

Analysis of the liabilities and equity of the Group

General trends

The Group's liabilities structure is dominated by amounts due to individuals and corporate customers, total amount of which comprised RUB 19.8 trillion as at 31 December 2017, or 83.7% of liabilities. In general, the Group's liabilities increased by 5.0% to RUB 23.7 trillion in 2017.

Customer deposits

Amounts due to customers increased by 6.0% in 2017. Amounts due to individuals increased by 7.8% to RUB 13.4 trillion with term deposits demonstrating growth of 4%. In 2017 the share of due to individuals increased slightly in the total structure of the Group's liabilities compared to 2016 and comprised 56.7% (2016: 55.2%). Thus, amounts due to individuals continue to remain the main source of financing for the Group. The volume of corporate customers increased by 2.5% to RUB 6.4 trillion.

Customer deposits of the Group

	2016		2017	
	RUB bln	% of total	RUB bln	% of total
Due to individuals				
- Current/demand accounts	2,478.9	13.3	3,052.2	15.5
- Term deposits	9,970.7	53.3	10,368.1	52.2
Total due to individuals	12,449.6	66.6	13,420.3	67.7
Due to corporate customers				
- Current/settlement accounts	1,982.3	10.6	2,204.8	11.1
- Term deposits	4,252.9	22.8	4,189.1	21.2
Total due to corporate customers	6,235.2	33.4	6,393.9	32.3
Total	18,684.8	100.0	19,814.2	100.0

Debt securities issued by the Group

Debt securities issued by the Group, RUB bln

	2016	2017	Change	
			RUB bln	%
Savings certificates	482.6	374.9	(107.7)	-22.3
Loan participation notes issued under the MTN programme of Sberbank	473.9	302.5	(171.4)	-36.2
Bonds issued:				
- on the local market	84.3	133.2	48.9	58.0
- on international capital markets	21.1	16.0	(5.1)	-24.2
Promissory notes	92.4	103.4	11.0	11.9
Bonds issued under mortgage securitization programme of Sberbank	5.5	3.9	(1.6)	-29.1
Deposit certificates	1.2	0.7	(0.5)	-41.7
Total debt securities in issue	1161.0	934.6	(226.4)	-19.5

The volume of debt securities in issue decreased by 19.5% in 2017. 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 36.2% due to repayment of a number of issues. Savings certificates decreased by 22.3%. At the same time bonds issued on the local market showed considerable growth (by 58.0%) due to additional funds attracted by Sberbank in 2017 on the Russian market under the programme of exchange-traded bonds denominated in Russian Roubles. Also growth was shown by promissory notes, which increased by 11.9% in 2017.

Equity of the Group

Equity of the Group, RUB bln

	2016	2017	Change	
			RUB bln	%
Share capital	87.7	87.7	-	0.0
Treasury shares	(7.9)	(15.3)	(7.4)	93.7
Share premium	232.6	232.6	-	0.0
Revaluation reserve for office premises	66.9	60.8	(6.1)	-9.1
Fair value reserve for investment securities available-for-sale	24.0	35.3	11.3	47.1
Foreign currency translation reserve	(19.8)	(26.4)	(6.6)	33.3
Remeasurements of defined benefit pension plans	(1.1)	(1.3)	(0.2)	18.2
Retained earnings	2,435.7	3,058.6	622.9	25.6
Total equity attributable to shareholders of the Bank	2,818.1	3,432.0	613.9	21.8
Non-controlling interest	3.5	4.0	0.5	14.3
Total equity	2,821.6	3,436.0	614.4	21.8

Capital Adequacy Ratio of the Group

Capital Adequacy Ratio of the Group (Basel III), RUB bln

Indicator	2016	2017
Tier 1 capital		
Share capital	87.7	87.7
Share premium	232.6	232.6
Retained earnings	2,435.7	3,058.6
Non-controlling interest	4.4	4.4
Treasury shares	(7.9)	(15.3)
Revaluation reserve for office premises	66.9	60.8
Fair value reserve for investment securities available-for-sale	24.0	35.3
Foreign currency translation reserve	(11.8)	(21.0)
Remeasurement of defined benefit pension plans	(0.7)	(1.0)
less goodwill	(11.3)	(8.0)
less intangible assets	(45.0)	(60.8)
Other deductions from capital	(8.7)	(12.7)
Tier 1 capital	2,765.9	3,360.6
Tier 2 capital		
Eligible subordinated debt	475.9	459.7
Tier 2 capital	475.9	459.7
Total capital	3,241.8	3,820.3
Risk weighted assets (RWA)		
Credit risk	23,443.0	25,245.7
Operational risk	2,736.0	3,092.8
Market risk	849.3	1,158.3
Total risk weighted assets (RWA)	27,028.3	29,496.8
Common equity Tier 1 capital adequacy ratio (Common equity Tier 1 capital to Total RWA), %	10.2	11.4
Tier 1 capital adequacy ratio (Tier 1 capital to Total RWA), %	10.2	11.4
Total capital adequacy ratio (Total capital to Total RWA), %	12.0	13.0

Common equity Tier 1 capital adequacy ratio under Basel III comprised 11.4% as at 31 December 2017. Total capital adequacy ratio under Basel III amounted to 13.0% as at the year-end 2017, which is significantly higher than the baseline set by Basel Committee (8%). Capital adequacy ratios demonstrated increase in 2017 compared to 2016 driven by anticipatory growth of the Group's equity in comparison with the growth of risk weighted assets.