



SBERBANK GROUP IFRS RESULTS

9 MONTHS 2017





SUMMARY OF PERFORMANCE FOR 9 MONTHS 2017

STATEMENT OF PROFIT OR LOSS

- **Net profit** reached RUB 576.3 bn (or RUB 26.48 per ordinary share), a 44.0% increase on RUB 400.1 bn (or RUB 18.46 per ordinary share) for 9M 2016
- **Operating income** before provision charge for impairment of debt financial assets reached RUB 1,401.9 bn, a 11.7% increase on RUB 1,255.4 bn for 9M 2016
- **Operating expenses** decreased by 1.4% year-on-year. **Cost to Income ratio** decreased to 33.3% versus 37.5% for 9M 2016
- **Net interest margin** increased by 39 basis points compared to 9M 2016 to reach 6.0% p.a.
- **Annualized cost of risk** decreased to 152 basis points compared to 195 basis points for 9M 2016

STATEMENT OF FINANCIAL POSITION

- **The Group's total assets** increased by 3.4%
- **Tier 1 capital adequacy ratio** calculated in accordance with Basel III requirements increased by 80 basis points to 11.0% compared to 10.2% as of 31.12.2016





HIGHLIGHTS OF 9M 2017 (1)

RUB bn	9M 2017	9M 2016	Change
Operating income before provision charge for impairment of debt financial assets	1,401.9	1,255.4	11.7 %
Operating expenses	-468.9	-475.6	-1.4 %
Net provision charge for impairment of debt financial assets	-214.6	-282.1	-23.9 %
Net profit	576.3	400.1	44.0 %
Total comprehensive income	581.9	404.4	43.9%
Earnings per ordinary share, RUB	26.48	18.46	43.4%

RUB bn	3Q 2017	3Q 2016	Change
Operating income before provision charge for loan impairment of debt financial assets	498.0	435.0	14.5 %
Operating expenses	-160.4	-163.0	-1.6 %
Net provision charge for impairment of debt financial assets	-58.2	-101.7	-42.8 %
Net profit	224.1	137.0	63.6 %
Total comprehensive income	226.0	130.6	73.0%
Earnings per ordinary share, RUB	10.33	6.36	62.4%





HIGHLIGHTS OF 9M 2017 (2)

RUB bn	30.09.2017	31.12.2016	Change
Assets	26,220.2	25,368.5	3.4%
Loans to customers (net)	18,102.9	17,361.3	4.3%
Due to customers	19,161.5	18,684.8	2.6%
Equity	3,267.0	2,821.6	15.8%
Tier I capital adequacy ratio (Basel III)	11.0%	10.2%	0.8 pp
Total capital adequacy ratio (Basel III)	12.7%	12.0%	0.7 pp
PLI rate (Provision for loan impairment to Total gross loans)	7.2%	7.0%	0.2 pp

	9M 2017	9M 2016	Change
Return on equity	25.5%	20.9%	4.6 pp
Return on assets	3.0%	2.0%	1.0 pp
Cost to income ratio*	33.3%	37.5%	-4.2 pp
Net interest margin**	6.0%	5.6%	0.4 pp

*Operating expenses to operating income before provision charge for impairment of debt financial assets and credit related commitments

**Net interest income to weighted average interest earning assets

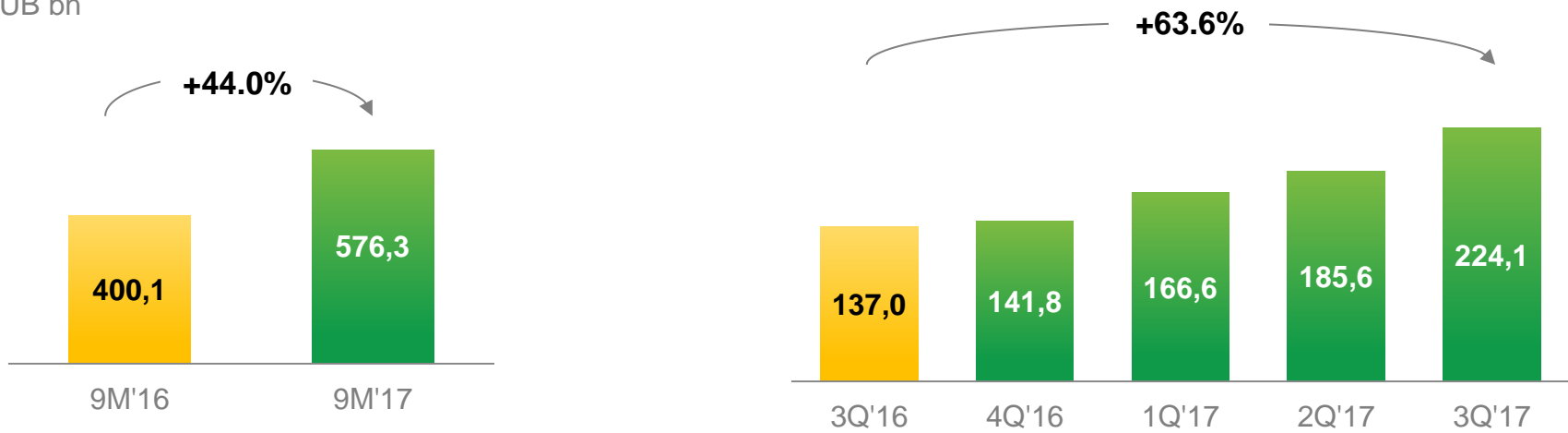




KEY FINANCIAL INDICATORS

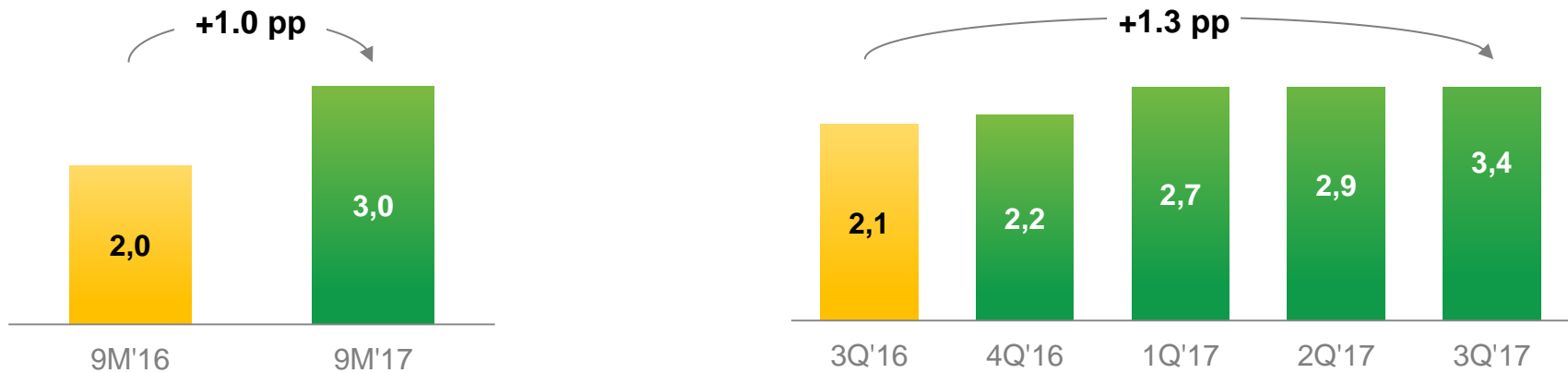
NET PROFIT

RUB bn



RETURN ON ASSETS (ROA)

%

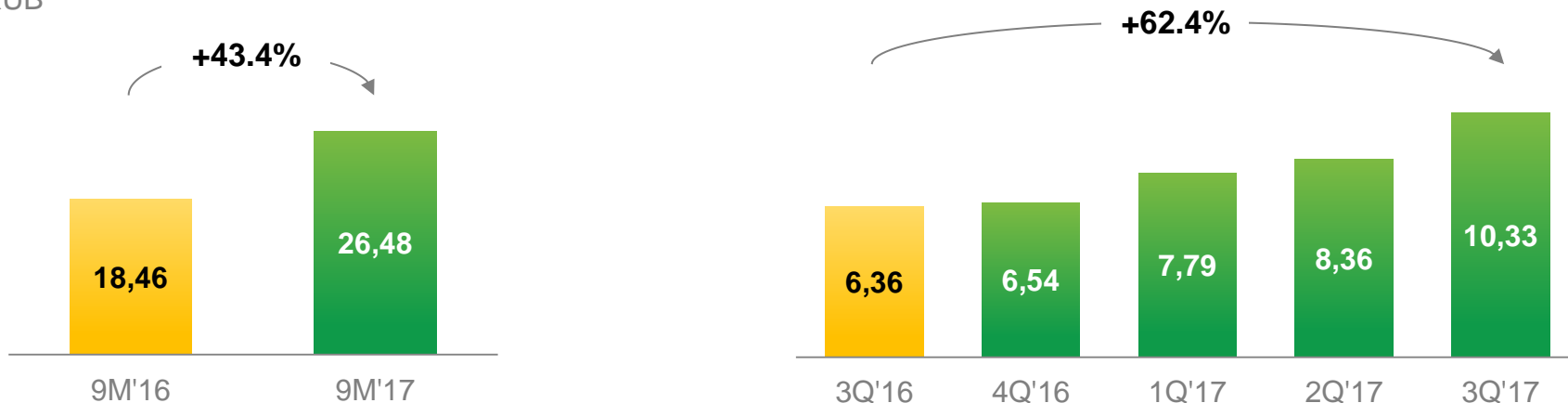




KEY FINANCIAL INDICATORS

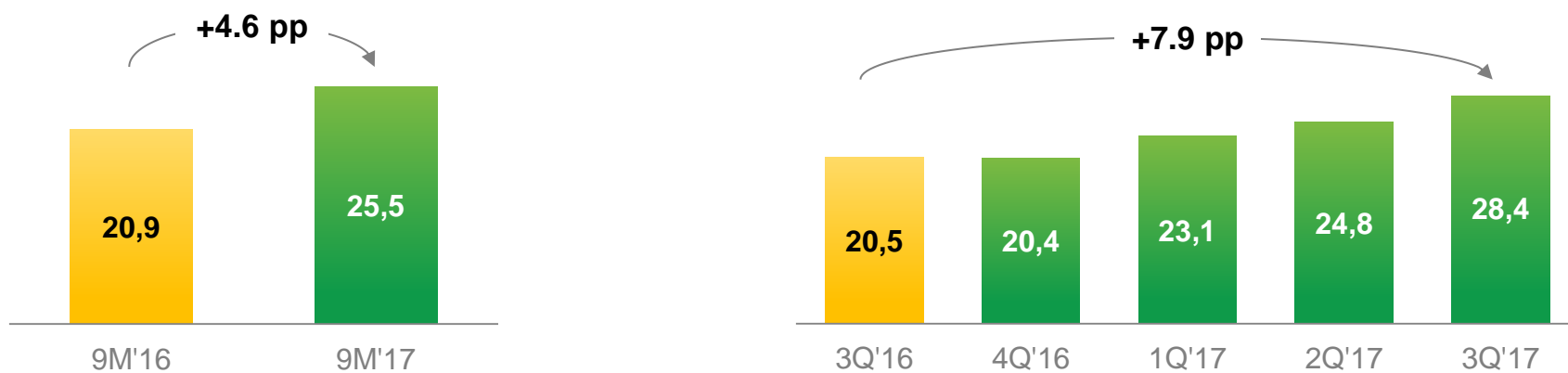
EARNINGS PER ORDINARY SHARE

RUB



RETURN ON EQUITY (ROE)

%

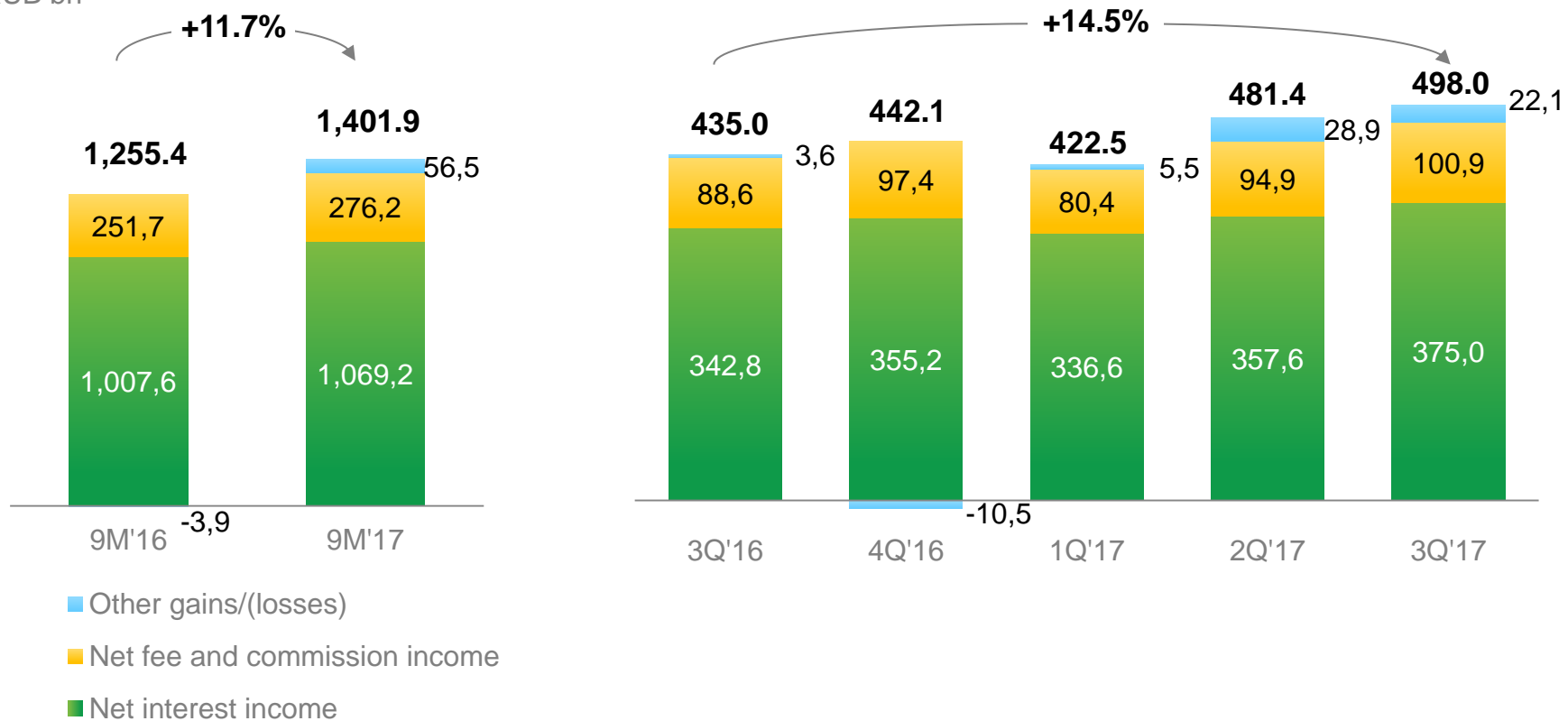




OPERATING INCOME

OPERATING INCOME BEFORE PROVISION CHARGE FOR IMPAIRMENT OF DEBT FINANCIAL ASSETS

RUB bn



- Operating income continued to increase in 3Q 2017 mainly driven by net interest income and fee and commission income growth

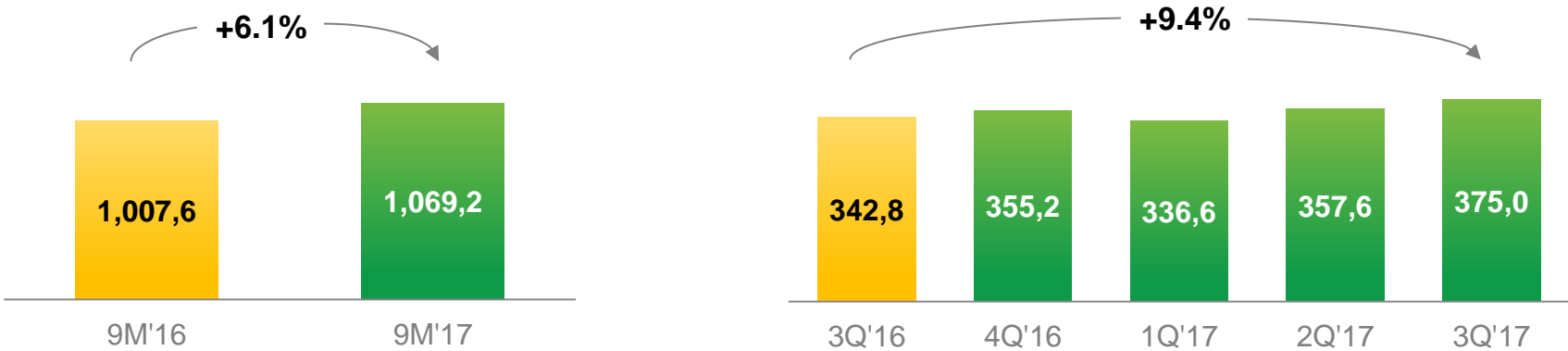




NET INTEREST INCOME

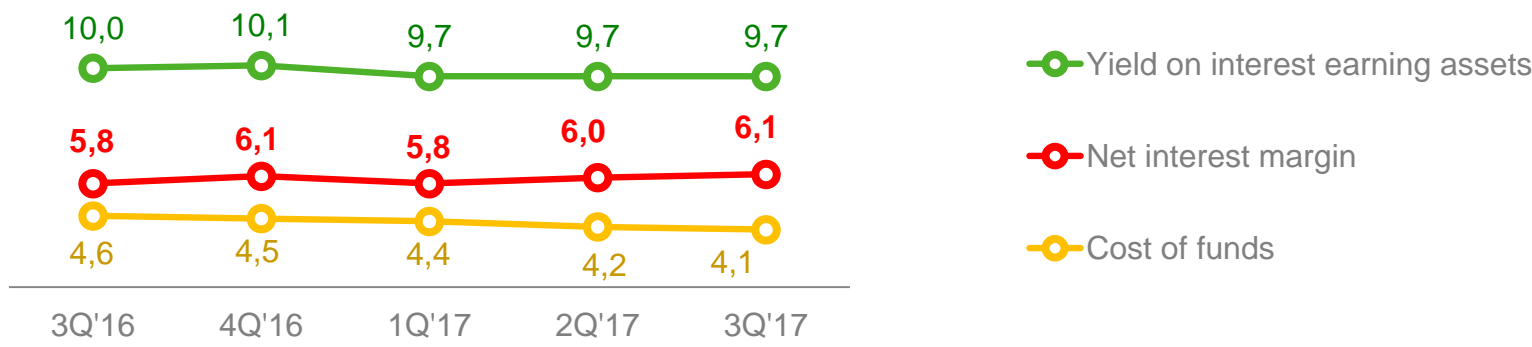
NET INTEREST INCOME

RUB bn



NET INTEREST MARGIN

%

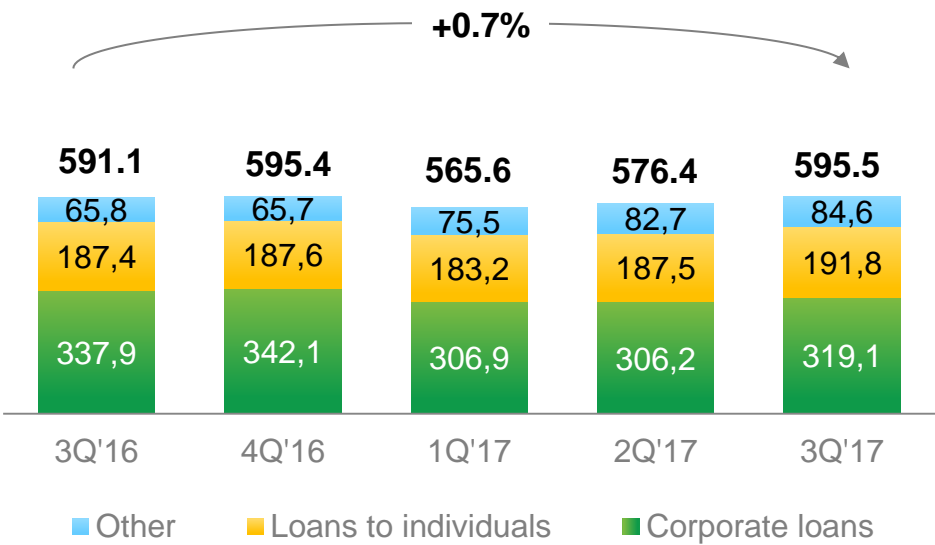
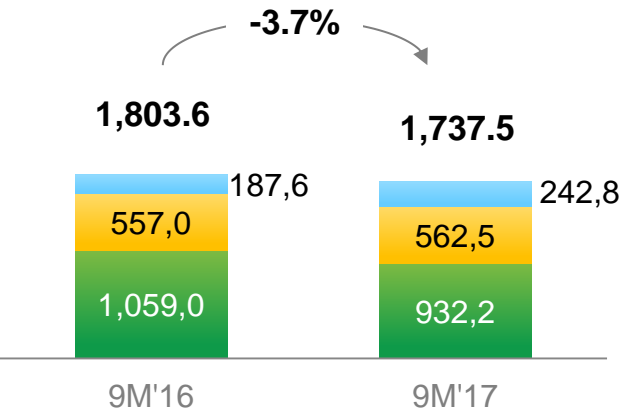


INTEREST INCOME

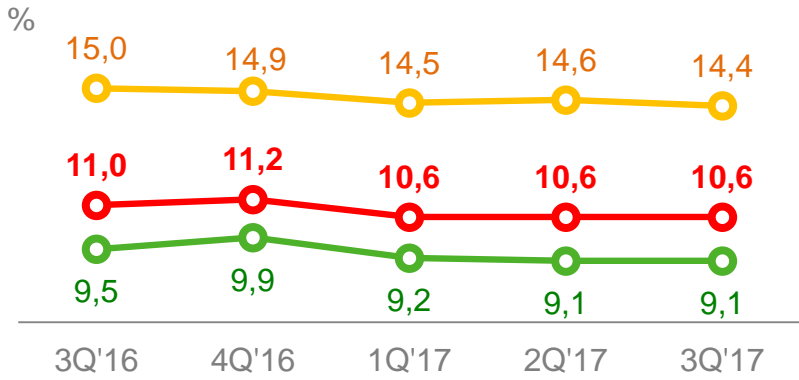


INTEREST INCOME

RUB bn



AVERAGE LOAN YIELDS



- Loans to individuals
- Total loans
- Corporate loans

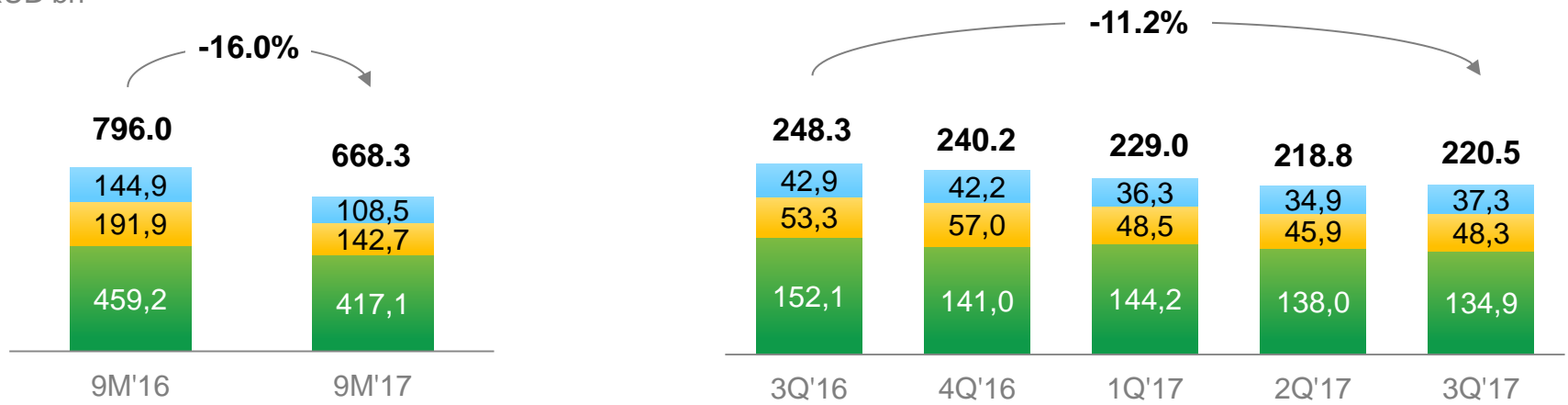




INTEREST EXPENSE

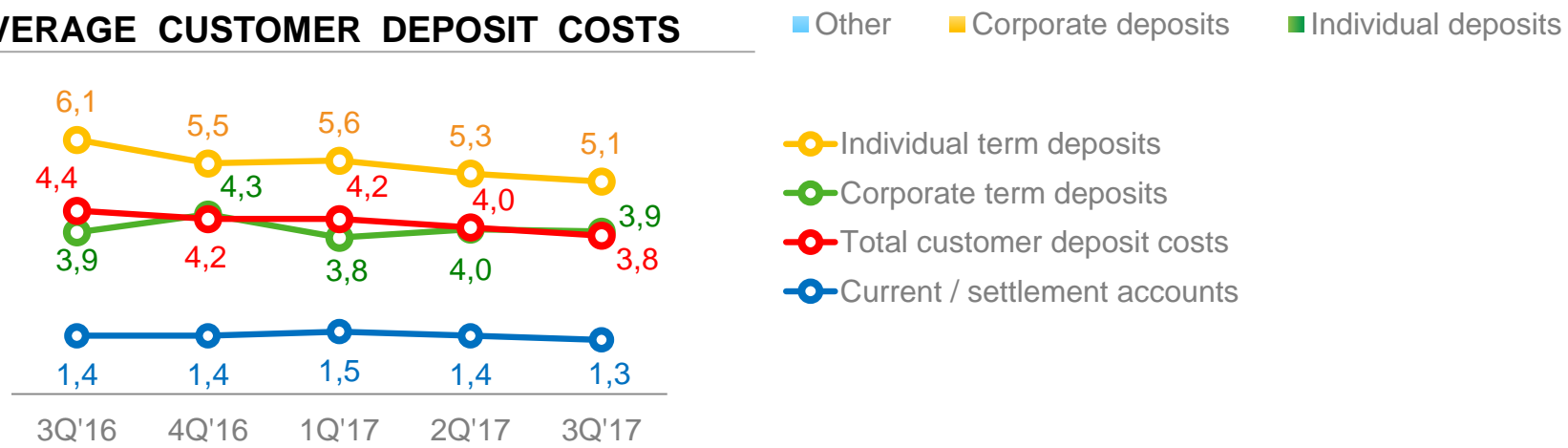
INTEREST EXPENSE

RUB bn



AVERAGE CUSTOMER DEPOSIT COSTS

%



- The cost of funding continued to decrease in 3Q 2017 mostly driven by retail term deposits

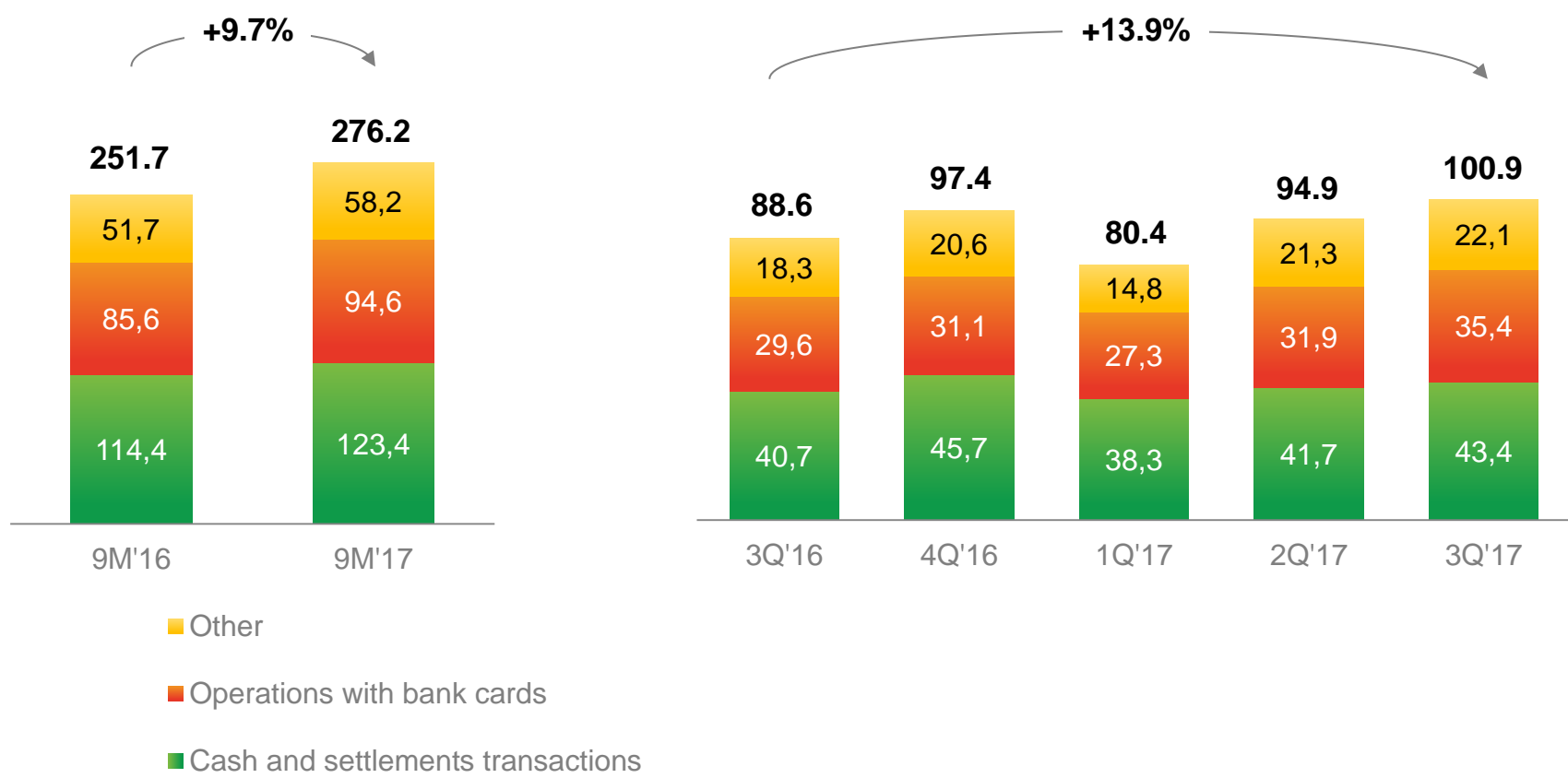




NET FEE AND COMMISSION INCOME (1)

NET FEE AND COMMISSION INCOME

RUB bn





NET FEE AND COMMISSION INCOME (2)

	3Q 2017	3Q 2016	3Q 2017/ 3Q 2016	9M 2017	9M 2016	9M 2017/ 9M 2016
Net operations with bank cards:	35.4	29.6	19.6%	94.6	85.6	10.5%
<i>Net acquiring, commissions of payment systems and other similar commissions</i>	30.0	23.8	26.1%	78.9	66.6	18.5%
<i>Service fees</i>	13.9	11.2	24.1%	37.1	30.8	20.5%
<i>Expenses on loyalty programs</i>	-6.8	-5.4	25.9%	-17.9	-11.8	51.7%
<i>Other (net)</i>	-1.7	0.0	-	-3.5	0.0	-
Cash and settlements transactions	43.4	40.7	6.6%	123.4	114.4	7.9%
Client operations with foreign currencies and precious metals	7.9	6.7	17.9%	21.5	17.4	23.6%
Securities & commodities brokerage, custodial & investment banking (including syndications)	1.1	0.7	57.1%	3.9	2.7	44.4%
Documentary commissions	7.2	6.1	18.0%	19.9	18.5	7.6%
Agent commissions	4.8	3.3	45.5%	9.1	7.0	30.0%
Other	1.1	1.5	-26.7%	3.8	6.1	-37.7%
Net fee and commission income	100.9	88.6	13.9%	276.2	251.7	9.7%

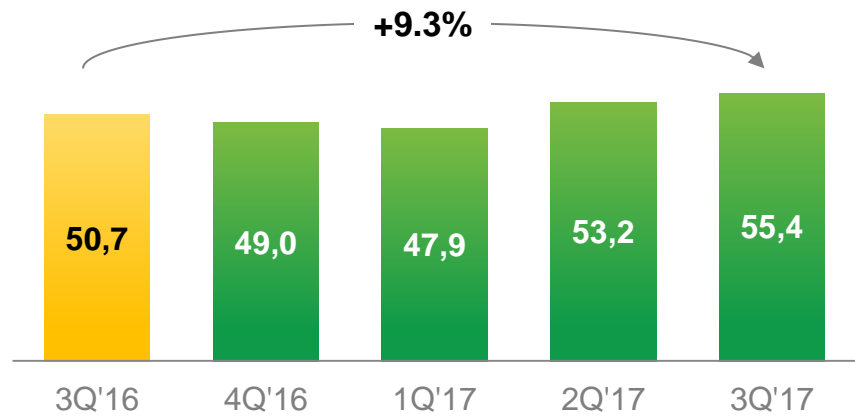
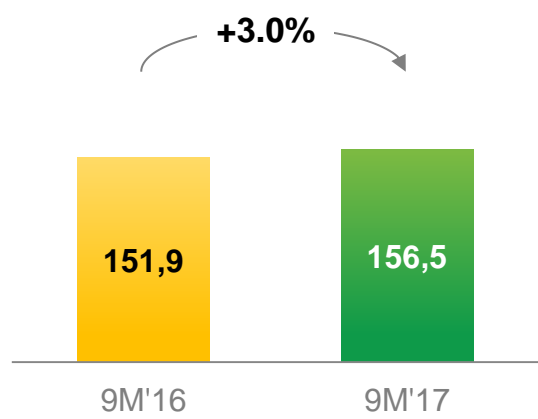




OPERATIONS WITH SECURITIES

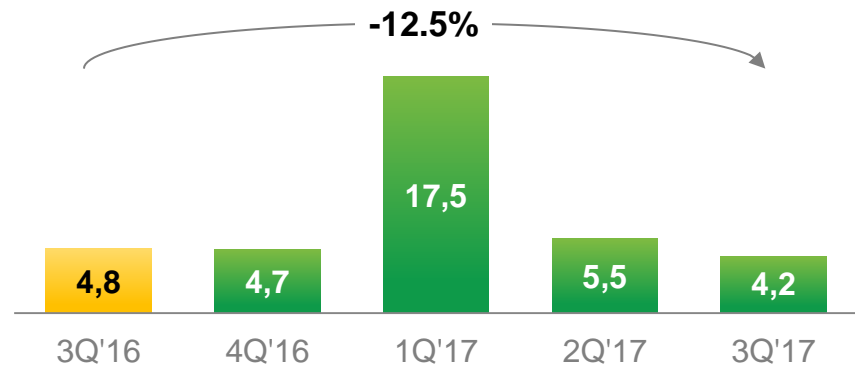
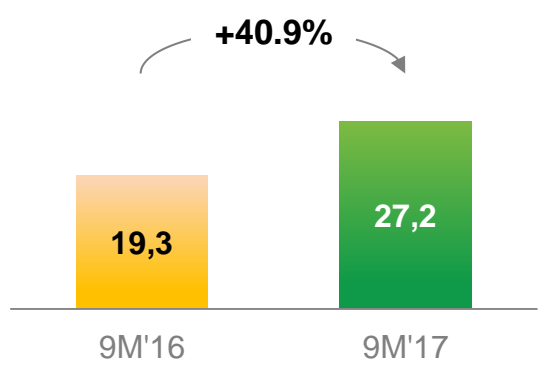
INTEREST INCOME ON SECURITIES

RUB bn



NET GAINS FROM TRADING OPERATIONS AND REVALUATION OF SECURITIES

RUB bn

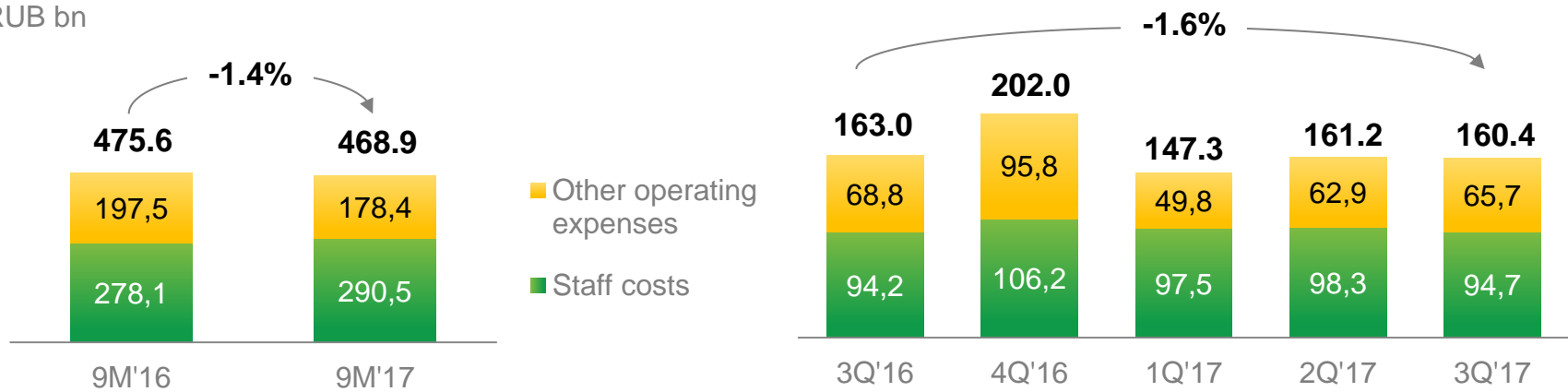




OPERATING EXPENSES

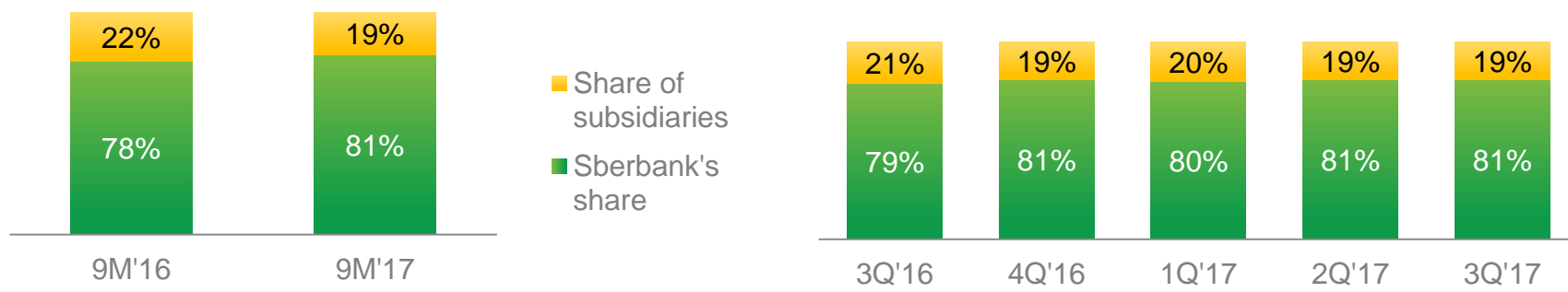
OPERATING EXPENSES

RUB bn



SHARE OF SBERBANK AND ITS SUBSIDIARIES IN OPERATING EXPENSES

%



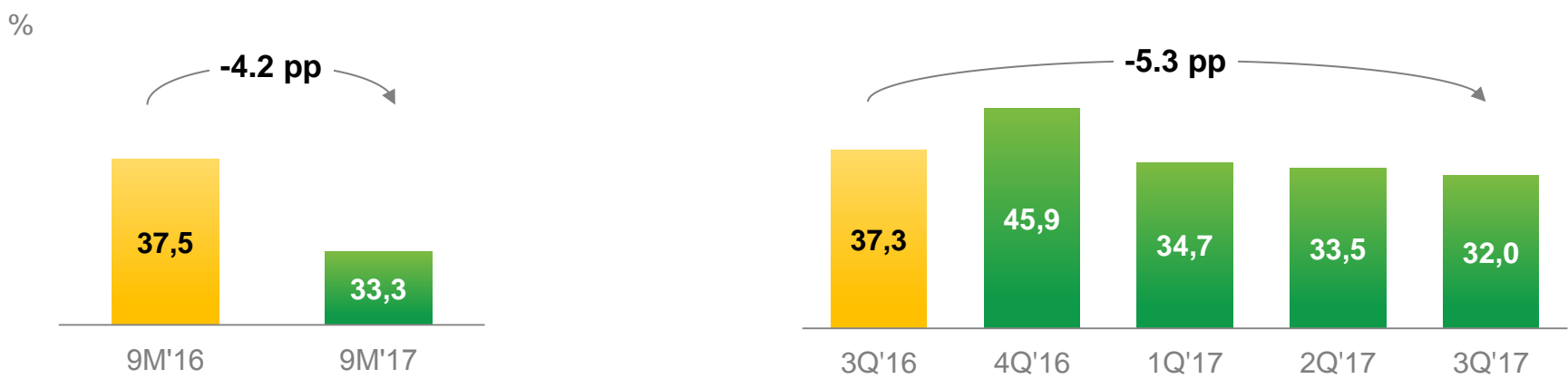
- Staff costs increased only by 0.5% in 3Q 2017 compared to 3Q 2016
- Changing of the Bank's estimates on remaining useful life of fixed assets as well as some methodology changes and decrease in expenses from foreign subsidiaries due to FX effect supported the positive trend in Operating expenses



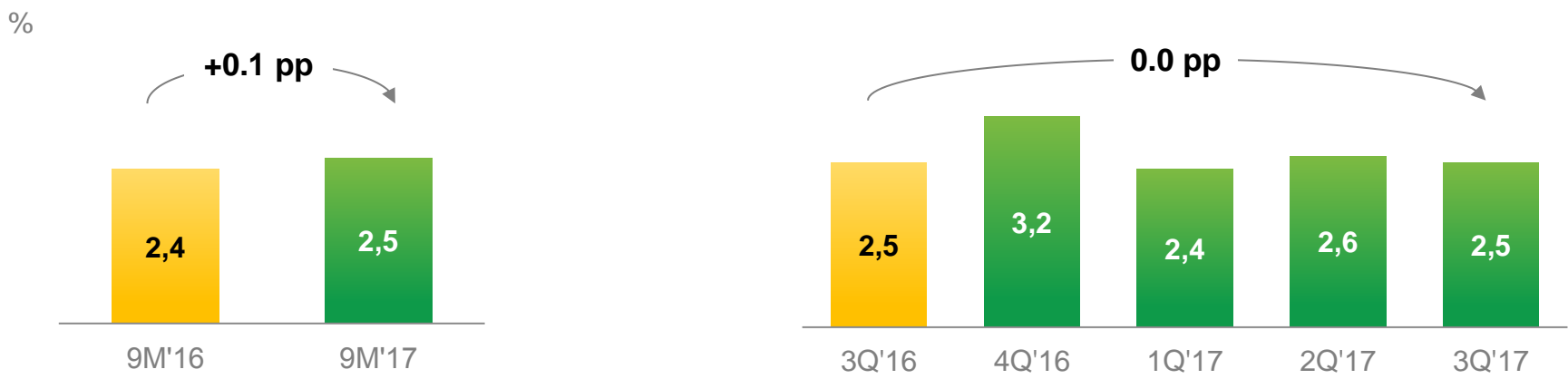


EFFICIENCY RATIOS

COST TO INCOME RATIO (CIR)



COST TO ASSETS RATIO

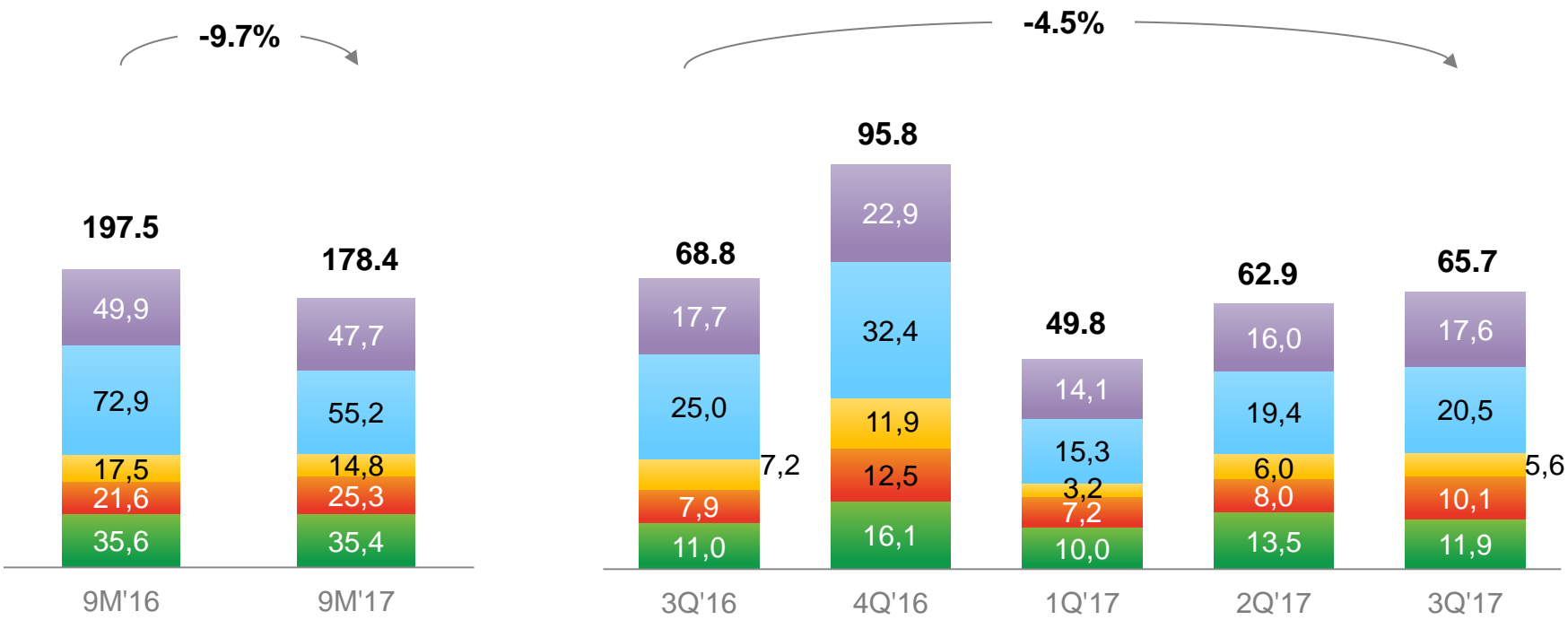




OTHER OPERATING EXPENSES

OTHER OPERATING EXPENSES

RUB bn



- Administrative and operating lease expenses
- Depreciation, repair and maintenance of premises and equipment
- Telecommunication expenses
- Taxes other than on income
- Other expenses





OPERATING EXPENSE STRUCTURE & ACTUAL HEADCOUNT

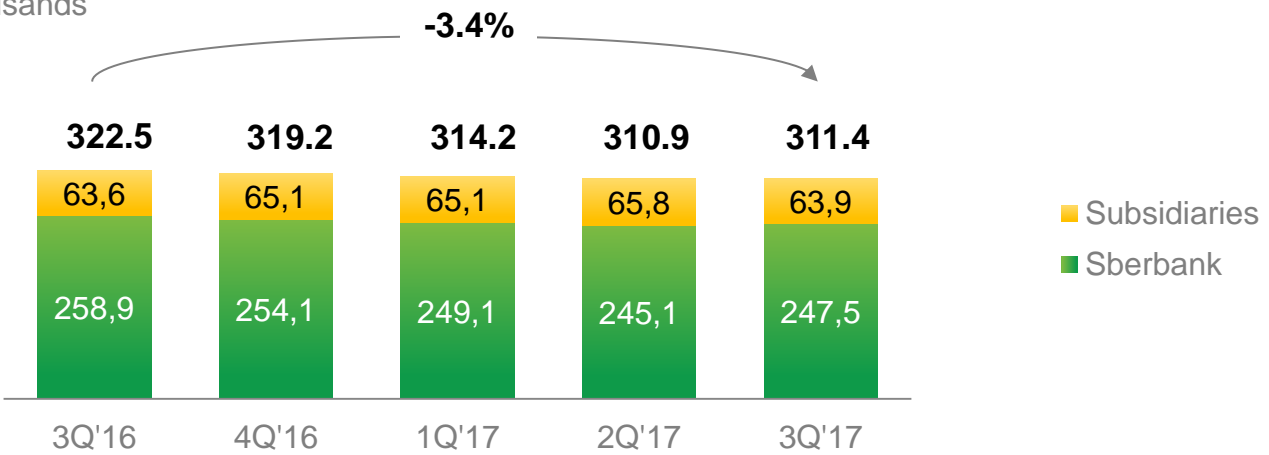
OPERATING EXPENSES SPLIT

RUB bn

	3Q'16	4Q'16	1Q'17	2Q'17	3Q'17
Staff costs, Sberbank	76.0	84.0	82.9	82.2	78.3
Staff costs, subsidiaries	18.2	22.2	14.6	16.1	16.4
Other operating expenses, Sberbank	52.4	80.5	35.3	48.4	52.2
Other operating expenses, subsidiaries	16.4	15.3	14.5	14.5	13.5

ACTUAL HEADCOUNT

thousands

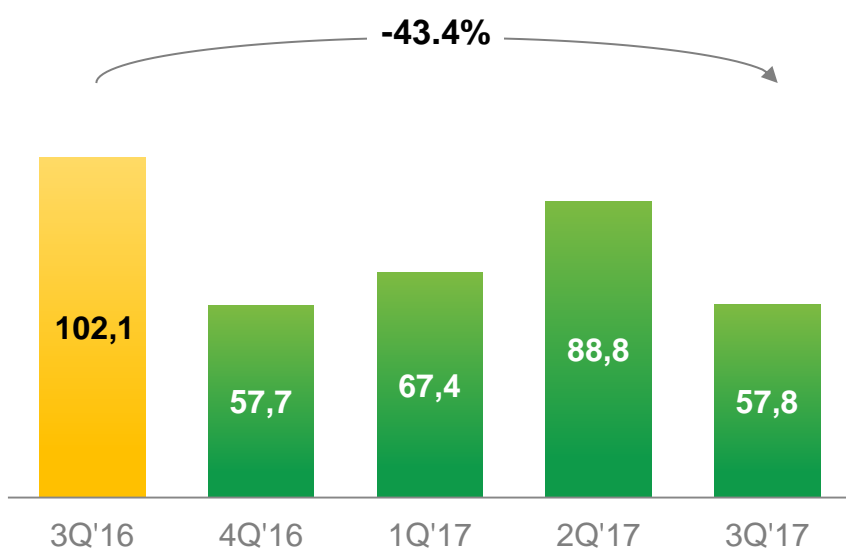




NET PROVISION CHARGE FOR LOAN IMPAIRMENT

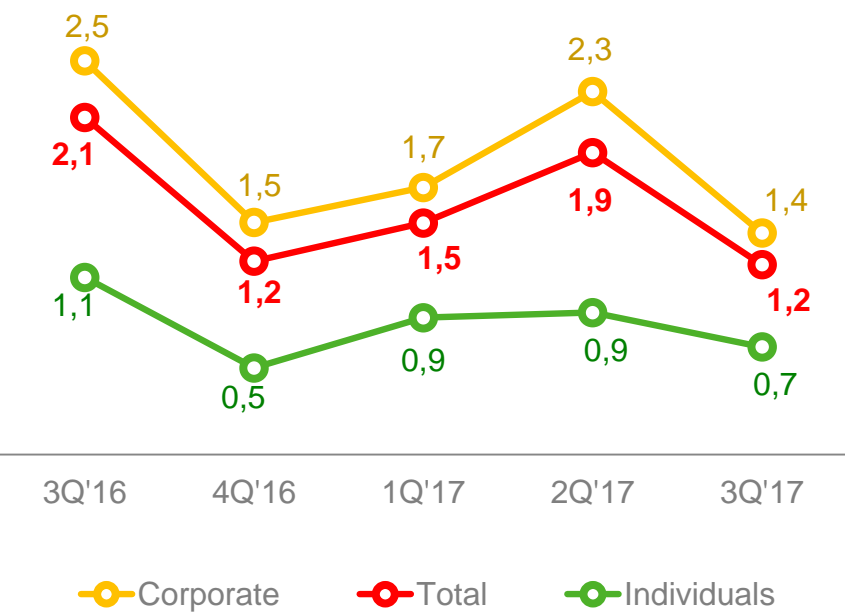
NET PROVISION CHARGE FOR LOAN IMPAIRMENT

RUB bn



COST OF RISK

%



- Cost of risk came in at 152 bp for 9M 2017 within our guidance range

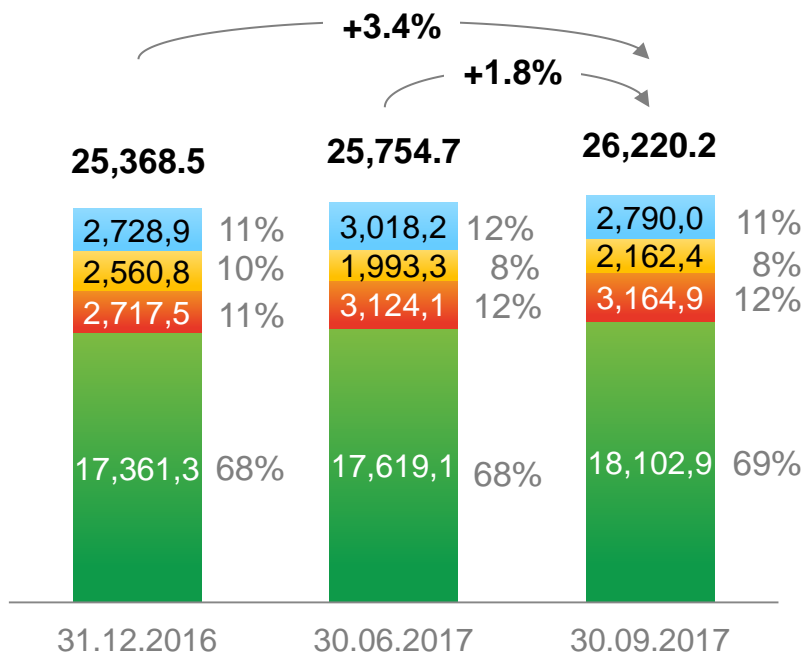




ASSET DYNAMICS AND STRUCTURE

ASSETS

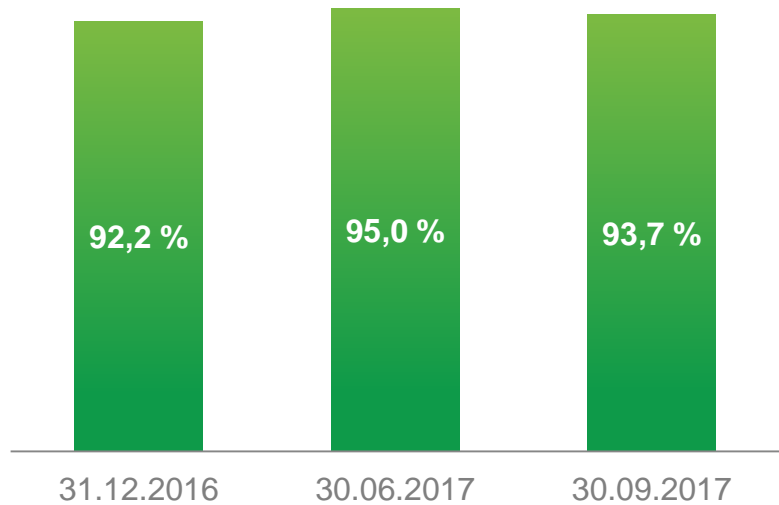
RUB bn



- Other assets
- Cash and cash equivalents
- Securities
- Loans and advances to customers

SHARE OF INTEREST-EARNING ASSETS IN THE GROUP'S TOTAL ASSETS

%

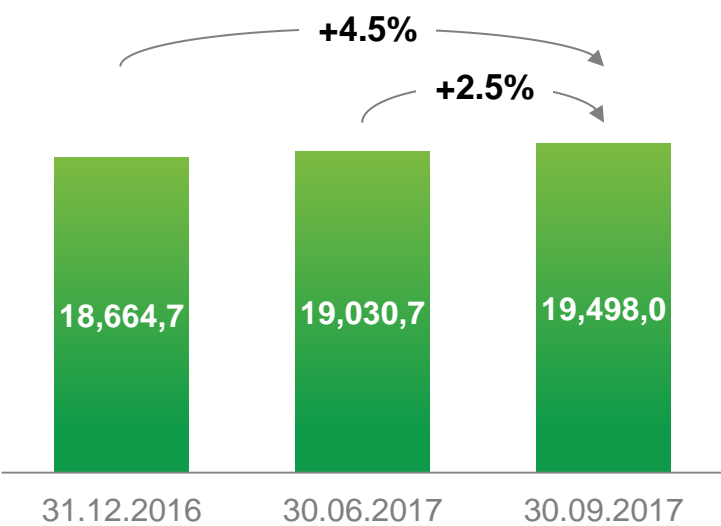




LOAN PORTFOLIO (1)

LOAN PORTFOLIO BEFORE PROVISIONS FOR LOAN IMPAIRMENT

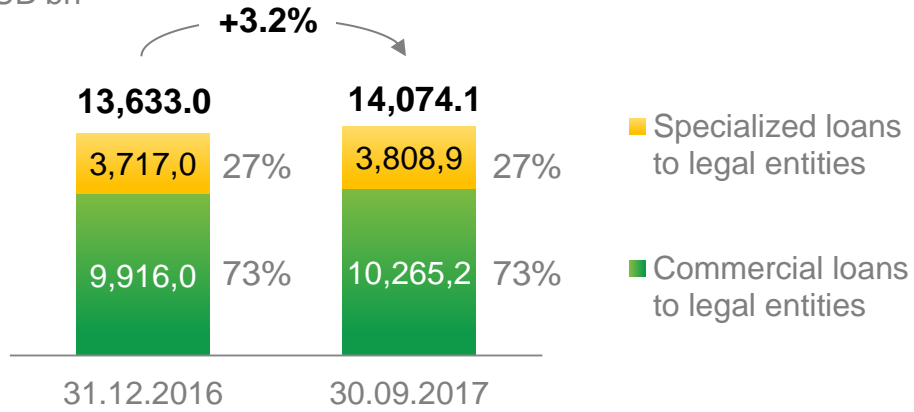
RUB bn



- Mortgage loan portfolio grew up by 8.1% for 9M, 2017 while credit cards increased by 13.4%

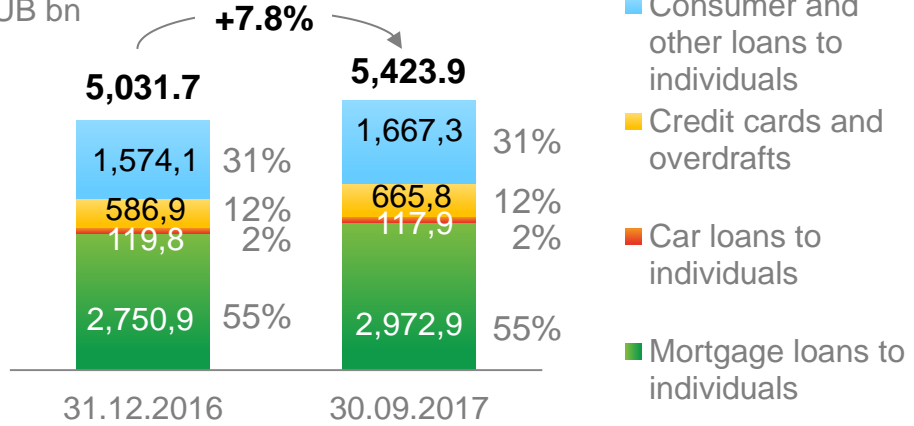
CORPORATE LOAN PORTFOLIO STRUCTURE

RUB bn



RETAIL LOAN PORTFOLIO STRUCTURE

RUB bn

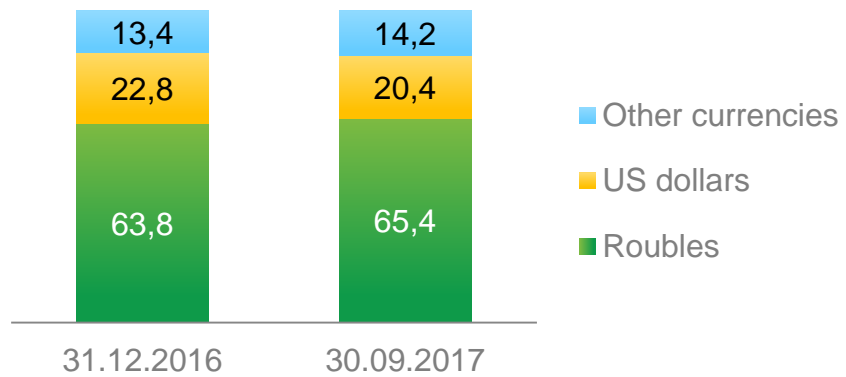




LOAN PORTFOLIO (2)

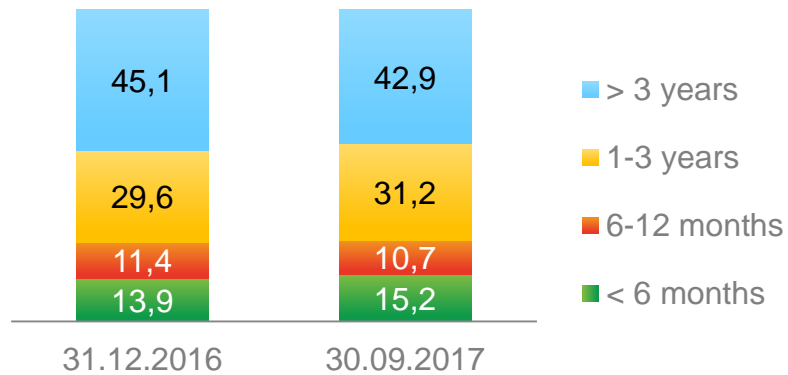
CURRENCY BREAKDOWN

%



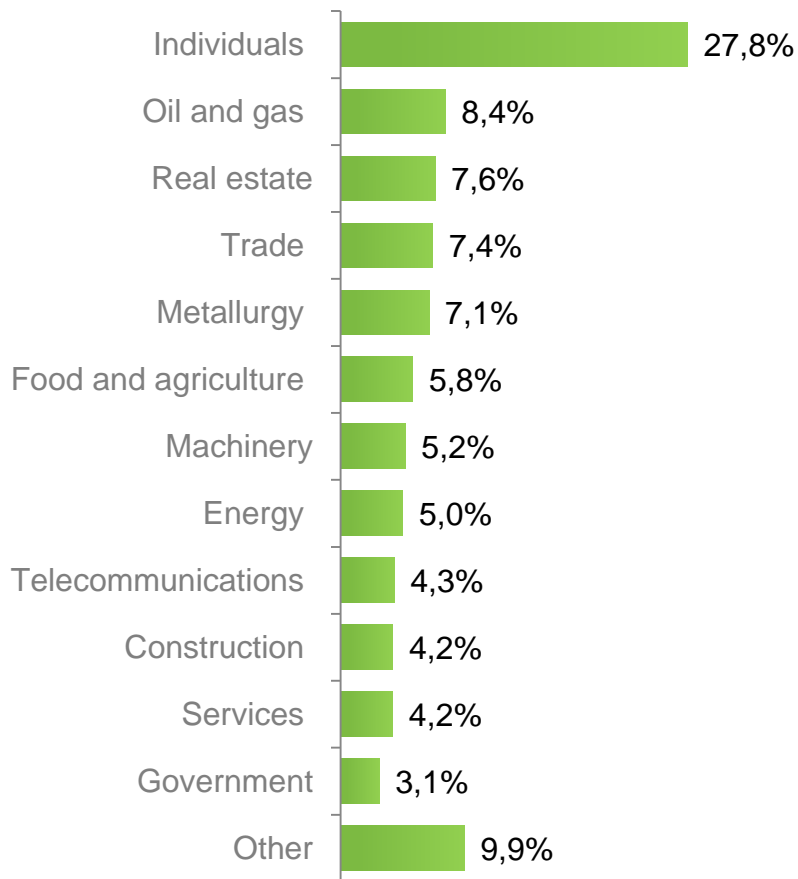
MATURITY BREAKDOWN

%



INDUSTRY BREAKDOWN

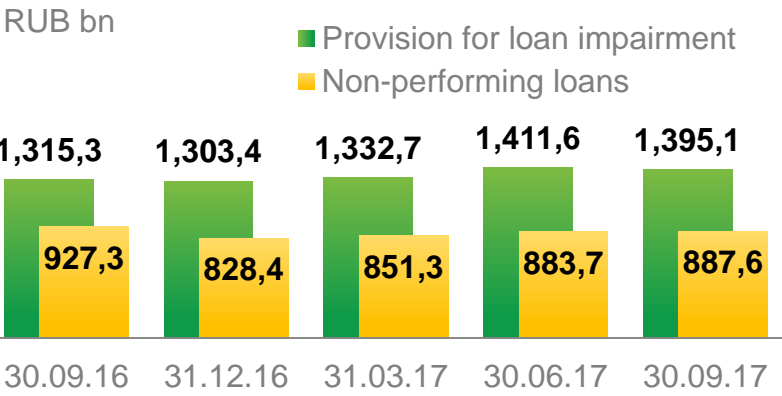
%, as of 30 September 2017



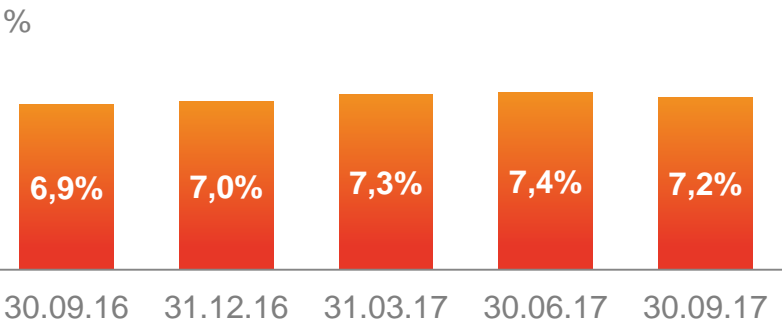


LOAN PORTFOLIO QUALITY (1)

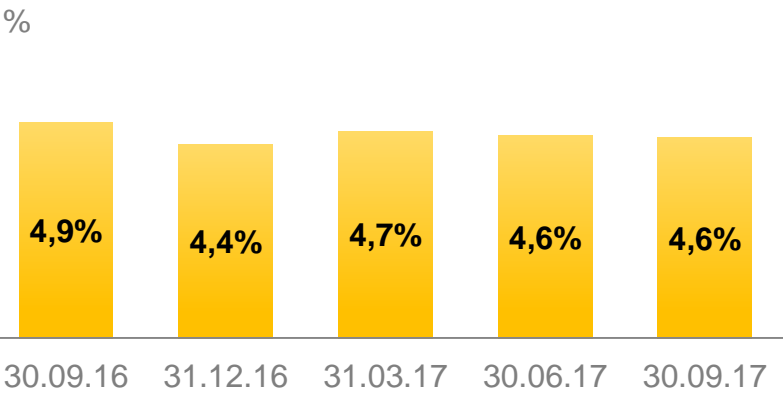
NON-PERFORMING LOANS AND PROVISION FOR LOAN IMPAIRMENT



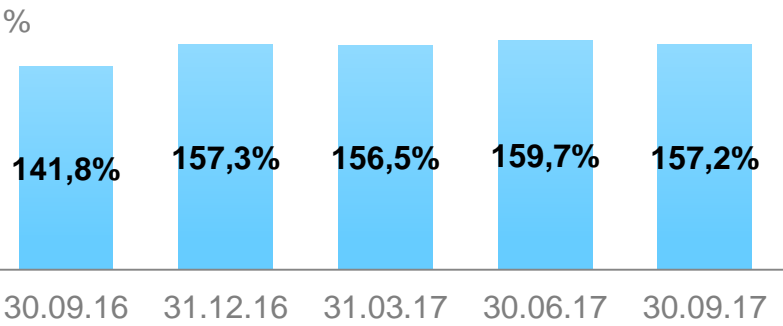
PROVISIONS FOR LOAN IMPAIRMENT (PLI) TO TOTAL LOANS



NON-PERFORMING LOANS IN LOAN PORTFOLIO



NPL COVERAGE RATIO (PLI TO NON-PERFORMING LOANS)



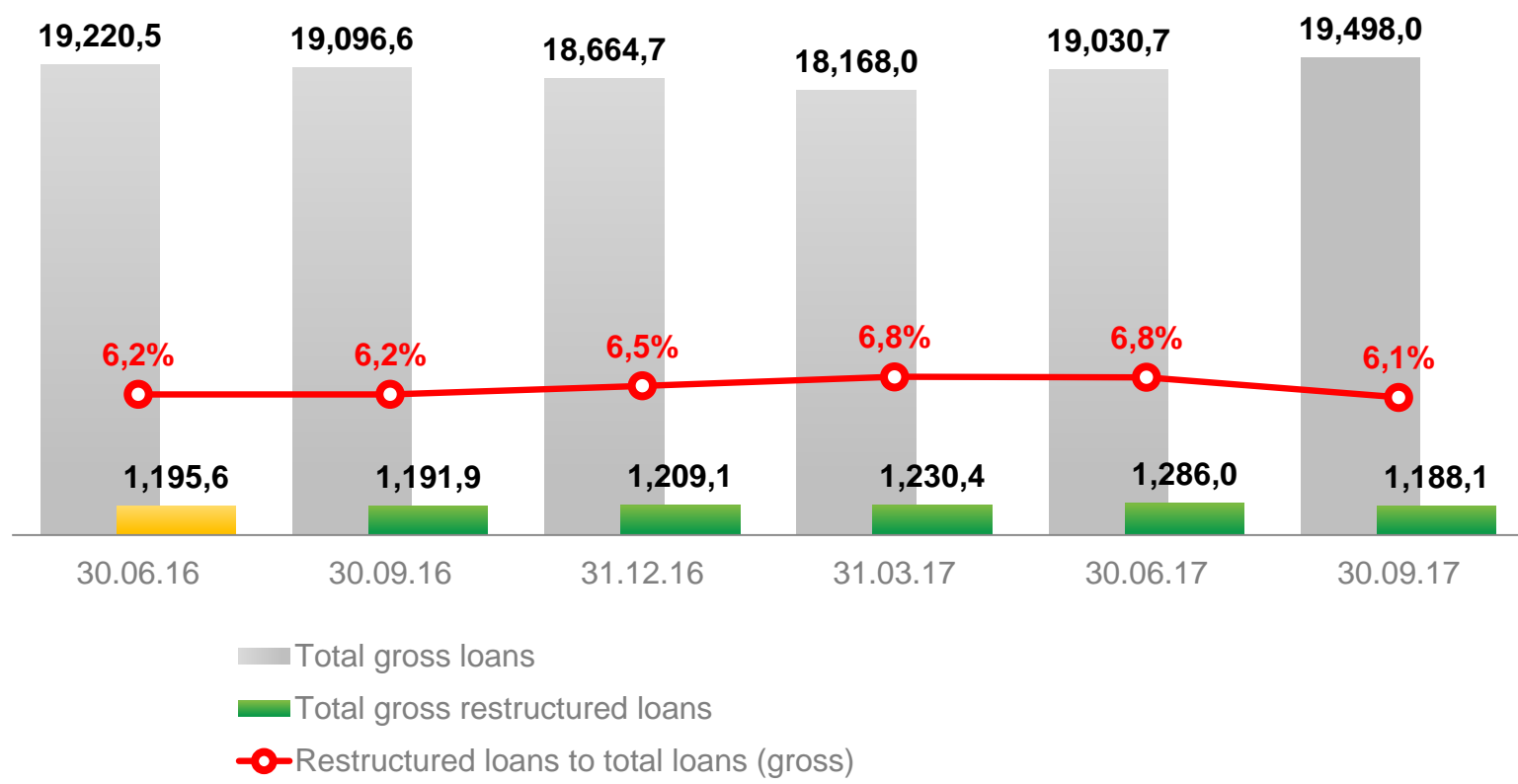
Non-performing loan comprises total exposure, should there be any payments (principal and/or interest) overdue more than 90 days as of the reporting date



LOAN PORTFOLIO QUALITY (2)

RESTRUCTURED LOANS & THEIR SHARE IN TOTAL LOANS

RUB bn

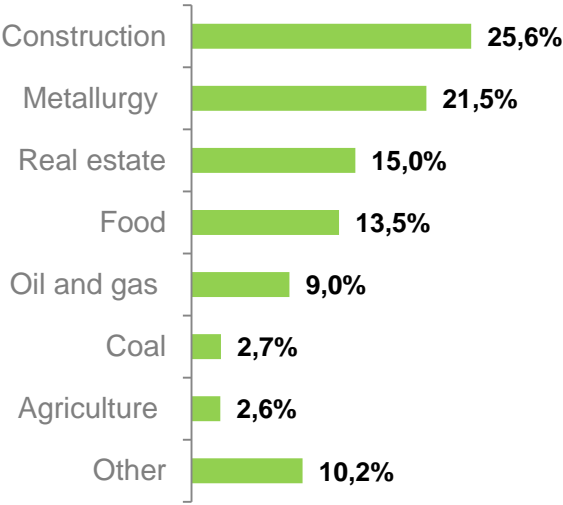


RESTRUCTURED LOAN PORTFOLIO STRUCTURE: TOP 100 BORROWERS



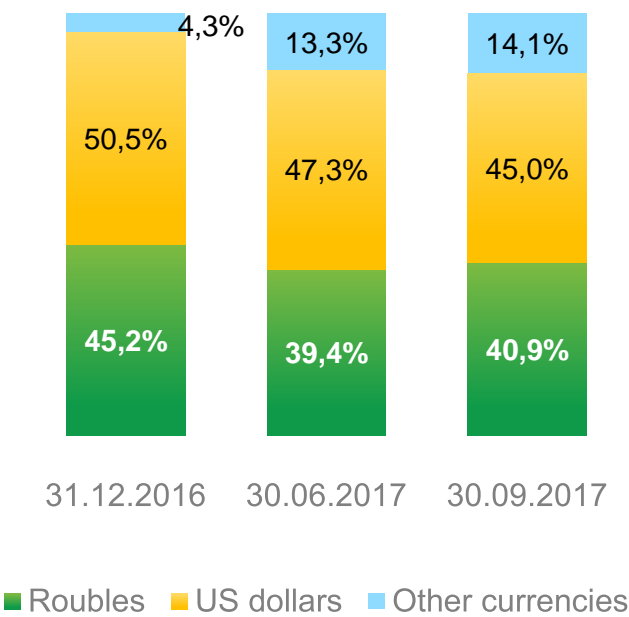
SECTOR BREAKDOWN

%



CURRENCY BREAKDOWN

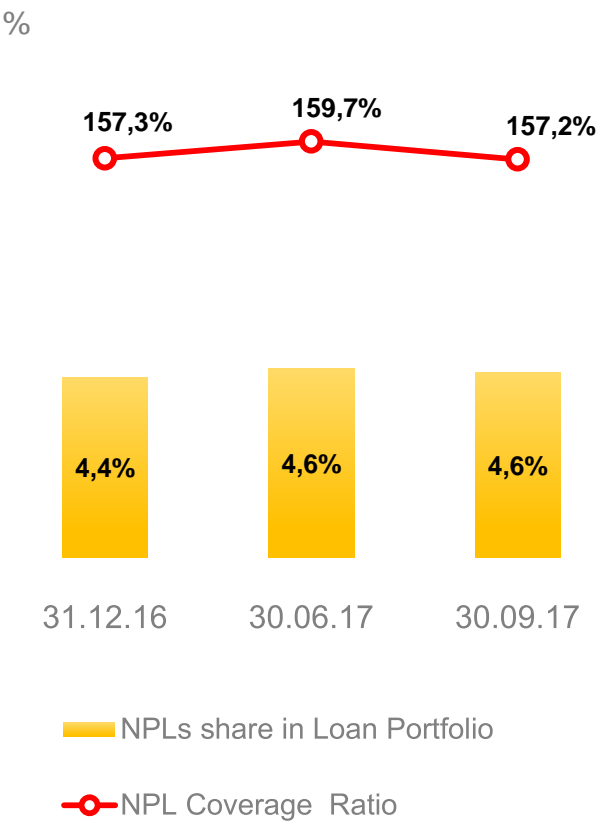
%



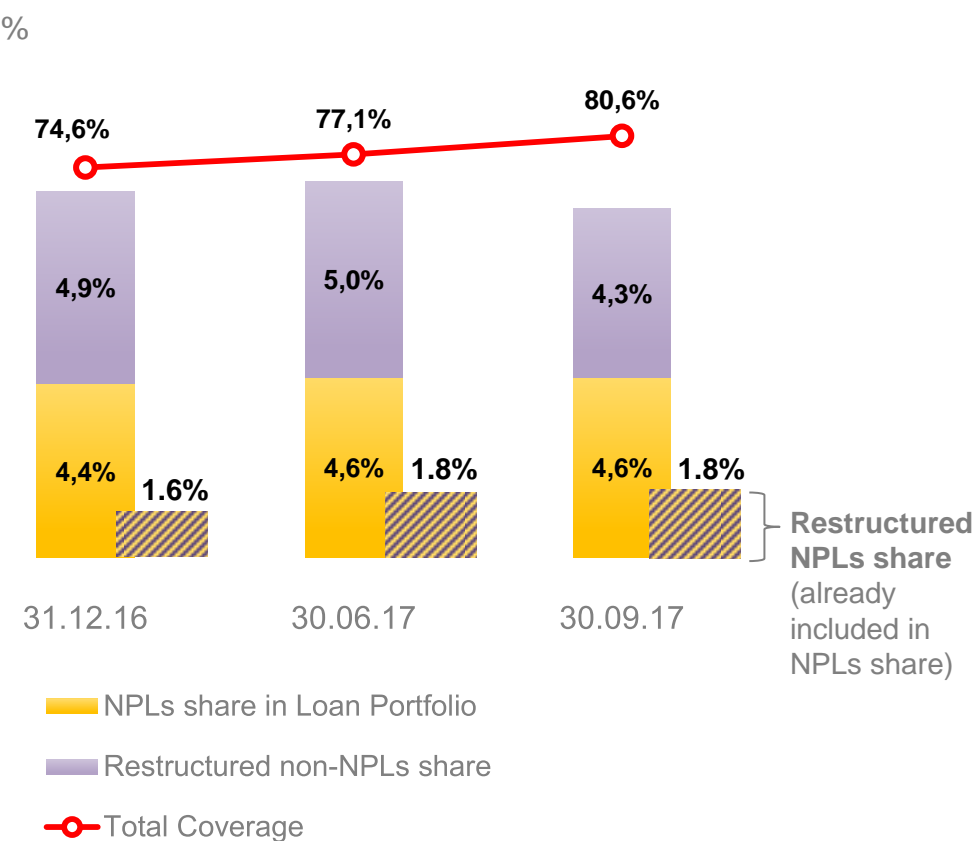


TOTAL PROVISION COVERAGE OF NPLS & RESTRUCTURED NON-NPLS

NPL COVERAGE RATIO (PLI TO NON-PERFORMING LOANS)



TOTAL PROVISION COVERAGE OF NPLS & RESTRUCTURED NON-NPLS

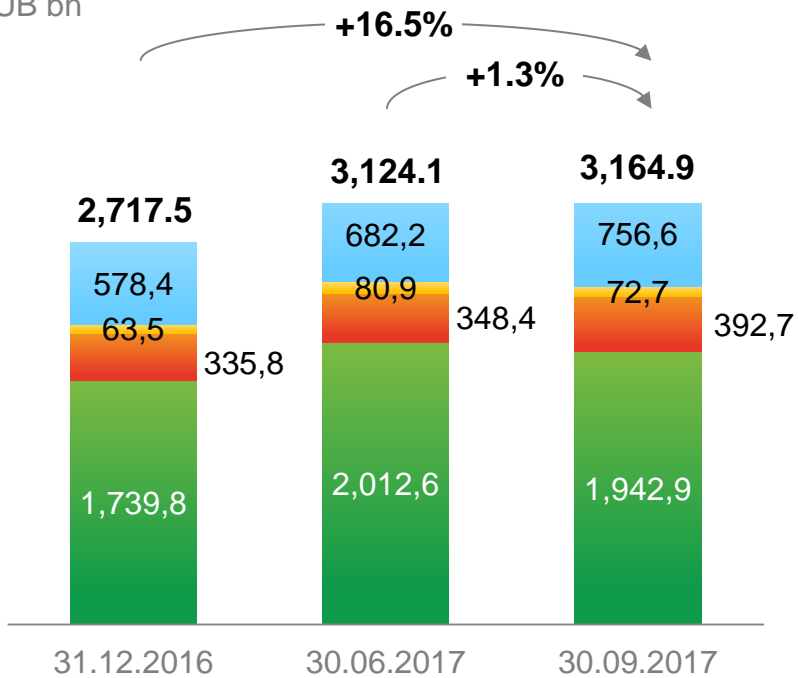




SECURITIES PORTFOLIO

SECURITIES BY PORTFOLIO

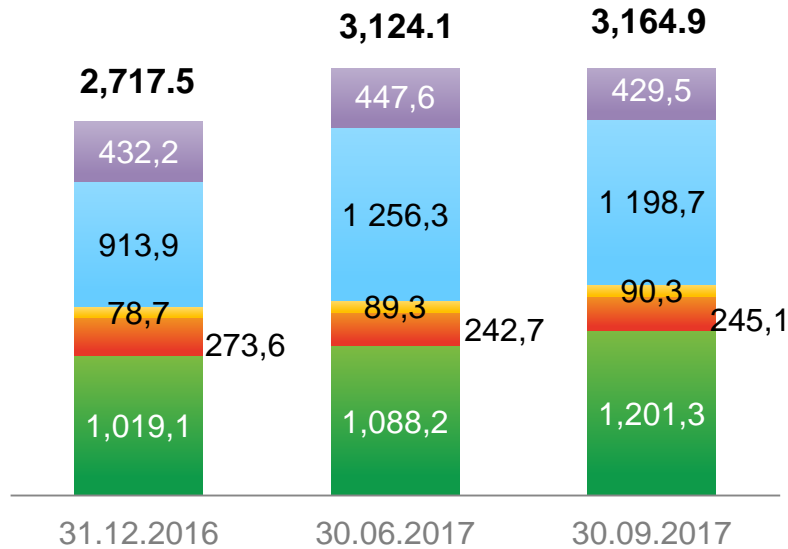
RUB bn



- Investment securities held to maturity
- Trading securities
- Securities as designated at fair value through profit or loss
- Investment securities available for sale

SECURITIES BY TYPE

RUB bn



- Other securities
- Corporate bonds
- Municipal bonds
- Eurobonds RF
- OFZ bonds

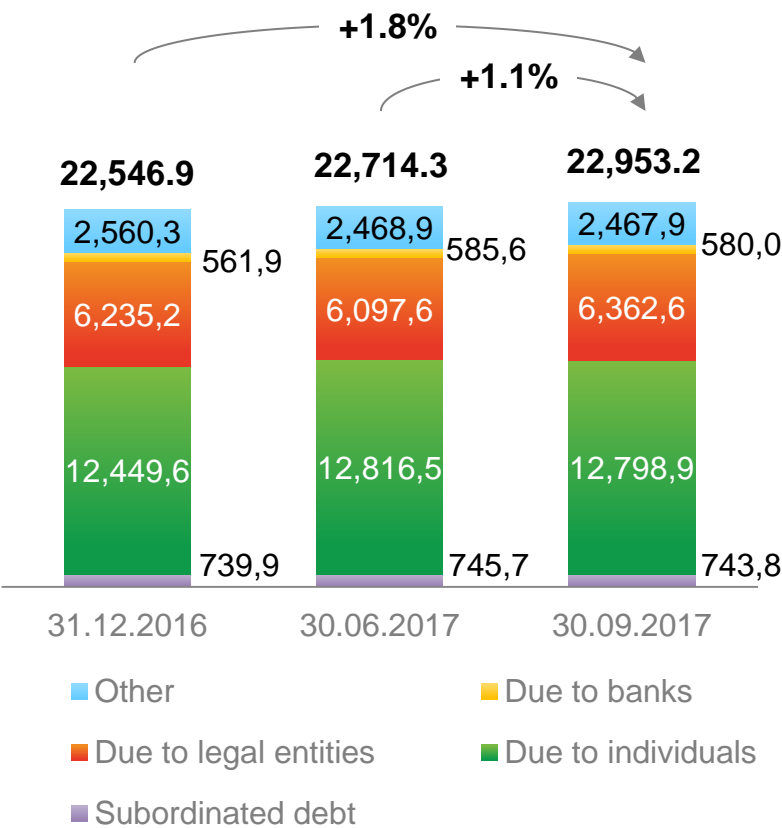




LIABILITIES DYNAMICS AND STRUCTURE

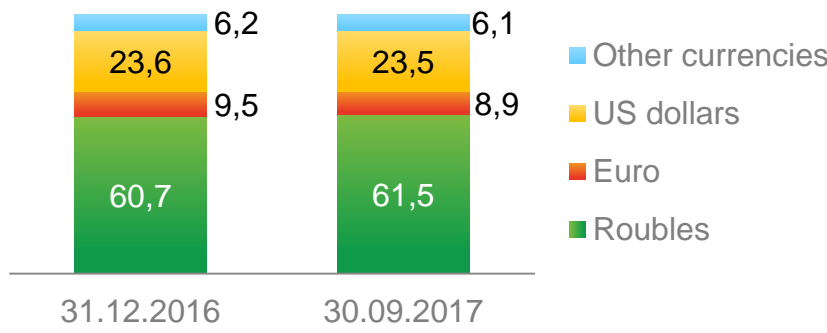
LIABILITIES

RUB bn



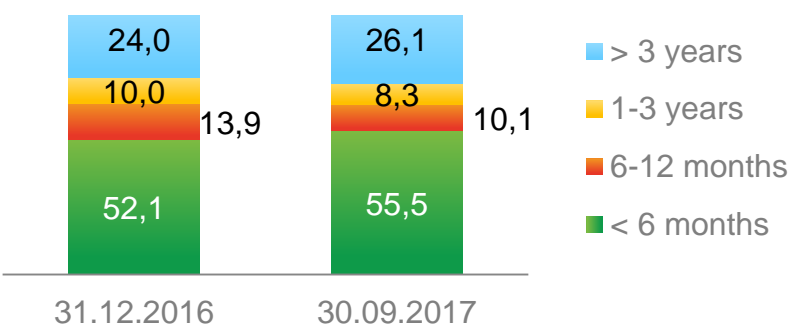
CUSTOMER DEPOSITS BY CURRENCY

%



CUSTOMER DEPOSITS BY MATURITY

%

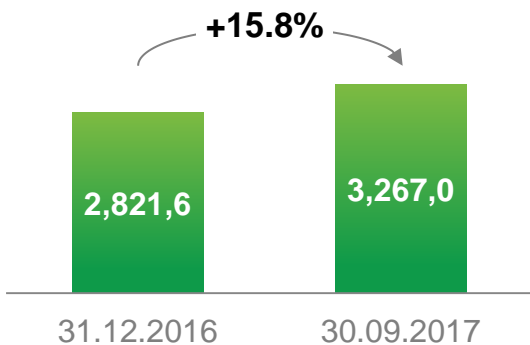




SHAREHOLDERS' EQUITY AND CAPITAL ADEQUACY

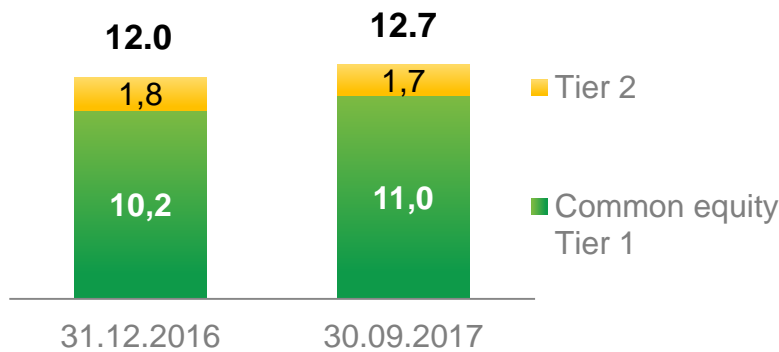
GROUP'S EQUITY

RUB bn



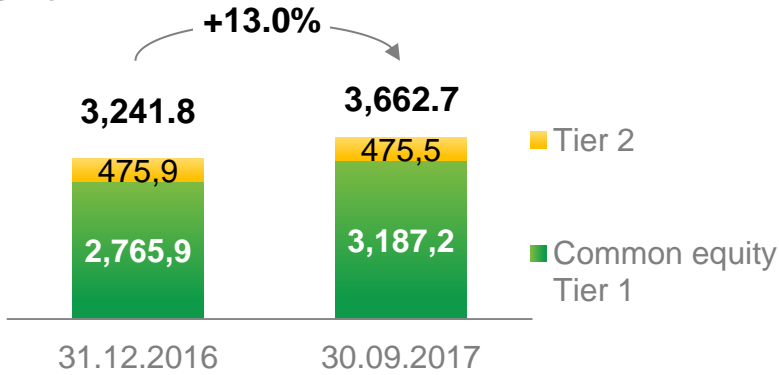
CAPITAL ADEQUACY RATIO, BASEL III

%



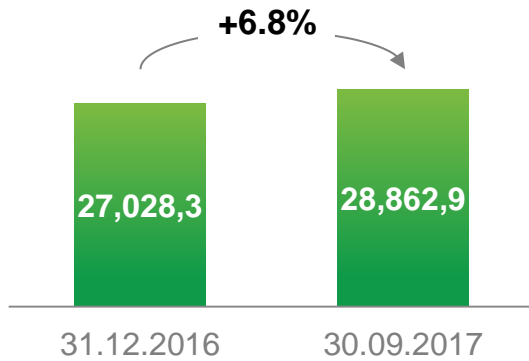
CAPITAL, BASEL III

RUB bn



RISK-WEIGHTED ASSETS

RUB bn



- IFRS9 to be implemented on the January 1, 2018. Estimated negative effect on Tier 1 capital is up to 50 bps

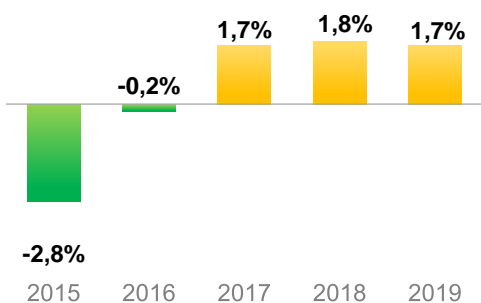




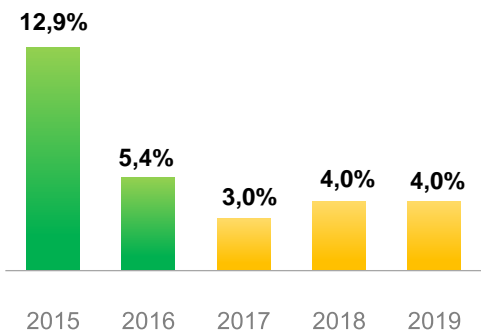
2017 MACRO AND SECTOR FORECAST

BASIC SCENARIO: Urals \$51-55-55

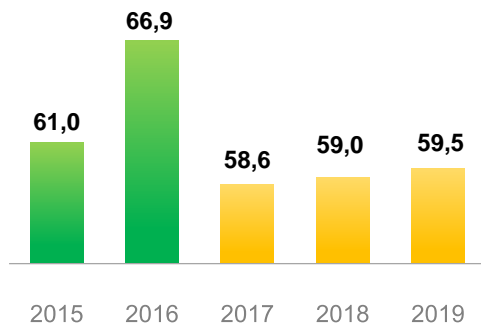
ECONOMIC GROWTH



INFLATION



RUB/US\$



Nominal growth dynamics in 2017

SECTOR

CORPORATE LOANS	RETAIL LOANS	CORPORATE DEPOSITS	RETAIL DEPOSITS
5-7%	10-12%	5-7%	5-7%
In line with the sector	Slightly better than the sector	In line with the sector	In line with the sector

SBERBANK



Source: Rosstat, Ministry of Economic Development, Sberbank's Center for Macroeconomic Research



2017 SBERBANK'S ESTIMATES

		2Q 2017 GUIDANCE	3Q 2017 UPDATE
EFFICIENCY	Efficiency Ratio	Mid 30-s	Mid 30-s
	OPEX Growth	Lower than inflation	Lower than inflation
PROFITABILITY	NIM (average)	Stable y-o-y	Slightly better y-o-y
	Net Fees & Commissions Growth	Low double digit	Low double digit
	Cost of Risk	150-170 bps	150-170 bps
	ROE	Around 20%	Over 20%
CAPITAL	Core Tier 1 CAR under Basel 3 for the Group	>10.5%	>10.5%





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