Financial results

Major performance indicators of Sberbank Group under IFRS for five years

“I find enhanced performance to be the most important result of 2016: the cost to income ratio improved to 39.7%, and coverage of operating costs with the net commission income increased to 51.5%. In total, this considerably reduces the sensitivity of the bank to a possible reduction in the marginality of the banking business and allows us to look to 2017 with optimism.

Alexander Morozov

Deputy Chairman of the Executive Board

Major performance indicators of Sberbank Group under IFRS for five years

	2012	2013	2014	2015	2016	Change 2016/2015, % (unless specified otherwise)
For the year, RUB bln						
Operating income before provisions	915.3	1,094.8	1,300.7	1,429.8	1,697.5	18.7
Provision charge for loan impairment	(21.5)	(133.5)	(357.0)	(473.1)	(342.4)	–27.6
Operating income	893.8	959.9	939.3	954.6	1,355.1	42.0
Operating expenses	(445.9)	(504.2)	(565.1)	(623.4)	(677.6)	8.7
Profit before tax	447.9	455.7	374.2	331.2	677.5	104.6
Net profit	**347.9**	**362.0**	**290.3**	**222.9**	**541.9**	**143.1**
As of 31 December, rub bln						
Loans and advances to customers, net	10,499	12,934	17,757	18,728.0	17,361.0	–7.3
Loans and advances to customers before provision for loan impairment	11,064	13,544	18,626	19,924.0	18,665.0	–6.3
Total assets	15,097	18,210	25,201	27,335	25,369	–7.2
Due to individuals and corporate customers	10,179	12,064	15,563	19,798.0	18,685.0	–5.6
Total liabilities	**13,474**	**16,329**	**23,181**	**24,960.0**	**22,547.0**	**–9.7**
Total equity	**1,624**	**1,881**	**2,020**	**2,375**	**2,822**	**18.8**

	2012	2013	2014	2015	2016	Change 2016/2015, % (unless specified otherwise)
Per share, rub per share						
Basic and diluted earnings per ordinary share	16.03	16.78	13.45	10.36	25.0	141.3
Dividends per ordinary share declared during the year	2.08	2.57	3.2	0.45	1.97	337.8
Net assets per ordinary share	75.2	87.5	94.0	110.5	131.3	18.8
Financial ratios, %						
Profitability ratios						
Return on assets (ROA)	2.7	2.2	1.4	0.9	2.1	1.2 p.p.
Return on equity (ROE)	24.2	20.8	14.8	10.2	20.8	10.6 p.p.
Spread (return on assets less cost of funds)	5.8	5.7	5.5	4.1	5.3	1.2 p.p.
Net interest margin (net interest income to average earning assets)	6.1	5.9	5.6	4.4	5.7	1.3 p.p.
Operating expenses to operating income before provisions	48.7	46.0	43.2	43.7	39.7	–4.0 p.p.
Net loans and advances to customers to current accounts and term deposits of individuals and corporate customers and savings sertificates (net loans-to-deposits ratio)	100.9	104.2	110.8	91.9	90.6	–1.3 p.p.
Capital adequacy ratios, %						
Core capital ratio (Tier I)	10.4	10.6	8.6	8.9	12.3	3.4 p.p.
Total capital ratio (Tier I and Tier II)	13.7	13.4	12.1	12.6	15.7	3.1 p.p.
Equity to total assets	10.8	10.3	8.0	8.7	11.1	2.4 p.p.
Asset quality ratios						
Non-performing loans to total loans outstanding (NPL ratio)	3.2	2.9	3.2	5.0	4.4	–0.6 p.p.
Provision for loan impairment to non-performing loans (NPL coverage) (times)	1.6	1.5	1.4	1.2	1.6	0.4
Provision for loan impairment to total gross loans to customers	5.1	4.5	4.7	6.0	7.0	1.0 p.p.