

A person stands on a rocky mountain peak, silhouetted against a warm, golden sunset sky. The person is looking out over a vast mountain valley. In the distance, a small lake is visible in a valley. The mountains are layered, creating a sense of depth. The foreground shows the rugged, moss-covered rocks of the peak.

SBERBANK 2017 GUIDANCE

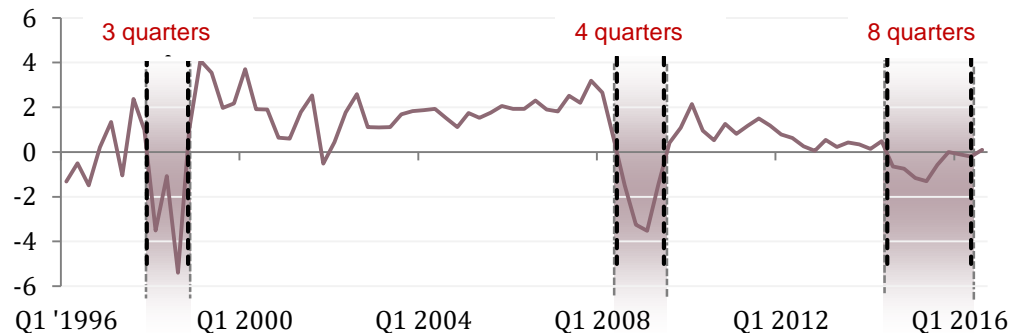
14TH DECEMBER 2016

SBERBANK MACRO VIEW 2017

THE MOST PROTRACTED CRISIS IN THE RECENT HISTORY

Accumulated structural disproportions

GDP GROWTH, QOQ, SEASONALLY ADJUSTED



Slumping oil prices

From \$100/bbl in 2013 to ~\$40+/bbl in 2016

Sanctions

Capital, technologies, risks of tougher sanctions

CAN ONLY GO UP NOW, BUT HOW FAST?

The economy will grow from now on

OIL AND RUBLE

Low prices are no longer the main impediment to growth

- Prices are unlikely to fall
- The economy has adapted
- The real exchange rate dropped by 15%

SANCTIONS

It is not likely that the sanctions against Russia will be expanded

- Trump wants to soften the policy
- Inside Europe, there is no unity on the issue of sanctions

ELECTIONS

Presidential elections in Russia in March 2018

- Pre-election expenses is an additional impetus
- However, the resources are limited

HOW FAST?

Without structural reforms



GDP growth = 1.5% a year



The next time the GDP will double **in 50 years**

TWO GENERATIONS

OR

Reforms + technological breakthrough



GDP growth = 3.5% a year



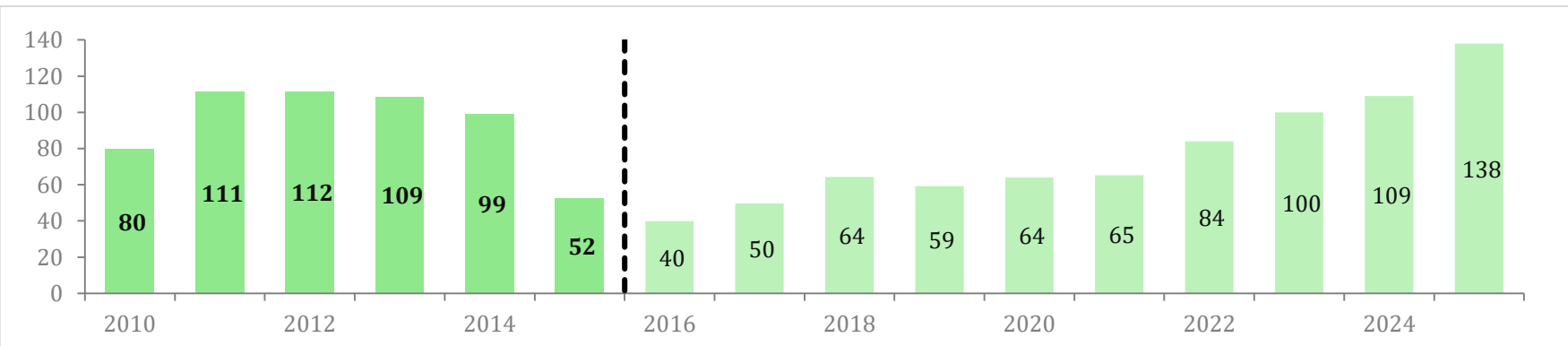
The next time the GDP will double **in 20 years**

ONE GENERATION

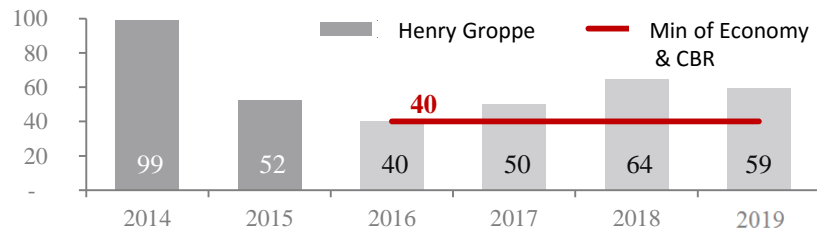
WHAT TO EXPECT FROM OIL PRICES?

Forecast of Henry Groppe:

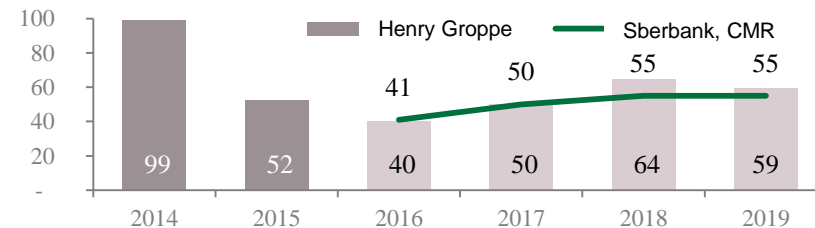
By 2018, oil prices will grow to USD60-65 per barrel and will remain on that level for a long time



Meanwhile, the official scenarios are more pessimistic

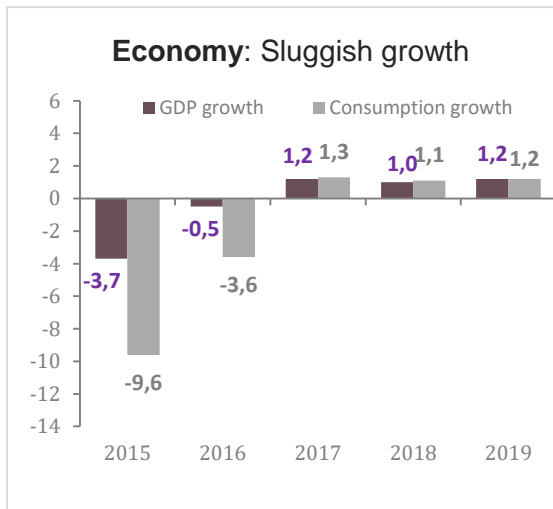


Sberbank scenario is a compromise

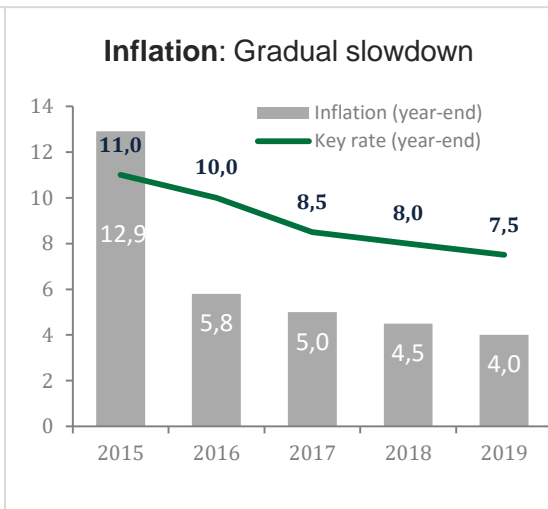


BASELINE SCENARIO: IN 2017-2019, OIL PRICES WILL BE AT \$50-55/BARREL

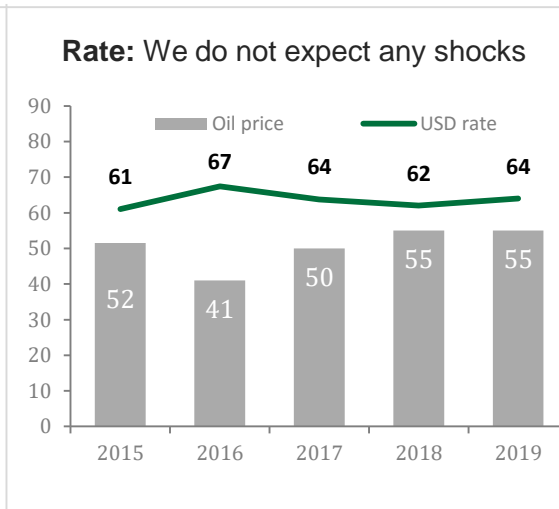
- Moderate pre-election increase of state spending in 2017
- Sanctions and counter-sanctions will continue
- Gradual but limited oil price recovery



Pre-election spending will support growth in 2017



Inflation is decreasing slowly due to budget deficit and indexation



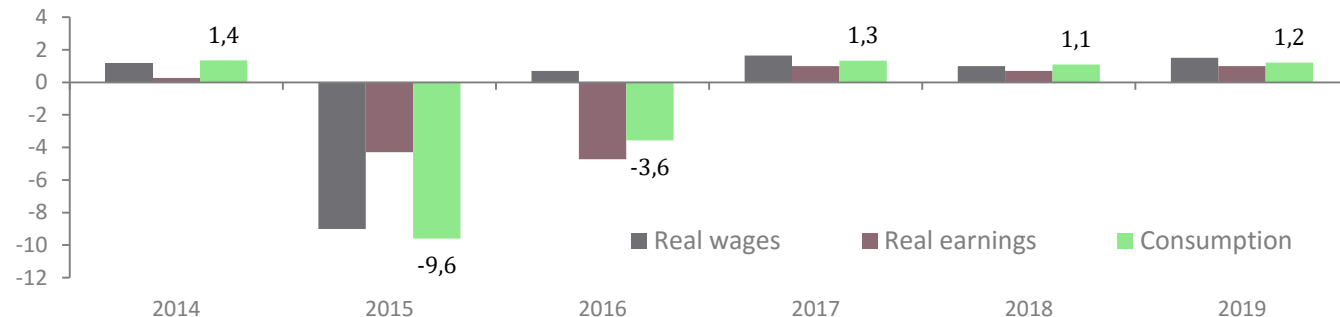
Moderately hard monetary policy: Key rate ~3.5% in real terms

CONSUMER DEMAND WILL CONTINUE TO REBOUND

Consumption will
return to growth...

... but will stagnate

Growth rate for wages, income and consumption, % YoY



Wages will continue to grow due to demographic factors and elections

Real wages are growing due to shrinking labor resources

- In 2015, the working-age population decreased by 1.2 mn people

Pre-election indexation of wages

- Currently wage growth in the economy is contained by the budget sector

The income will be supported by the indexation of pensions

Now the household income is declining despite wage growth

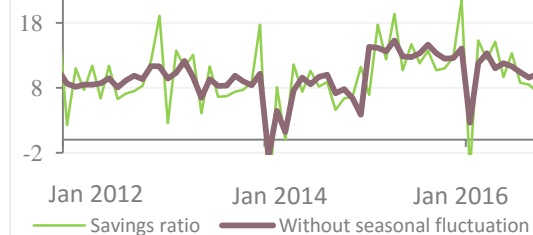
- At first, the pensions were indexed at 4%
- The second indexation will be replaced by RUB5,000 compensation

Pre-election pension indexation

- Compensation — at the start of the year
- Indexation in the second half-year

The propensity to save will continue to decline

It has practically returned to normal levels

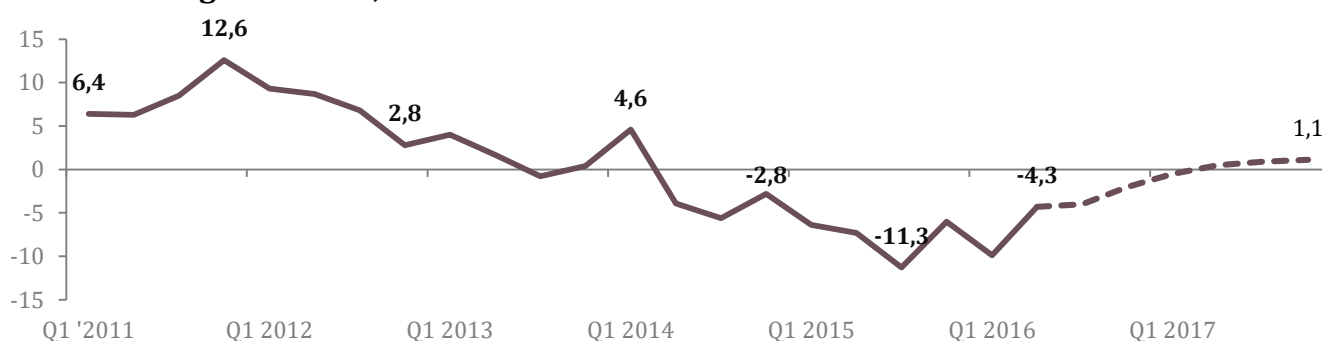


INVESTMENT DEMAND REMAINS LOW

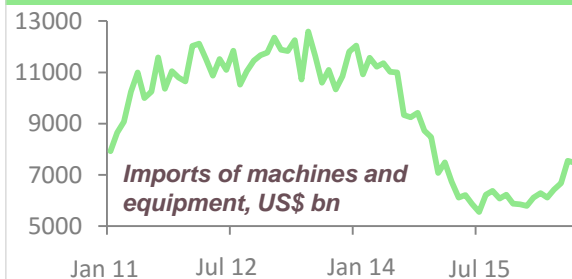
Investments
will return to growth...

... but will stagnate

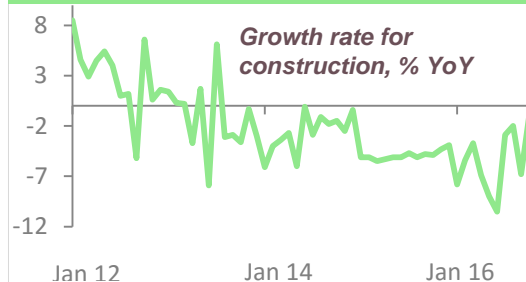
Investment growth rate, % YoY



The import of investment goods has started to grow



Construction is recovering

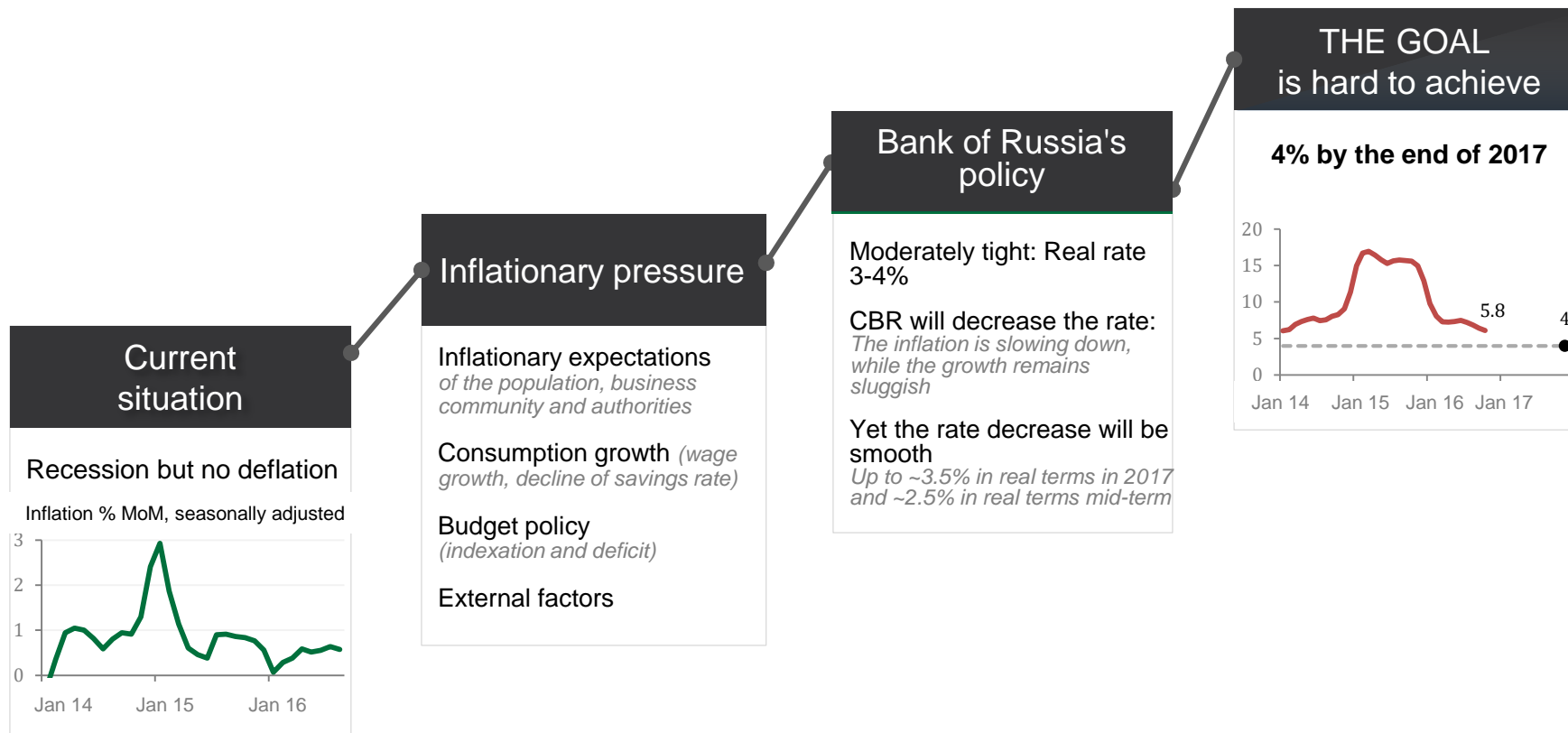


But there will be no boom: Companies do not see any point in investments

- The equipment impedes output growth for only 18% of the enterprises.
- 91% of companies believe that they have enough capacity for the next 6 months.
- Main impediment for companies is weak demand and uncertainty

Survey of company executives, Rosstat

THE INFLATION WILL SLOW DOWN, BUT THE POLICY WILL REMAIN TIGHT



WHAT CAN HAPPEN DIFFERENTLY?

Oil price growth

Quick slowdown of
inflation

Quick decrease of the
key interest rate

Rouble strengthening
caused by geopolitics

Positively

Bank's scenario

Negatively

Sharp fall in oil prices
due to hard landing in
China

Accelerated inflation
caused by external
factors

Capital outflow from
emerging markets

Weakening exchange
rate due to further
worsening of relations

SBERBANK 3 SCENARIOS

Basic scenario

- Oil prices: \$50-55-55 ('17-'18-'19)
- Pre-election spending growth

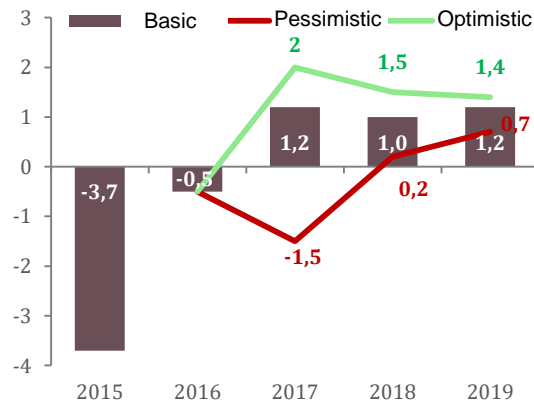
Pessimistic

- Oil prices: \$25-25-25 ('17-'18-'19)
- Or a 50% quota on oil exports

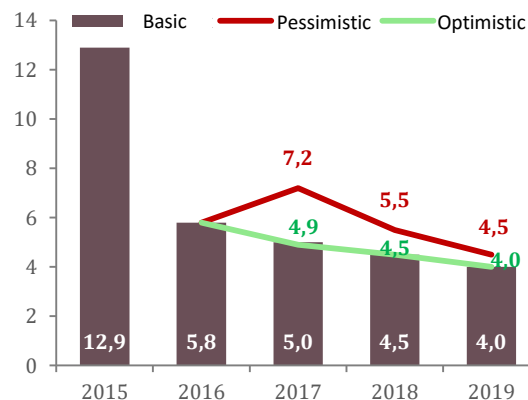
Optimistic

- Oil prices: \$60-60-60 ('17-'18-'19)
- Sectoral sanctions lifted

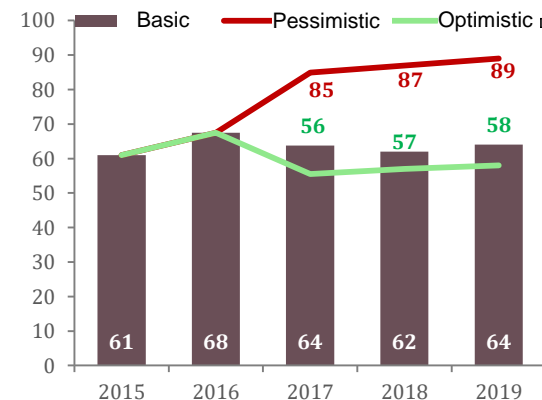
Economic growth



Inflation

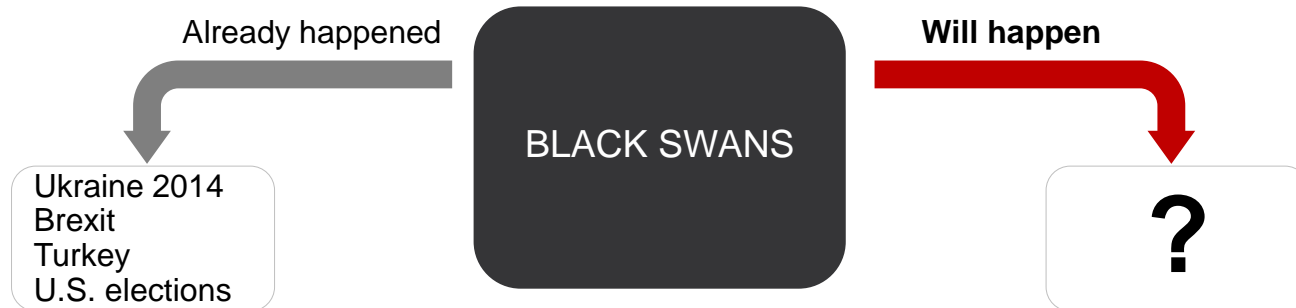


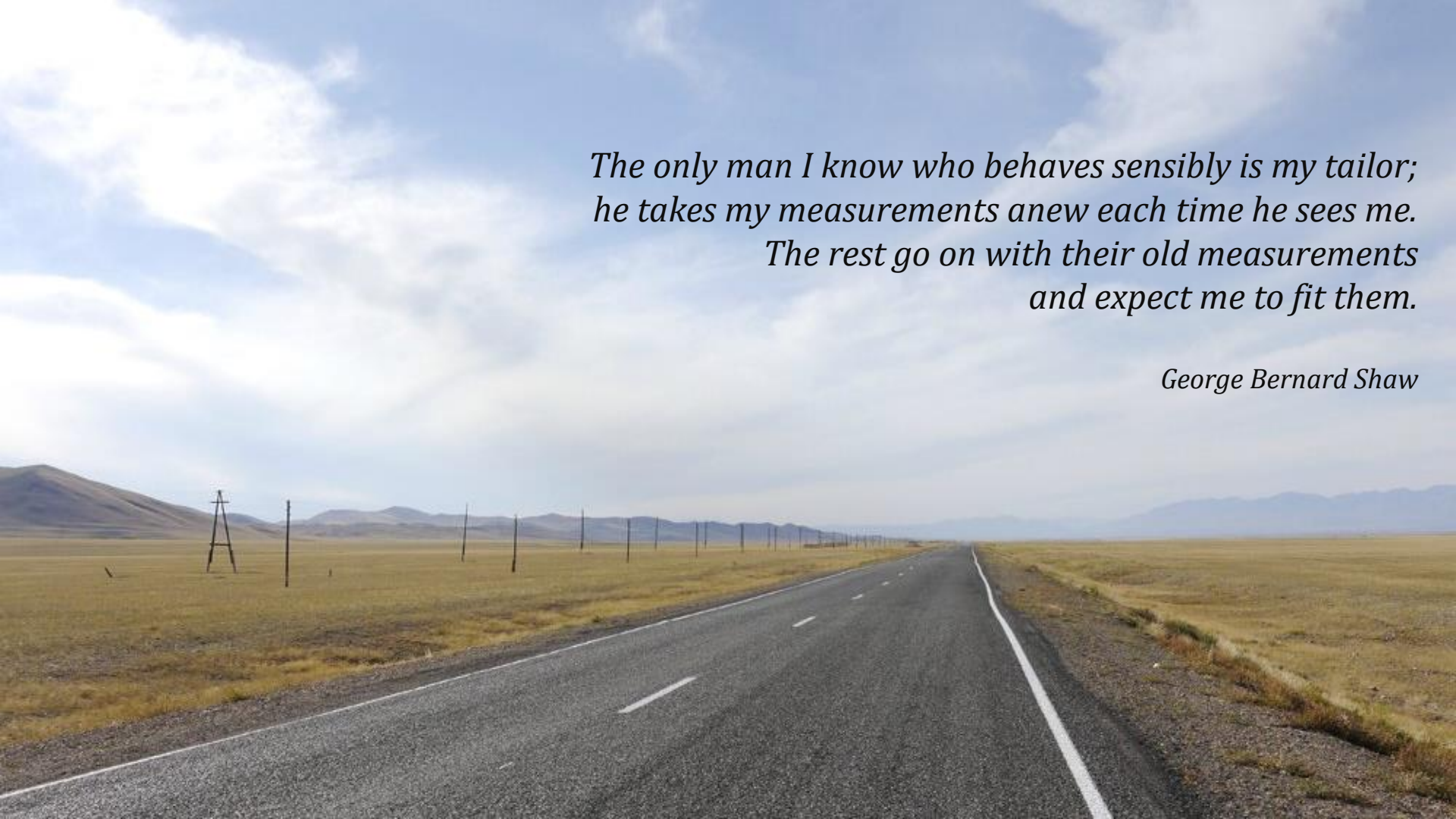
RUB/US\$



RISK ZONES AND BLACK SWANS

Area	Risk	Effect
China	Falling market and yuan, hard landing	Commodity prices, trade
Eurozone	Greece, banks (DB, Italy), migration	Growth of the global economy
Geopolitics	Ukraine and Syria, change in U.S. policy	Sanctions, capital outflow, growth of the global economy



A wide-angle photograph of a long, straight asphalt road that recedes into the distance. The road is flanked by a dry, grassy field. To the left, a series of wooden fence posts and a single cross-arm post are visible. In the far background, there are rolling hills under a sky filled with soft, white clouds. The overall mood is one of vastness and solitude.

*The only man I know who behaves sensibly is my tailor;
he takes my measurements anew each time he sees me.
The rest go on with their old measurements
and expect me to fit them.*

George Bernard Shaw

ON TRACK FOR 2016

ON TRACK FOR 2016

		INITIAL 21 Jan 2016	1Q IFRS 25 May 2016	2Q IFRS 25 Aug 2016	3Q IFRS 15 Nov 2016
EFFICIENCY	Efficiency Ratio	<43.7%	Around 40%	-	-
	NIM (average)	>4.4%	>5%	-	-
PROFITABILITY	Fees & Commissions Growth	High teens	Mid-to-high-teens	-	Low-to-mid teens
	Cost of Risk	c.250-300 bps	c.200-250 bps	Around 200 bps	-
	ROE	Low-to-mid-teens	Mid-to-high-teens	High teens	-
BALANCE SHEET AND CAPITAL	Loans Growth	Corporate	In line with the sector	-	-
		Retail	Better than the sector	In line with the sector	Slightly better than the sector
	Deposits Growth	Corporate	In line with the sector	-	-
		Retail	In line with the sector	-	-
	Core Tier 1 CAR under Basel 1 for the Group		>9%	Around 10%	Over 10.5%
					>11%

SBERBANK GUIDANCE 2017

BALANCE SHEET FORECAST

Nominal growth dynamics

	CORPORATE LOANS	RETAIL LOANS	CORPORATE DEPOSITS	RETAIL DEPOSITS
	<hr/>	<hr/>	<hr/>	<hr/>
SECTOR	5-7%	5-7%	6-8%	7-9%
	<hr/>	<hr/>	<hr/>	<hr/>
SBERBANK	In line with the sector	Slightly better than the sector	In line with the sector	In line with the sector

SBERBANK GUIDANCE 2017

		GUIDANCE 2017
EFFICIENCY	Efficiency Ratio	Mid to high 30-s
	OPEX Growth	Lower than inflation
PROFITABILITY	NIM (average)	Stable y-o-y
	Fees & Commissions Growth	High-teens
	Cost of Risk	150-170 bps
	ROE	High teens
CAPITAL	Core Tier 1 CAR under Basel 1 for the Group	Around 12%
	Core Tier 1 CAR under Basel 2 for the Group	Over 10%

Q & A