# Consolidated financial statements in accordance with IFRS

## REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders and the Supervisory Board of Sberbank of Russia

### Opinion

The summary consolidated financial statements, which comprise the consolidated statement of financial position as at 31 December 2016, the consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the year then ended are derived from the audited consolidated financial statements of Sberbank of Russia and its subsidiaries for the year ended 31 December 2016.

In our opinion, the accompanying summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements, in accordance with the basis described in the footnote to the summary consolidated financial statements.

### Summary Consolidated Financial Statements

The summary consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards. Reading the summary consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statements and the auditor's report thereon. The summary consolidated financial statements and the audited consolidated financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited consolidated financial statements.

### The Audited Consolidated Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 1 March 2017. That report also includes the communication of the key audit matters in relation to provision for impairment of loans and advances to customers and valuation of derivative financial instruments. Key audit matters are those matters that, in our professional judgements, were of most significance in our audit of the consolidated financial statements of the current period.

### Management's Responsibility for the Summary Consolidated Financial Statements

Management is responsible for the preparation of the summary consolidated financial statements in accordance with the basis described in the footnote to the summary consolidated financial statements.

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**Auditor's Responsibility**

Our responsibility is to express an opinion on whether the summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 "Engagements to Report on Summary Financial Statements".

AO PricewaterhouseCoopers Audit

29 March 2017
Moscow, Russian Federation

E.N. Kriventsev, certified auditor (licence no. 01-000198)
AO PricewaterhouseCoopers Audit

Audited entity: Sberbank of Russia

Main state registration number: 1027700132195, issued on 16 August 2002.

Address: 117997, Russian Federation, Moscow, Vavilova 19

Independent auditor: AO PricewaterhouseCoopers Audit

State registration certificate number 008.890, issued by the Moscow Registration Chamber on 28 February 1992

Certificate of inclusion in the Unified State Register of Legal Entities issued on 22 August 2002 under registration number 1027700148431

Member of Self-regulated organisation of auditors "Russian Union of auditors" (Association)

Main registration record number 11603050547 in the register of auditors and audit organizations

## Consolidated Statement of Financial Position

| *in billions of Russian Roubles* | **31 December 2016** | **31 December 2015** |
|---|---|---|
| **ASSETS** | | |
| Cash and cash equivalents | 2,560.8 | 2,333.6 |
| Mandatory cash balances with central banks | 402.0 | 387.9 |
| Financial assets at fair value through profit or loss | 605.5 | 866.8 |
| Due from banks | 965.4 | 750.6 |
| Loans and advances to customers | 17,361.3 | 18,727.8 |
| Securities pledged under repurchase agreements | 113.9 | 222.0 |
| Investment securities available-for-sale | 1,658.9 | 1,874.3 |
| Investment securities held-to-maturity | 545.8 | 477.7 |
| Deferred tax asset | 13.9 | 17.3 |
| Premises and equipment | 482.9 | 499.2 |
| Assets of the disposal groups and non-current assets held for sale | 5.8 | 212.7 |
| Other financial assets | 314.5 | 671.0 |
| Other non-financial assets | 337.8 | 293.8 |
| **TOTAL ASSETS** | **25,368.5** | **27,334.7** |
| **LIABILITIES** | | |
| Due to banks | 561.9 | 1,045.9 |
| Due to individuals | 12,449.6 | 12,043.7 |
| Due to corporate customers | 6,235.2 | 7,754.6 |
| Debt securities in issue | 1,161.0 | 1,378.5 |
| Other borrowed funds | 261.4 | 398.0 |
| Financial liabilities at fair value through profit or loss other than debt securities in issue | 212.9 | 426.6 |
| Deferred tax liability | 55.1 | 132.0 |
| Liabilities of the disposal groups | 0.8 | 185.9 |
| Provisions on insurance and pension fund operations | 479.2 | 323.6 |
| Other financial liabilities | 312.6 | 397.6 |
| Other non-financial liabilities | 77.3 | 66.8 |
| Subordinated debt | 739.9 | 806.5 |
| **TOTAL LIABILITIES** | **22,546.9** | **24,959.7** |
| **EQUITY** | | |
| Share capital | 87.7 | 87.7 |
| Treasury shares | (7.9) | (6.7) |
| Share premium | 232.6 | 232.6 |
| Revaluation reserve for office premises | 66.9 | 69.3 |
| Fair value reserve for investment securities available-for-sale | 24.0 | (45.7) |
| Foreign currency translation reserve | (19.8) | 101.1 |
| Remeasurement of defined benefit pension plans | (1.1) | (0.7) |
| Retained earnings | 2,435.7 | 1,935.2 |
| **Total equity attributable to shareholders of the Bank** | **2,818.1** | **2,372.8** |
| Non-controlling interest | 3.5 | 2.2 |
| **TOTAL EQUITY** | **2,821.6** | **2,375.0** |
| **TOTAL LIABILITIES AND EQUITY** | **25,368.5** | **27,334.7** |

Approved for issue and signed on behalf of the Executive Board on 1 March 2017.

Herman Gref,
Chairman of the Executive Board and CEO

Alexey Minenko,
Acting Chief Accountant

*These summary consolidated financial statements of Sberbank of Russia and its subsidiaries (together - the "Group") have been prepared by extraction, without any modification, of the consolidated statements of financial position, profit or loss, comprehensive income, changes in equity and cash flows from the audited consolidated financial statements of the Group prepared in accordance with International Financial Reporting Standards ("IFRS"). The summary consolidated financial statements do not contain all the disclosures presented in the audited consolidated financial statements of the Group. For a better understanding of the Group financial position, its financial performance and its cash flows the summary consolidated financial statements should be read in conjunction with the audited consolidated financial statements.*

*The audited consolidated financial statements of the Group can be obtained from Sberbank of Russia and are available at the website www.sberbank.com.*

## Consolidated Statement of Profit or Loss

| *in billions of Russian Roubles* | Year ended 31 December 2016 | 2015 |
|---|---|---|
| Interest income | 2,399.0 | 2,279.6 |
| Interest expense | (986.9) | (1,253.2) |
| Deposit insurance expenses | (49.3) | (38.4) |
| **Net interest income** | **1,362.8** | **988.0** |
| Net provision charge for impairment of debt financial assets | (342.4) | (475.2) |
| **Net interest income after provision charge for impairment of debt financial assets** | **1,020.4** | **512.8** |
| Fee and commission income | 436.3 | 384.1 |
| Fee and commission expense | (87.2) | (65.1) |
| Net gains from trading securities | 7.4 | 5.8 |
| Net gains from securities designated as at fair value through profit or loss | 6.0 | 12.5 |
| Net gains from investment securities available-for-sale | 11.1 | 4.8 |
| Impairment of investment securities available-for-sale | (0.5) | (0.1) |
| Net (losses) / gains from trading in foreign currencies, operations with foreign currency derivatives and foreign exchange translation | (53.4) | 83.1 |
| Net gains / (losses) from operations with precious metals, precious metals derivatives and precious metals accounts translation | 6.5 | (1.0) |
| Net gains from operations with other derivatives | 0.7 | 8.4 |
| Net losses from revaluation of office premises | (25.0) | — |
| Impairment of premises, equipment and intangible assets | (0.3) | (2.8) |
| Goodwill impairment | (0.3) | (6.0) |
| Losses on initial recognition of financial instruments and on loans restructuring | (0.1) | (6.2) |
| Net charge for other provisions | (19.4) | (6.3) |
| Revenue of non-core business activities | 30.8 | 24.4 |
| Cost of sales and other expenses of non-core business activities | (27.1) | (25.4) |
| Net premiums from insurance and pension fund operations | 192.8 | 223.3 |
| Net claims, benefits, change in contract liabilities and acquisition costs on insurance and pension fund operations | (177.8) | (214.1) |
| Other net operating income | 34.2 | 22.4 |
| **Operating income** | **1,355.1** | **954.6** |
| Operating expenses | (677.6) | (623.4) |
| **Profit before tax** | **677.5** | **331.2** |
| Income tax expense | (135.6) | (108.3) |
| **Profit for the year** | **541.9** | **222.9** |
| Attributable to: | | |
| - shareholders of the Bank | 540.5 | 223.3 |
| - non-controlling interest | 1.4 | (0.4) |
| **Earnings per ordinary share attributable to the shareholders of the Bank, basic and diluted** (expressed in RR per share) | **25.00** | **10.36** |

Approved for issue and signed on behalf of the Executive Board on 1 March 2017.

Herman Gref,
Chairman of the Executive Board and CEO

Alexey Minenko,
Acting Chief Accountant

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## Consolidated Statement of Comprehensive Income

| | Year ended 31 December | |
|---|---|---|
| *in billions of Russian Roubles* | **2016** | **2015** |
| **Profit for the year** | **541.9** | **222.9** |
| **Other comprehensive income:** | | |
| *Items to be reclassified to profit or loss in subsequent periods* | | |
| Investment securities available-for-sale: | | |
| - Net gains on revaluation of investment securities available-for-sale, net of tax | 78.2 | 129.4 |
| - Impairment of investment securities available-for-sale transferred to statement of profit or loss, net of tax | 0.4 | 0.1 |
| - Accumulated gains transferred to consolidated statement of profit or loss upon disposal of investment securities available-for-sale, net of tax | (8.9) | (3.8) |
| Exchange differences on translating foreign operations | (121.0) | 17.9 |
| **Total other comprehensive (loss) / income to be reclassified to profit or loss in subsequent periods, net of tax** | **(51.3)** | **143.6** |
| *Items that will not be reclassified to profit or loss in subsequent periods* | | |
| Revaluation of office premises, net of tax | 2.2 | — |
| Remeasurement of defined benefit pension plans | (0.4) | (0.7) |
| **Total other comprehensive income / (loss) that will not be reclassified to profit or loss in subsequent periods, net of tax** | **1.8** | **(0.7)** |
| **Total other comprehensive (loss) / income** | **(49.5)** | **142.9** |
| **Total comprehensive income for the year** | **492.4** | **365.8** |
| Attributable to: | | |
| - shareholders of the Bank | 491.1 | 366.2 |
| - non-controlling interest | 1.3 | (0.4) |

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## Consolidated Statement of Changes in Equity

| | Attributable to shareholders of the Bank | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| *in billions of Russian Roubles* | Share capital | Treasury shares | Share premium | Revaluation reserve for office premises | Fair value reserve for investment securities available-for-sale | Foreign currency translation reserve | Remeasurement of defined benefit pension plans | Retained earnings | Total | Non-controlling interest | Total equity |
| **Balance as at 31 December 2014** | **87.7** | **(7.6)** | **232.6** | **72.3** | **(171.4)** | **83.2** | **—** | **1,718.8** | **2,015.6** | **4.5** | **2,020.1** |
| **Changes in equity for the year ended 31 December 2015** | | | | | | | | | | | |
| Net result from treasury shares transactions | — | 0.9 | — | — | — | — | — | 0.4 | **1.3** | — | **1.3** |
| Dividends declared | — | — | — | — | — | — | — | (10.2) | **(10.2)** | — | **(10.2)** |
| Transfer of revaluation reserve for office premises upon disposal or depreciation | — | — | — | (3.0) | — | — | — | 3.0 | **—** | — | **—** |
| Changes in ownership interest in subsidiaries | — | — | — | — | — | — | — | — | **—** | (1.9) | **(1.9)** |
| Other movements related to pension fund operations | — | — | — | — | — | — | — | (0.1) | **(0.1)** | — | **(0.1)** |
| *Profit / (loss) for the year* | — | — | — | — | — | — | — | *223.3* | ***223.3*** | *(0.4)* | ***222.9*** |
| *Other comprehensive income / (loss) for the year* | — | — | — | — | *125.7* | *17.9* | *(0.7)* | — | ***142.9*** | — | ***142.9*** |
| Total comprehensive income / (loss) for the year | — | — | — | — | 125.7 | 17.9 | (0.7) | 223.3 | **366.2** | (0.4) | **365.8** |
| **Balance as at 31 December 2015** | **87.7** | **(6.7)** | **232.6** | **69.3** | **(45.7)** | **101.1** | **(0.7)** | **1,935.2** | **2,372.8** | **2.2** | **2,375.0** |
| **Changes in equity for the year ended 31 December 2016** | | | | | | | | | | | |
| Net result from treasury shares transactions | — | (1.2) | — | — | — | — | — | (0.2) | **(1.4)** | — | **(1.4)** |
| Dividends declared | — | — | — | — | — | — | — | (44.4) | **(44.4)** | — | **(44.4)** |
| Transfer of revaluation reserve for office premises upon disposal or depreciation | — | — | — | (4.6) | — | — | — | 4.6 | **—** | — | **—** |
| *Profit for the year* | — | — | — | — | — | — | — | *540.5* | ***540.5*** | *1.4* | ***541.9*** |
| *Other comprehensive income / (loss) for the year* | — | — | — | *2.2* | *69.7* | *(120.9)* | *(0.4)* | — | ***(49.4)*** | *(0.1)* | ***(49.5)*** |
| Total comprehensive income / (loss) for the year | — | — | — | 2.2 | 69.7 | (120.9) | (0.4) | 540.5 | **491.1** | 1.3 | **492.4** |
| **Balance as at 31 December 2016** | **87.7** | **(7.9)** | **232.6** | **66.9** | **24.0** | **(19.8)** | **(1.1)** | **2,435.7** | **2,818.1** | **3.5** | **2,821.6** |

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## Consolidated Statement of Cash Flows

| | Year ended 31 December | |
|---|---|---|
| *in billions of Russian Roubles* | **2016** | **2015** |
| **Cash flows from operating activities** | | |
| Interest received | 2,193.5 | 2,073.5 |
| Interest paid | (915.0) | (1,105.3) |
| Deposit insurance expenses paid | (45.6) | (36.3) |
| Fees and commissions received | 438.0 | 379.8 |
| Fees and commissions paid | (83.1) | (63.6) |
| Net losses incurred on trading securities | (2.6) | (3.1) |
| Dividends received | 2.0 | 1.6 |
| Net gains received / (losses incurred) on securities designated as at fair value through profit or loss | 2.1 | (1.5) |
| Net losses incurred from trading in foreign currencies and from operations with foreign currency derivatives | (32.3) | (25.1) |
| Net gains received / (losses incurred) from operations with other derivatives | 17.0 | (1.2) |
| Net gains received / (losses incurred) from operations with precious metals and precious metals derivatives | 3.4 | (2.9) |
| Revenue received from non-core business activities | 35.4 | 26.7 |
| Expenses paid on non-core business activities | (28.0) | (25.0) |
| Insurance premiums received | 87.1 | 61.0 |
| Claims, benefits and acquisition costs on insurance operations paid | (2.8) | (1.3) |
| Pension fund premiums received | 103.3 | 162.3 |
| Claims, benefits and acquisition costs on pension fund operations paid | (19.3) | (8.0) |
| Other net operating income received | 13.2 | 13.4 |
| Operating expenses paid | (610.1) | (550.6) |
| Income tax paid | (214.0) | (1.5) |
| **Cash flows from operating activities before changes in operating assets and liabilities** | **942.2** | **892.9** |
| **Changes in operating assets and liabilities** | | |
| Net increase in mandatory cash balances with central banks | (115.2) | (18.6) |
| Net increase in financial assets at fair value through profit or loss | (87.6) | (164.5) |
| Net increase in due from banks | (190.6) | (471.2) |
| Net increase in loans and advances to customers | (64.9) | (157.5) |
| Net decrease / (increase) in other assets | 242.4 | (117.2) |
| Net decrease in due to banks | (424.3) | (2,624.3) |
| Net increase in due to individuals | 1,103.3 | 2,127.6 |
| Net (decrease) / increase in due to corporate customers | (889.3) | 655.4 |
| Net (decrease) / increase in debt securities in issue except for loan participation notes issued under the MTN programme of Sberbank | (83.0) | 106.5 |
| Net increase in financial liabilities at fair value through profit or loss other than debt securities in issue | 1.8 | 7.6 |
| Net (decrease) / increase in other liabilities | (47.3) | 57.9 |
| **Net cash from operating activities** | **387.5** | **294.6** |

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## Consolidated Statement of Cash Flows (Continued)

| | Year ended 31 December | |
|---|---|---|
| *in billions of Russian Roubles* | **2016** | **2015** |
| **Cash flows from investing activities** | | |
| Purchase of investment securities available-for-sale | (1,569.8) | (850.9) |
| Proceeds from disposal and redemption of investment securities available-for-sale | 1,765.3 | 742.4 |
| Interest received on investment securities available-for-sale | 128.9 | 116.5 |
| Purchase of investment securities held-to-maturity | (116.5) | (122.2) |
| Proceeds from redemption of investment securities held-to-maturity | 73.5 | 58.3 |
| Interest received on investment securities held-to-maturity | 35.5 | 30.3 |
| Acquisition of premises, equipment and intangible assets | (112.1) | (74.3) |
| Proceeds from disposal of premises, equipment and intangible assets including insurance payments | 19.9 | 9.9 |
| Acquisition of investment property | (0.6) | (0.6) |
| Proceeds from disposal of investment property | 1.3 | 0.3 |
| Acquisition of associates | — | (1.2) |
| Proceeds from disposal of associates | 0.4 | — |
| Proceeds from disposal of subsidiaries net of cash disposed | 15.3 | 0.7 |
| **Net cash from / (used in) investing activities** | **241.1** | **(90.8)** |
| **Cash flows from financing activities** | | |
| Other borrowed funds received | 154.6 | 151.9 |
| Redemption of other borrowed funds | (206.2) | (377.2) |
| Interest on other borrowed funds paid | (9.4) | (10.6) |
| Funds received from subordinated debt issued or reissued | 0.3 | 0.6 |
| Redemption of subordinated debt | (18.5) | (27.4) |
| Interest on subordinated debt paid | (46.6) | (47.2) |
| Funds received from loan participation notes issued or reissued | 2.6 | 12.2 |
| Redemption of loan participation notes issued | (42.9) | (166.7) |
| Interest on loan participation notes issued paid | (32.1) | (38.2) |
| Purchase of treasury shares | (4.5) | (6.5) |
| Proceeds from disposal of treasury shares | 3.1 | 7.8 |
| Dividends paid | (44.5) | (10.3) |
| **Net cash used in financing activities** | **(244.1)** | **(511.6)** |
| Effect of exchange rate changes on cash and cash equivalents | (157.8) | 333.1 |
| Net effect of changes in cash and cash equivalents included in disposal groups | 0.5 | (0.5) |
| **Net increase in cash and cash equivalents** | **227.2** | **24.8** |
| **Cash and cash equivalents as at the beginning of the year** | **2,333.6** | **2,308.8** |
| **Cash and cash equivalents as at the end of the year** | **2,560.8** | **2,333.6** |

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The consolidated financial statements of Sberbank of Russia and its subsidiaries for 2016 with the auditor's opinion of an independent auditor are available at:
www.sberbank.com/ru/investor-relations/reports-and-publications/ifrs