

Round Table

ARFI, CFA, MOEX

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Is there any default risk?

- There is no credible threat of a Russian sovereign default risk, or amongst the state enterprises or amongst the countries' biggest banks and industrial companies.
- Small and medium sized companies have a higher default risk.
- Russia's total foreign debt fell by US\$130 bln in 2014 to end the year at US\$599 bln, or approx 30% of GDP.
- Taking out the US\$105 bln denominated in rubles and the US\$131 bln of inter-company loans, the total real external FX debt is US\$363 bln.
- The total value of Central Bank reserves is US\$386 bln, a drop of US\$124 bln in 2014.
- Gold and other less liquid holdings is US\$58 bln so the liquid cash position is US\$326 bln.
- The Reserve Fund has US\$90 bln (approx) and the Welfare Fund has US\$85 bln, of which US\$30 bln is committed.
- The Reserve and Welfare Funds may be deployed for, e.g. bank capital funding, with a legislative change

