of the Facility Agreement pursuant to an invoice submitted by, or at the request of, the Lender to the Borrower in the total amount.

6. **Governing Law**

This Loan Supplement and all non-contractual obligations arising out of or in connection with it are governed by, and shall be construed in accordance with, English law and the courts of England have exclusive jurisdiction to settle any dispute arising from or connected with this Loan Supplement.

This Loan Supplement has been entered into on the date stated at the beginning.

AK BARS BANK

By:

By:

AK BARS LUXEMBOURG S.A.

By:

By:

Title: Director

Title: Director