

# Analysis of the liabilities and equity of the Group under IFRS

## General trends

The Group's liabilities structure is dominated by amounts due to individuals and corporate customers, total amount of which comprised RUB 18.7 trillion as at 31 December 2016, or 82.9% of liabilities. Amounts due to banks decreased by 46.3% in 2016. This was largely influenced by reduction in volumes of funding from the Bank of Russia. In general, the Group's liabilities decreased by 9.7% to RUB 22.5 trillion in 2016. The decrease in funding was mainly influenced by decrease in interest rates and appreciation of Russian Rouble.

## Customer deposits

Amounts due to customers decreased by 5.6% to RUB 18.7 trillion in 2016. At the same time amounts due to individuals increased by 3.4% to RUB 12.4 trillion. In 2016 the share of due to individuals increased in the total structure of the Group's liabilities compared to 2015 and amounted to 55.2% (2015: 48.3%). Thus, amounts due to individuals continue to remain the main source of financing for the Group. The volume of corporate customers decreased by 19.6% to RUB 6.2 trillion. The decrease in the amounts due to corporate customers was primarily influenced by the reducing market trend for interest rates on term deposits.

### Customer deposits of the Group

|                                         | 2015            |              | 2016            |              |
|-----------------------------------------|-----------------|--------------|-----------------|--------------|
|                                         | RUB bln         | %            | RUB bln         | %            |
| <b>Due to individuals</b>               |                 |              |                 |              |
| Current/demand accounts                 | 2,415.4         | 12.2         | 2,478.9         | 13.3         |
| Term deposits                           | 9,628.3         | 48.6         | 9,970.7         | 53.3         |
| <b>Total due to individuals</b>         | <b>12,043.7</b> | <b>60.8</b>  | <b>12,449.6</b> | <b>66.6</b>  |
| <b>Due to corporate customers</b>       |                 |              |                 |              |
| Current/settlement accounts             | 2,361.2         | 11.9         | 1,982.3         | 10.6         |
| Term deposits                           | 5,393.4         | 27.3         | 4,252.9         | 22.8         |
| <b>Total due to corporate customers</b> | <b>7,754.6</b>  | <b>39.2</b>  | <b>6,235.2</b>  | <b>33.4</b>  |
| <b>Total</b>                            | <b>19,798.3</b> | <b>100.0</b> | <b>18,684.8</b> | <b>100.0</b> |

## Debt securities issued by the Group

| RUB bln                                                             | 2015           | 2016           | Change         |              |
|---------------------------------------------------------------------|----------------|----------------|----------------|--------------|
|                                                                     |                |                | RUB bln        | %            |
| Savings certificates                                                | 577.7          | 482.6          | (95.1)         | –16.5        |
| Loan participation notes issued under the MTN programme of Sberbank | 607.0          | 473.9          | (133.1)        | –21.9        |
| Bonds issued:                                                       |                |                |                |              |
| on the local market                                                 | 70.1           | 84.3           | 14.2           | 20.3         |
| on international capital markets                                    | 34.5           | 21.1           | (13.4)         | –38.8        |
| Promissory notes                                                    | 80.7           | 92.4           | 11.7           | 14.5         |
| Bonds issued under mortgage securitization programme of Sberbank    | 7.2            | 5.5            | (1.7)          | –23.6        |
| Deposit certificates                                                | 1.3            | 1.2            | (0.1)          | –7.7         |
| <b>Total debt securities in issue</b>                               | <b>1,378.5</b> | <b>1,161.0</b> | <b>(217.5)</b> | <b>–15.8</b> |

The volume of debt securities in issue decreased by 15.8% in 2016. The decline was mainly due to appreciation of Russian Rouble and repayment of a number of debt securities. Loan participation notes issued under the MTN programme of Sberbank decreased by 21.9% due to repayment of a number of issues. Savings certificates decreased by 16.5%. At the same time bonds issued on the local market showed growth (by 20.3%) due to attracting funds by Sberbank on the Russian market under the programme of exchange-traded bonds denominated in Russian Roubles in 2016. Also growth was shown by promissory notes, which increased by 14.5% in 2016.

## Equity of the Group

| bln RUB                                                         | 2015           | 2016           | Change       |             |
|-----------------------------------------------------------------|----------------|----------------|--------------|-------------|
|                                                                 |                |                | RUB bln      | %           |
| Share capital                                                   | 87.7           | 87.7           | —            | 0.0         |
| Treasury shares                                                 | (6.7)          | (7.9)          | (1.2)        | –17.9       |
| Share premium                                                   | 232.6          | 232.6          | —            | 0.0         |
| Revaluation reserve for office premises                         | 69.3           | 66.9           | (2.4)        | –3.5        |
| Fair value reserve for investment securities available-for-sale | (45.7)         | 24.0           | 69.7         | 152.5       |
| Foreign currency translation reserve                            | 101.1          | (19.8)         | (120.9)      | –119.6      |
| Remeasurments of defined benefit pension plans                  | (0.7)          | (1.1)          | (0.4)        | –57.1       |
| Retained earnings                                               | 1,935.2        | 2,435.7        | 500.5        | 25.9        |
| <b>Total equity attributable to shareholders of the Bank</b>    | <b>2,372.8</b> | <b>2,818.1</b> | <b>445.3</b> | <b>18.8</b> |
| Non-controlling interest                                        | 2.2            | 3.5            | 1.3          | 59.1        |
| <b>Total equity</b>                                             | <b>2,375.0</b> | <b>2,821.6</b> | <b>446.6</b> | <b>18.8</b> |

The Group's equity increased by 18.8% to RUB 2.8 trillion in 2016. The growth is attributed primarily to the Group's record profit earned for the year.

## Capital Adequacy Ratio of the Group, RUB bln

| Indicator                                                              | 2015            | 2016            |
|------------------------------------------------------------------------|-----------------|-----------------|
| <b>Tier 1 capital</b>                                                  |                 |                 |
| Share capital                                                          | 87.7            | 87.7            |
| Share premium                                                          | 232.6           | 232.6           |
| Retained earnings                                                      | 1,935.2         | 2,435.7         |
| Treasury shares                                                        | (6.7)           | (7.9)           |
| less Goodwill                                                          | (22.1)          | (18.9)          |
| <b>Total Tier 1 capital</b>                                            | <b>2,226.70</b> | <b>2,729.2</b>  |
| <b>Tier 2 capital</b>                                                  |                 |                 |
| Revaluation reserve for premises                                       | 69.3            | 66.9            |
| Fair value reserve for investment securities available-for-sale        | (20.6)          | 10.8            |
| Foreign currency translation reserve                                   | 101.1           | (19.8)          |
| Eligible subordinated debt                                             | 781.2           | 717.7           |
| less Investments in associates                                         | (6.5)           | (7.5)           |
| <b>Total Tier 2 capital</b>                                            | <b>924.5</b>    | <b>768.1</b>    |
| <b>Total capital</b>                                                   | <b>3,151.2</b>  | <b>3,497.3</b>  |
| <b>Risk weighted assets (RWA)</b>                                      |                 |                 |
| Credit risk                                                            | 24,225.7        | 21,493.6        |
| Market risk                                                            | 769.8           | 774.6           |
| <b>Total risk weighted assets (RWA)</b>                                | <b>24,995.5</b> | <b>22,268.2</b> |
| <b>Core capital adequacy ratio (Total Tier 1 capital to Total RWA)</b> | <b>8.9</b>      | <b>12.3</b>     |
| <b>Total capital adequacy ratio (Total capital to Total RWA)</b>       | <b>12.6</b>     | <b>15.7</b>     |

Core capital adequacy ratio comprised 12.3% as at 31 December 2016. Total capital adequacy ratio amounted to 15.7% as at the year-end 2016, which is significantly higher than the baseline set by Basel Committee (8%). At the same time capital adequacy ratios demonstrated growth in 2016 compared to 2015 due to increase of the Group's equity, as well as due to reduction of risk-weighted assets, mainly due to appreciation of Russian Rouble and the reduction in loan portfolio of the Group.