

## Securities portfolio

*The Group's securities portfolio increased 21.2% in 2012 to 2.0 trln RUB, with half of the growth attributable to the acquisitions of VBI Group, DenizBank and Cetelem.*

The securities are used primarily for liquidity management. The proportion of equities in the portfolio decreased from 10.3% in 2011 to 3.9% by end 2012.

As of end 2012, the portfolio included foreign government bonds from the following countries: Turkey (61.1% of the total); East European EU members (16.5%); and Austria, France and Belgium and Germany (8,8%). Investment-grade securities make up 83.5% of the portfolio. These bonds came mostly as a result of the acquisition of VBI Group and DenizBank.

Corporate bonds reached 32.6% of the total portfolio as of end 2012. This represents an increase of nearly 0.9 pp in the total portfolio, and the share of investment-grade paper in this category increased to 52.5% as of end 2012 (versus 43.7% in 2011).

During 2012, the share of securities pledged under repo transactions increased to 48.2% of the total portfolio, from 18.5% in 2011. Most of these transactions are with the Central Bank of Russia and peaked in 4Q12 due to tight liquidity in the banking system.

### SECURITIES PORTFOLIO BREAKDOWN

	2012		2011	
	RUB bln	% of total portfolio	RUB bln	% of total portfolio
Federal loan bonds (OFZ bonds)	783.9	39.8	712.5	43.8
Corporate bonds	641.6	32.5	514.7	31.7
Foreign government bonds	205.0	10.4	26.5	1.6
Russian Federation Eurobonds	141.7	7.2	66.3	4.1
Municipal and sub-federal bonds	118.4	6.0	134.5	8.3
Corporate shares	76.5	3.9	166.7	10.3
Investments in mutual funds	3.1	0.2	2.6	0.2
Promissory notes	—	—	2.0	0.0
<b>Total</b>	<b>1,969.7</b>	<b>100.0</b>	<b>1,625.8</b>	<b>100.0</b>

## BOND PORTFOLIO BY CREDIT RATING

	2012		2011	
	RUB bln	% of total portfolio	RUB bln	% of total portfolio
Investment grade	1,514.2	80.1	1,105.5	75.9
Speculative grade	331.0	17.5	267.8	18.4
Not rated	44.9	2.4	83.2	5.7
<b>Total</b>	<b>1,890.1</b>	<b>100,0</b>	<b>1 456,5</b>	<b>100,0</b>

