



GAZPROMBANK

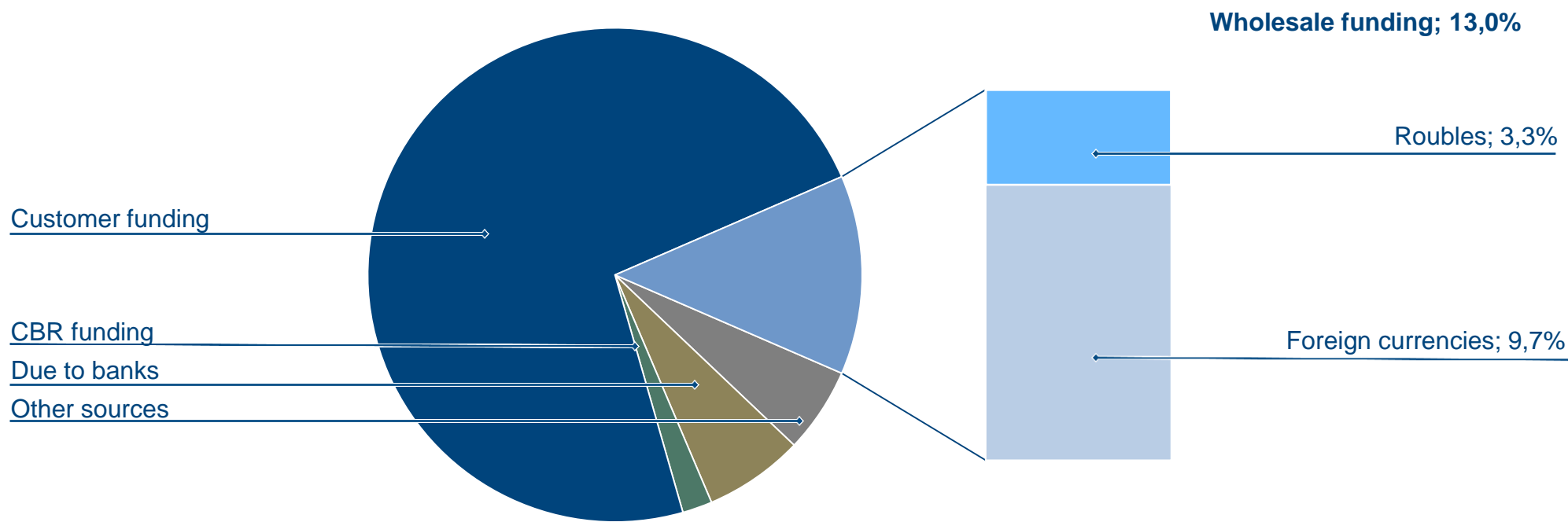
Funding opportunities in the modern world

December 2016

The Role of Wholesale Funding for the Bank

- Wholesale funding¹ (senior and subordinated borrowings) accounts for 13.0% of total funding base:
 - 9.7% in foreign currency
 - 3.3% in Roubles

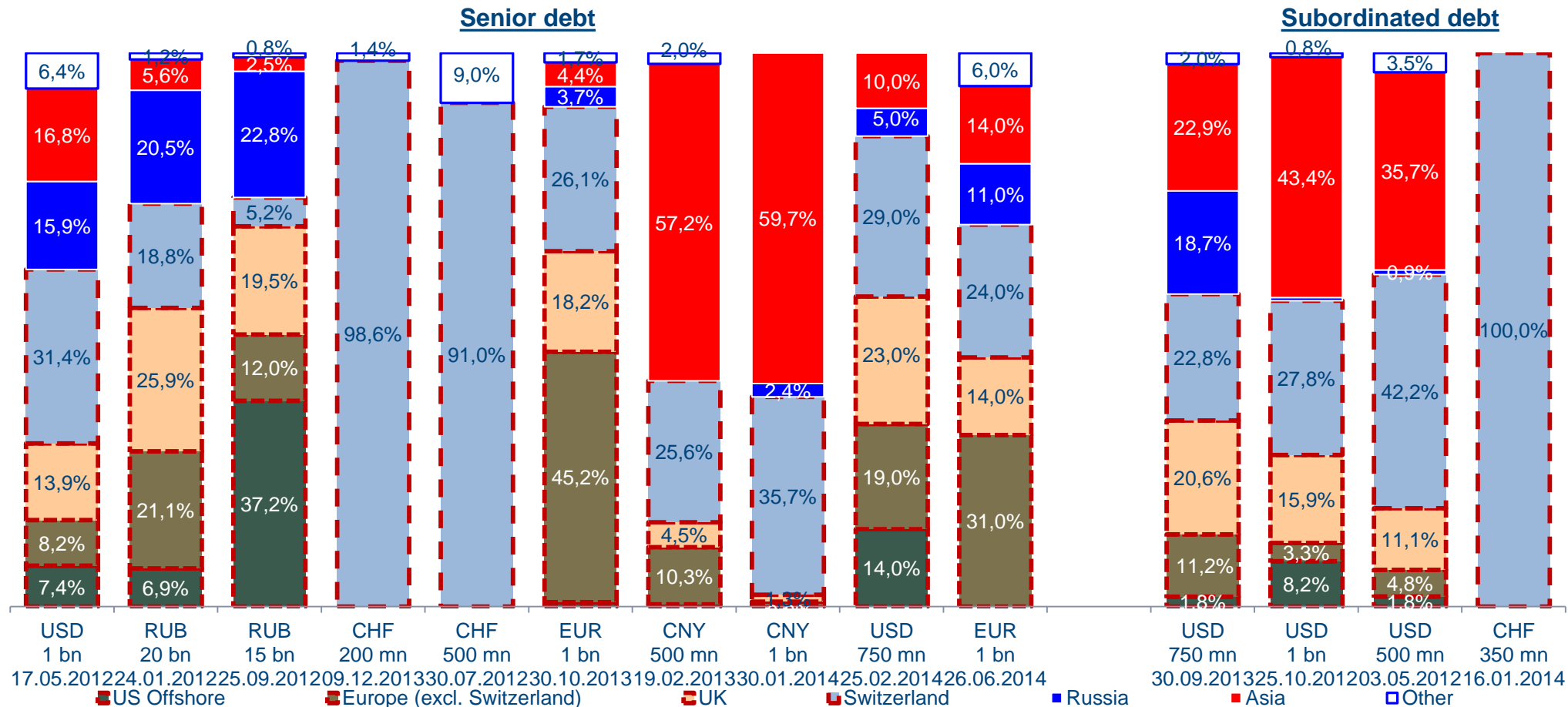
Funding structure



¹ Wholesale funding includes issued senior and subordinated eurobonds, domestic bonds, and syndicated loans

GPB investor base distribution by Geography

- Diversified across currencies funding portfolio
- The share of EU, US offshore, UK & Swiss investors is higher than 50% of the aggregate investor base and in each transaction except Dim-Sum issues
- However Asian investors play increasingly important role
- Gazprombank has never been reliant on US investors: all Eurobond issuances in Reg S format only



Russia:

- Mature globally-integrated debt capital market with open architecture
- Volume outstanding of bonds = RUB14,8 trln (~\$233 bln)
- Turnover = RUB9,7 trln (~\$150 bln)
- Direct access of global infrastructure to MoEx and Russian CSD
- ~25% of non-resident accounts in local sovereign bonds

China:

Fast-growing mature internal debt capital market*

- Volume outstanding of bonds = RMB60 trln (~\$8,7 trln). №4 in the World
- Turnover = up to RMB3 trln/day (~\$0,4 trln/day), RMB554 trln/year (~\$80 trln/year). x8,2 GDP, № 3 in the World
- 31 types of bonds
- 353 international institutional investors from 32 countries
- Panda bond outstanding volume RMB127 bln (~\$18,4bln)
- RMB in SDR basket
- World Bank borrowed SDR on Panda bond market, settled and redeemed in RMB
- Yuan depreciation is positive for non-resident borrowings without hedge

GCC, SEA, MENA and others:

- Diversified Islamic finance market with well established regulatory and supervisory framework
- Sukuk outstanding volume, including private deals > \$1,2 trln globally
- Average growth 17% YoY in 2009-2013 supported by the growing need for “halal” financial instruments





Direct issuance of corporate bonds under foreign law is in fact prohibited by:

- 39-FZ «On the securities market»
- 436-P «On the order of foreign issuance resolution»



- Formal regulation of Panda bond market is still not presented
- Withdrawal of funds from Panda bond is still under *ad hoc* regulation by PBoC
- IFRS accounts, audited by non-EU, non-Chinese offices of Big4, are not accepted by default