

## Investment banking business

*One of the major events for Sberbank Group in 2012 was the full-scale integration of the investment-banking platform, which previously existed under the name of Troika Dialog and was acquired by Sberbank in 2011, into the Group's corporate and investment banking business processes.*

The companies of former Troika Dialog Group, as well as the employees of respective divisions of Sberbank, became parts of the integrated Investment Banking and Global Markets (IBGM) line of business within the Corporate banking segment. IBGM focuses on providing a full range of financial services to our corporate customers, while the retail asset management network was merged into the private banking arm of Sberbank's retail business.

The nature of the IBGM business in its current shape is predominantly client-oriented and focused on generating revenue flow, and it involves only a very limited degree of market risk-taking activities.

IBGM revenues were up 62.7% y-o-y, mainly due to a very strong performance by the Fixed Income, Currencies and Commodities (FICC) business. The results of our FICC, which generated 79% of IBGM's revenues in 2012, were driven by our activities in the repo market as one of the key liquidity providers, as well as by the growing flow of client derivative transactions. The derivatives business mainly comprises hedging services provided to our key corporate clients, while the strong performance in this business line is a result of synergies between the newly merged parts of our CIB franchise.

The role of proprietary risk-taking activities in the IBGM business is insignificant, as the proprietary books within IBGM contributed less than 3% of the business segment's total revenues for 2012. Our key aim with respect to the CIB business segment is to maintain and strengthen its focus on facilitating client business without assuming any significant proprietary market risk positions.