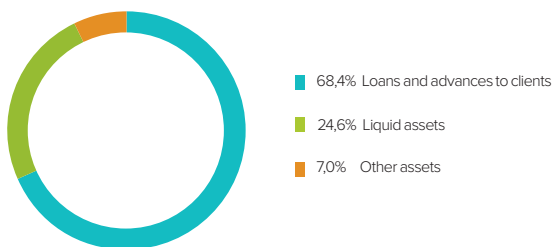


Analysis of the assets structure of Sberbank Group under IFRS

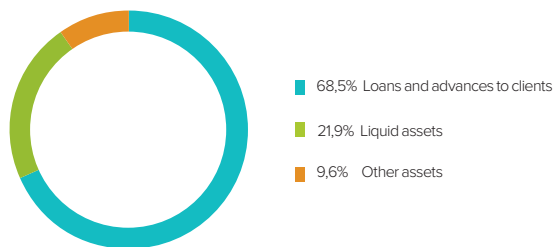
General trends

In 2016, the Group's assets decreased by 7.2% - to RUB 25.4 trillion. Loans and advances to customers remain the largest category of assets: their share at the end of 2016 amounted to 68.4% of total assets. The proportion of liquid assets, including cash and cash equivalents, due from banks, securities portfolio comprised 24.6%. In 2016, the securities portfolio decreased by 6.5% to RUB 2.7 trillion. The portfolio is almost totally comprised of bonds and is used primarily for liquidity management.

Liquid and other assets breakdown in 2016



Liquid and other assets breakdown in 2015

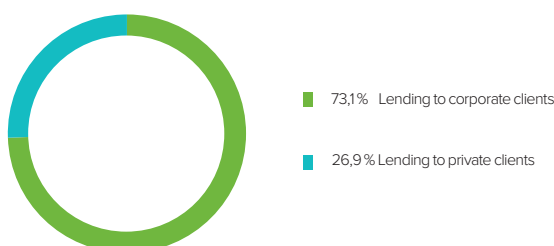


Loans and advances to customers

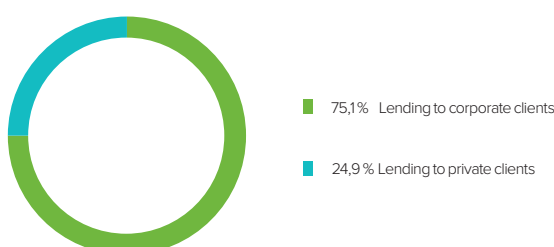
The total loan portfolio of the Group before provision for loan impairment decreased by 6.3% y-o-y to RUB 18.7 trillion. Corporate loans decreased by 8.9% in 2016. Retail lending increased by 1.3% in 2016. The share of corporate loans in the total loan portfolio slightly decreased in 2016 compared to 2015 and amounted to 73.1% (2015: 75.1%). The decrease in corporate loan portfolio was influenced mainly by the revaluation of foreign currency portfolio due to Russian Rouble appreciation, as well as early repayment of loans by a number of large customers.

The corporate loan portfolio decreased by 8.9% - to RUB 13.6 trillion. The decrease in corporate loan portfolio was influenced mainly by the revaluation of foreign currency portfolio due to Russian Rouble appreciation, as well as early repayment of loans by a number of large customers.

Loans and advances to customers in 2016



Loans and advances to customers in 2015



Retail loan portfolio grew by 1.3% in 2016 y-o-y and comprised RUB 5.0 trillion. The driver of growth in the retail lending was mortgage loans, which grew by 7.7% in 2016. In 2016, mortgage loans remained the main component of the retail loan portfolio: their share comprised 54.7%, making increase of 3.3 p.p. in 2016. The share of mortgage loans in the total loan portfolio comprised 14.8%. Sberbank's domestic market share in mortgage loans reached 54.6%. The increase in volumes of mortgage lending was offset by a revaluation of the foreign currency retail loan portfolio, as well as large amounts of early repayments during the 4th quarter of 2016.

Structure of the credit portfolio of the Group

	2015		2016	
	RUB bln	%	RUB bln	%
Commercial loans to legal entities	10,368.0	52.1	9,916.0	53.2
Specialized loans to legal entities	4,590.7	23.0	3,717.0	19.9
Mortgage loans to individuals	2,554.6	12.9	2,750.9	14.8
Consumer and other loans to individuals	1,681.8	8.4	1,574.1	8.4
Credit cards and overdrafts	587.2	2.9	586.9	3.1
Car loans to individuals	142.0	0.7	119.8	0.6
Total loans and advances to customers before provision for loan impairment	19,924.3	100.0	18,664.7	100.0

Quality of the loan portfolio

The provision coverage level of the total loan portfolio before provision for loan impairment comprised 7.0% as at the end of 2016, making an increase of 6.0% compared to 2015. In 2016, the proportion of NPL90+ (non-performing loans with interest payments and/or principal overdue more than 90 days) in the Group's total loan portfolio decreased from 5.0% to 4.4%. At the same time, the provision coverage of non-performing loans (NPLs) in 2016 increased to 1,6 as at the end of 2016 compared to 1,2 as at the end of 2015.

The Group has refined the presentation of renegotiated loans disclosure in the consolidated financial statements for 2016 under IFRS. A loan is considered renegotiated if terms of the original loan contract have been changed. Renegotiated loan portfolio consists of "modified" and "restructured" loans. Restructured loans represent loans which were distressed at the moment of the renegotiation. Restructured loans before provision for loan impairment decreased by 1.8% compared to 2015 and amounted to RUB 1.2 trillion. Its share in the total loan portfolio comprised 6.5% as at December 31, 2016 (6.2% as at December 31, 2015). The provision coverage of non-performing loans (NPLs) combined with restructured non-NPLs increased to 74.6% as at December 31, 2016, compared to 64.5% as at December 31, 2015.

Securities portfolio structure

The Group's securities portfolio is represented mainly by debt instruments (96.9%) and is used primarily for liquidity management. The proportion of shares in securities portfolio increased in 2016 compared to 2015 and amounted to 2.7%. The proportion of corporate bonds in the portfolio structure comprised 33.6% as at the year-end 2016 with 6.3 p.p. decrease y-o-y. The share of corporate bonds with investment rating comprised 27.1% in the Group's total portfolio of corporate bonds (as at the end of 2015 - 39.1%). The share of securities pledged under repurchase agreements decreased from 7.6% to 4.2% in 2016. This decrease resulted from significant reduction in dependence on the funds of the Bank of Russia which became possible due to flexible interest policy and by attracting additional volumes of customers deposits.

Structure of the securities portfolio of the Group

	2015		2016	
	RUB bln	Share, %	RUB bln	Share, %
Russian federal loan bonds (OFZ bonds)	872.2	30.0	1,019.1	37.5
Corporate bonds	1,156.9	39.9	913.9	33.6
Foreign government and municipal bonds	413.0	14.2	348.6	12.8
Russian Federation Eurobonds	325.7	11.2	273.6	10.1
Russian municipal and subfederal bonds	76.4	2.6	78.7	2.9
Promissory notes	0.4	0.0	0.4	0.0
Total debt securities	2,844.6	97.9	2,634.3	96.9
Corporate shares	56.2	1.9	71.0	2.7
Investments in mutual funds	5.2	0.2	12.2	0.4
Total securities	2,906.0	100.0	2,717.5	100.0

Credit rating debt securities portfolio breakdown

	2015		2016	
	RUB bln	Share, %	RUB bln	Share, %
Investment rating	1,672.9	58.8	1,533.5	58.2
Speculative rating	1,079.1	37.9	1,051.7	39.9
No rated	92.6	3.3	49.1	1.9
Total debt securities	2,844.6	100.0	2,634.3	100.0