

Securities Portfolio and Capital Markets Funding

Our total securities book increased 12.4% to 1.68 trln RUB as of end 2012.

Our portfolio remains dominated by fixed income securities with a share of 97.4% as of end 2012, the bulk of which is Russian Sovereign bonds, comprising 54.8% of our total securities position (up 2.8 pp y-o-y). Such a structure is defined by our approach to securities on our banking books as predominantly a means of liquidity management, rather than a risk-taking instrument.

The corporate bond portfolio was the most rapidly growing part of our securities book in 2012, climbing 22.3% to reach a share of 35.4% of our total securities portfolio. Such growth was a function of the rapid development of both domestic and external debt capital markets in 2012. Conservative approach to managing our securities books is also reflected in the shift of the structure of our corporate bond book — the share of investment-grade rated positions in this portfolio grew to 52.1% as of end 2012, versus 44.4% the year before.

SECURITIES PORTFOLIO BREAKDOWN

	2012		2011	
	RUB bln	% of total	RUB bln	% of total
Federal loan bonds (OFZ)	777	46.4	708	47.5
Corporate bonds	594	35.4	486	32.6
Russian Federation Eurobonds	141	8.4	66	4.4
Municipal and Subfederal bonds	118	7.0	134	9.0
Corporate shares	43	2.6	86	5.8
Foreign Government bonds	3	0.2	10	0.7
Total	1,676	100.0	1,490	100.0

Source: Sberbank management accounting

BOND PORTFOLIO BREAKDOWN BY GRADE

RUB bln	2012			2011		
	Investment grade	Speculative grade	Not rated	Investment grade	Speculative grade	Not rated
Russian Sovereign Eurobonds	141	—	—	66	—	—

Corporate bonds	310	247	37	216	197	73
Government bonds (OFZs)	777	—	—	708	—	—
Municipal and sub-federal bonds	81	37	—	93	41	0
Foreign government bonds	—	3	—	—	10	—
Total	1,309	287	37	1,083	248	73

Source: Sberbank management accounting

In 2012, Sberbank was relatively active on the debt capital market, raising an equivalent of 256 bln RUB via public bond issues and syndicated loan deals, compared with 71 bln RUB in 2011. As of end 2012, the total amount of funding raised from these sources stood at 352 bln RUB.

DEBT ISSUES IN 2012

Type of liability	Currency	Amount, bln	Amounts outstanding, bln	Maturity, years	Coupon/ interest rate
Syndicated loan	USD	1.50	1.50	3	LIBOR+1,50
Syndicated loan	EUR	0.5	0.5	5	EURIBOR+1,50
Eurobonds	CHF	0.41	0.41	3.5	3.100
Eurobonds	USD	1,30	1,30	5	4,950
Eurobonds	USD	1.00	1.00	7	5.180
Eurobonds	USD	1.50	1.50	10	6.125
Subordinated bonds	USD	2.00	2,00	10	5.125

Source: Sberbank management accounting