



SBERBANK

Information Materials

**PROVIDED TO THE LIST
OF PERSONS ENTITLED
TO PARTICIPATE
IN THE ANNUAL GENERAL
SHAREHOLDERS' MEETING
OF SBERBANK OF RUSSIA**

MOSCOW 2015

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Section 1
Notice of the Meeting

**Notice
of the Annual General Shareholders' Meeting
of Sberbank of Russia Open Joint-Stock Company**

Dear Shareholders,

Sberbank of Russia Open Joint-Stock Company (Sberbank of Russia OJSC), located at 19 Vavilova Street, Moscow 117997, Russia, hereby announces that its annual General Shareholders' Meeting for 2014 (hereinafter, the "Meeting") will be held on **May 29, 2015**.

The Meeting will be held in the form of a meeting (joint attendance by shareholders).

The venue of the Meeting will be the conference hall of Sberbank of Russia at 19 Vavilova St., Moscow 117997, Russia.

The Meeting will start at 10 a.m., Moscow time.

The list of persons entitled to attend the Meeting has been prepared as of the close of business on April 20, 2015.

Agenda of the Meeting:

1. Approving the Annual Report
2. Approving the Annual Accounting (Financial) Statements
3. Distribution of Profits and Payment of Dividends for 2014
4. Approving the Auditor
5. Electing the Members of the Supervisory Board
6. Electing the Members of the Audit Commission
7. Electing CEO, Chairman of the Executive Board
8. Approving the New Version of the Charter
9. Approving the New Version of the Regulations on the General Shareholders' Meeting
10. Approving the New Version of the Regulations on the Supervisory Board
11. Approving the New Version of the Regulations on Remunerations and Compensations Paid to the Members of the Supervisory Board
12. Approving a Non Arm's-Length Transaction

Registration of the Meeting's attendees will take place on May 29, 2015, from 08:00 (Moscow time) at the Meeting's venue.

To register, a shareholder or his/her representative must have a passport or another identification document, and the shareholder's representative must, in addition, have documents confirming his/her powers and executed in accordance with the requirements of applicable law.

Shareholders may also participate in the Meeting by sending their completed voting ballots to Sberbank of Russia, 19 Vavilova St. Moscow 117997, Russia. The deadline for accepting completed voting ballots is no later than 18:00 (Moscow time) on May 26, 2015. The ballots received after that date will not be counted in determining the quorum of the Meeting and voting results.

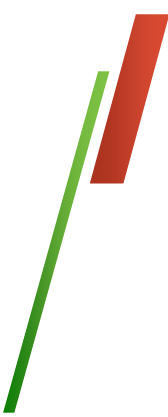
Information (materials) provided for review to persons entitled to participate in the Meeting will be available from April 28, 2015, at the location of Sberbank of Russia (19 Vavilova St., Moscow, Russia); in regional banks as well as on the website of Sberbank of Russia at www.sberbank.ru.

Telephone for inquiries: +7(495) 505-88-91, +7(495) 957-59-60.

This information (materials) will be available during the meeting to persons registered to participate in the meeting.

Section 2
Annual Report of Sberbank of Russia for 2014

Annual Report of Sberbank of Russia for the year 2014



to be approved by the Audit
Commission of Sberbank of Russia

RAS, non-consolidated data

April 2015

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1. Introduction

This Report is the report of the Supervisory Board of Sberbank of Russia¹ on the Bank's development in the priority areas of its activity in 2014.

The priority areas of the Bank's activity are:

- Operations with corporate customers: maintaining settlement and current accounts, opening deposits, offering financing, granting guarantees, supporting export and import operations, cash collection service, conversion services, transfers to corporate customers, etc.
- Operations with retail customers: accepting funds as deposits and investments into the Bank's securities, loans, bank card services, operations with precious metals, buying and selling foreign currencies, payments, transfers, custody of valuables, etc.
- Operations on financial markets: with securities, derivative financial instruments, foreign currency; investment and raising of funds on the interbank market and capital markets, etc.

The Bank operates under General License No. 1481 for Banking Operations, issued by the Bank of Russia on August 8, 2012. Moreover, Sberbank has licenses for banking operations of attraction of deposits and placing of precious metals, other operations with precious metals, licenses to a professional participant of the securities market to act as a broker, a dealer, a depositary, and a securities manager.

This Report has been prepared in accordance with the legislation of the Russian Federation, including Federal Law *On Securities Market* No. 39-FZ dated April 22, 1996; Federal Law *On Joint-Stock Companies* No. 208-FZ dated December 26, 1995; Regulation on Additional Requirements to Preparing, Convening, and Holding the General Meeting of Shareholders, approved by FFMS of Russia Order No. 12-6/pz-n dated February 2, 2012; Bank of Russia Regulation *On Information Disclosure by Issuers of Issue-Grade Securities* No. 454-P dated December 30, 2014. The Report has been prepared with consideration for the Corporate Governance Code recommended for application by the Bank of Russia on April 10, 2014².

The Report is based on disclosure reporting forms (as per Russian Accounting Standards, non-consolidated data) and the Bank's internal statistical reporting forms. The Report includes events after the reporting date as of January 1, 2014 and January 1, 2015.

The Bank's annual accounting (financial) statements for the year 2014 are posted on Sberbank's website at www.sberbank.ru.

¹ Hereinafter, Sberbank of Russia, Sberbank, or Bank.

² Hereinafter referred to as the "Bank of Russia Corporate Governance Code."

2. 2014 Summary

Main 2014 Results³

<i>RUB million</i>	<i>Jan 1, 2015</i>	<i>Jan 1, 2014</i>
Assets	21,746,760	16,275,097
Capital ⁴	2,311,530	1,972,892

	<i>2014</i>	<i>2013</i>
Earnings before tax	429,206	502,789
Earnings after tax	311,213	377,649

In 2014, the Bank's **assets** mainly grew due to loans to legal entities and individuals: net loans receivable contributed to 71.5% of the growth in assets. The balance sheet items growth was significantly influenced by a positive revaluation of their currency component due to the ruble exchange rate weakening against the major foreign currencies: US dollar exchange rate increased for the year 2014 by 71.9% to reach 56.3 rubles / US dollar, euro exchange rate—by 52.0% up to 68.3 rubles / euro.

Capital calculated according to the Bank of Russia Regulation No. 395-P increased for the year 2014 by RUB 339 billion and amounted to RUB 2,312 billion. Key factors increasing the capital were net profit earned and placement of subordinated bonds in the amount of USD 1 billion, as well as decrease in deductions of investments in the company's ordinary shares, as required by the transient period of Basel III. Key factors reducing the capital were payment of announced dividend for the year 2013 in the amount of RUB 72.3 billion and deduction of subordinated loans to subsidiary banks. The capital dynamics was also affected by the Bank's graduate transition to requirements of Basel III, which is to be implemented within 5 years with regard to some items of calculation.

In June 2014, the Bank raised a subordinated loan from the Bank of Russia in the amount of RUB 200 billion under Federal Law No. 173-FZ⁵ to finance its active operations. This loan was not accounted in calculation of Sberbank's regulatory capital as of January 1, 2015⁶, but increased total capital adequacy of the Group in the consolidated financial statements according to the international standards.

In the fourth quarter of 2014, assets inclusive of Bank risk increased considerably due to revaluation of currency assets as a result of ruble exchange rate weakening. The growth of these assets had a negative impact on **capital adequacy ratios**, but Sberbank did not violate the limits set by the Bank of Russia, including as of dates within the month.

Sberbank's total capital adequacy ratio (N1.0) as of January 1, 2015 made 11.6%, showing 0.9 p.p. decrease for the year.

³ Hereinafter, figures represented in tables may differ from estimates as a result of rounded data.

⁴ The capital was calculated in accordance with Regulation *On Methods for Defining the Value and Assessing the Adequacy of Equity (Capital) of Credit Organizations (Basel III)* No. 395-P approved by the Bank of Russia on December 28, 2012 and valid as of the corresponding reporting date (hereafter, Bank of Russia Regulation No. 395-P).

⁵ Federal Law *On Additional Measures to Support the Financial System of the Russian Federation* No. 173-FZ dated October 13, 2010.

⁶ In March 2015, the Bank of Russia allowed Sberbank to account in its additional capital subordinated loans raised by Sberbank from the Bank of Russia with the total nominal value of RUB 500 billion (amendments as of July 21, 2014 to Federal Law *On Additional Measures to Support the Financial System of the Russian Federation* No. 173-FZ).

3. Assets and Liabilities

Aggregate balance sheet:

<i>RUB billion</i>	<i>Jan 1, 2015</i>	<i>Jan 1, 2014</i>
Cash and cash equivalents	1,241	717
Funds in the Bank of Russia	370	409
Funds in credit institutions	356	94
Net investments in securities	2,112	2,148
Financial assets carried at fair value through profit or loss	826	145
Net loans receivable	15,889	11,978
Fixed assets and stocks	479	468
Other	474	316
Assets	21,747	16,275
Funds of the Bank of Russia	3,516	1,967
Funds of banks	795	630
Due to customers	14,027	11,128
Debt instruments issued	513	405
Financial liabilities carried at fair value through profit or loss	618	34
Other liabilities	259	145
Provisions for other losses	37	31
Equity sources	1,982	1,935
Liabilities	21,747	16,275

Assets grew by 33.6% for the year 2014 and exceeded RUB 21.7 trillion. They grew mainly due to increased credit portfolio of the customers, both in real and nominal terms, i.e. without the effect of revaluation as a result of ruble exchange rate change against foreign currencies. Customers' net loan receivables for the year increased by RUB 3.9 trillion and reached the approximate value of RUB 15.9 trillion.

During the past year, the amount of loans issued to **corporate customers** made about RUB 8.0 trillion, which was 8.5% above the same indicator for the preceding year.

Loans to private customers since the beginning of 2014 amounted to about RUB 2.8 trillion. The Bank preserved the tendency of priority development of home lending: during the year the Bank issued RUB 921 billion of home loans, showing 41% growth against the preceding year.

The growth of **funds in credit institutions** is conditioned by the maintenance of sufficient amount of highly liquid funds due to increased volatility of customers' account balances. The growth of **cash funds** happened mainly in the second half of December as a result of satisfying customers' high demand pending ruble depreciation.

Financial assets carried at fair value through profit or loss include operations with financial derivatives (swap, option, forward) and are used, *inter alia*, to regulate currency risk.

Different sources of fund raising were used to fund active operations. The dynamics in **customers' borrowings** is shown below.

Due to customers

<i>RUB million</i>	<i>Jan 1, 2015</i>	<i>Jan 1, 2014</i>
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Individuals and individual entrepreneurs	7,999,052	7,655,695
Corporate customers	5,893,843	3,376,244
Deposits in precious metals and other deposits	133,829	96,097
Total deposits of customers	14,026,724	11,128,035

The amount of funds raised *from corporate customers* increased both for ruble accounts and for accounts in foreign currency. The growth of *individuals' funds* during the year is mainly explained by revaluation of currency balances on private customers' accounts.

The Bank of Russia's funds on the balance sheet of Sberbank grew from RUB 2.0 trillion to RUB 3.5 trillion. Moreover, the Bank managed to reduce the amount of short-term borrowings from the Bank of Russia under repo transactions, replacing them with medium- and long-term drawings. The Bank raised an unsecured subordinated loan from the Bank of Russia in the amount of RUB 200 billion for 5 years, and loans secured by assets and sureties⁷ for up to 1 year. As a result thereof, the volume of repo transactions with the Bank of Russia was reduced by RUB 0.3 trillion. Besides, Sberbank started using a new tool of the Bank of Russia to raise currency liquidity, that is repo transactions in foreign currency.

In the light of the situation with financial markets in 2014, Sberbank made the most of the opportunities available to manage *currency borrowings in the debt and capital markets*:

- In February, the Bank was one of the first at the Russian market to place subordinated bonds under the updated Regulation No. 395-P, redeemable in 5 years, with the consent of the Bank of Russia. The amount of issue made USD 1 billion. This placement allowed for raising long-term funding and improving the capital adequacy ratio.
- In March, the Bank made the first private placement for a sum of USD 500 million and EUR 500 million under the EMTN program.
- In June, there was the debut Eurobond issue worth EUR 1 billion.

⁷ The Bank of Russia Regulation *On the Procedure for the Issuance by the Bank of Russia of Loans Secured by Assets or Sureties to Credit Institutions* No. 312-P dated November 12, 2007.

4. Income and Expenses

Aggregated income statement

<i>RUB billion</i>	2014	2013
Net interest income	959.7	812.7
Net commission income	217.2	171.2
Net income from operations with financial assets, securities, and foreign currency	94.2	20.0
Other operating income	47.6	22.0
Operating income before provisions	429.2	502.8
Change in provisions	-290.8	-56.7
Operating expenses	-598.7	-466.4
Earnings before tax	429.2	502.8
Accrued (paid) taxes	-118.0	-125.1
Earnings after tax	311.2	377.6

Operating income before provisions earned by the Bank in 2014 amounted to RUB 1,319 billion *versus* RUB 1,026 billion for the year 2013. Net interest income and net commission income are also higher than the indicators of the previous year.

Over 53% of *interest income* received by the Bank was on corporate loans. Interest income on retail loans grew due to increasing retail lending.

Interest income by type of assets

<i>RUB million</i>	2014	2013
Nostro accounts	71	42
Funds in the Bank of Russia	218	51
Loans to banks	31,546	18,501
Loans to legal entities	886,788	723,477
Loans to individuals	576,708	449,856
Prior period income, fines, penalties and others	14,161	9,147
Proceeds from sales of insurance products to individuals	23,139	22,455
Securities assessed through profit or loss	2,988	2,271
Securities available for sale	98,377	90,439
Securities held to maturity	27,889	22,766
Total interest income:	1,661,885	1,339,005

Interest income on retail loans includes fee income on credit operations.

The dynamics of *interest expenses* reflects the trends of 2014:

- In order to maintain active operations, Sberbank used instruments of fund raising from the Bank of Russia and Federal Treasury, the value of which showed particularly high growth after the Bank of Russia raised key interest rate to 17%;
- In conditions of the lack of cash inflow into deposits, Sberbank used to increase funds raised from legal entities; their market value grew considerably in December as well;

- The Bank diversified its liabilities by means of issuing Eurobonds and subordinated bonds and raising funds under the ECP program⁸; in June, it received RUB 200 billion of subordinated loan from the Bank of Russia.

Interest costs by types of funds raised

<i>RUB million</i>	2014	2013
Loro correspondent accounts	2,601	2,223
Deposits of the Bank of Russia	145,864	48,210
Term deposits of banks	14,167	15,141
Current accounts of legal entities	35,498	21,180
Term deposits of legal entities	126,463	84,170
On call accounts of individuals	12,985	10,122
Term deposits of individuals	279,605	276,785
Prior period expenses, fines and penalties	1,056	1,275
Bonds	31,442	22,166
Subordinated loan	26,481	19,500
Promissory notes, savings and deposit certificates	25,999	25,555
Total interest expenses:	702,161	526,327

A major growth of *fee income* was provided by fees on the operations with bank cards and acquiring operations, due to increase in the amount of cards issued and in the number of customers using acquiring services in Sberbank.

A major growth of *fee income* was provided by increase in the amount of operations with bank cards, which affects the amount of payments to payment systems.

Fee and commission income and expenses

<i>RUB million</i>	2014	2013
Commission fee income		
Bank card transactions	126,455	95,085
Payment transactions	38,942	34,379
Cash transactions	31,186	27,403
Account management	11,740	8,852
Bank guarantees	9,396	7,516
Currency control	4,138	3,495
Foreign currency transactions	5,185	3,082
Trade funding and documentary operations	2,662	1,812
Budget funds service	1,705	1,688
Safe deposit box rental services	1,342	1,175
Securities trading	921	834
Agency and other services	386	479
Other	7,056	3,107
Total commission income	241,114	188,907
Commission fee expenses		
Bank card transactions	18,537	13,045
Settlement operations—expenditure	2,483	1,799
Cash collection	392	363
Other	2,527	2,475
Total commission expenses	23,939	17,682

⁸ Program for issuance of euro commercial securities.

<i>RUB million</i>	<i>2014</i>	<i>2013</i>
Net commission income	217,175	171,225

The Bank was consistently implementing its efficiency enhancement policy and continued implementation of the *cost* optimization program. The Bank improved its procurement system, including in the sphere of IT, enhanced efficiency of using real estate objects, and cut down its marketing costs. A low growth rate of personnel upkeep expenses (12.7%) promoted further reduction of their share in the structure of operating expenses from 48.4% to 42.5%.

Operating expenses

<i>RUB million</i>	<i>2014</i>	<i>2013</i>
Personnel upkeep expenditure	254,346	225,717
Administrative expenses	126,380	110,251
Depreciation	46,733	43,598
Expenses from sales of own receivables	107,396	48,252
Contributions to the Mandatory Deposit Insurance Fund	30,544	26,580
Prior period expenses from revaluation of investments in subsidiaries and affiliates	7,715	-
Other operating expenses	25,552	11,985
Operating expenses	598,666	466,383

In 2014, *the Bank's expenses on formation of provisions* made RUB 290.8 billion, including RUB 279.6 billion—on loan provisions. It exceeds the indicator for the year 2013 considerably. The growth of expenses on loan provisions is caused by the following factors:

- Increase in the loan portfolio, which required the creation of provisions for new issues within existing approaches to provisioning;
- Ruble depreciation, which required the creation of additional provisions for foreign currency loans without deteriorating related quality;
- General market deterioration of quality of the loan portfolio of both corporate and retail customers against the background of the current macroeconomic situation;
- The one-time provisioning for several relatively heavy borrowers;
- The provisioning for Ukrainian borrowers because of the complicated situation in Ukraine.

Large spending on provisions became the main reason for reduction of the Bank's profit in 2014. *Earnings before tax* decreased by 14.6%, as compared to 2013, and amounted to RUB 429.2 billion. *Earnings after tax* decreased by 17.6% to reach RUB 311.2 billion.

5. Company's Position in the Sector

Major performance indicators of the Russian economy in the year 2014 were influenced by a number of negative factors: the oil price downturn, a significant increase in geopolitical tensions, and the subsequent introduction of sectoral sanctions against Russia. However, external factors only exacerbated the slowdown in the economy, which began as early as in the second half of the year 2012, resulting from structural problems, and accelerated the transition from stagnation to recession.

Actual cutoff of access to external capital markets and considerable worsening in the trading conditions alongside with the oil price downturn favored acceleration of capital outflow and caused ruble exchange rate weakening. In October, the Bank of Russia started using floating exchange rate in order to limit the losses of gold and foreign currency reserves and suggested measures to the market to increase USD liquidity—currency repo operations and swaps. Nevertheless, the situation in the foreign exchange market remained complicated. In order to stabilize the foreign exchange market, the Bank of Russia raised the key interest rate from 9.5% to 17% in December, introduced a number of measures of prudential supervision, and achieved a regular sale of foreign currency earnings by leading exporters. Thus, the Bank of Russia managed to stabilize the exchange rate, though weakening remained considerable. Following the results of the year, ruble lost 41.8% of its value against US dollar, and 34.2%—against euro. Gold and foreign currency reserves decreased by 25% in 2014. Debts of the banks on currency repo operations reached USD 20 billion.

The key interest rate growth increased the value of Bank of Russia's funding considerably. By replacing the scarcity of domestic resources (attraction of private funds in 2013 slowed to 9.4% in 2014 as compared with 19% in 2013) and the outflow of capital as well as by ensuring the maintenance of lending activity, the Bank of Russia increased the amount of loans to banks from RUB 4.8 trillion to RUB 9.8 trillion during the year. A major growth was observed in loans secured by non-market assets of banks.

Key Russian borrowers had to use loans of Russian banks because of the lack of accessibility to foreign funding and due to reduction of the opportunities to raise funds on the market of ruble bonds. As a result thereof, unlike the previous year, the dynamics of banks' credit portfolio was mostly determined by corporate lending—the portfolio of corporate loans increased by 30.3% against 13.2% a year before. The portfolio of retail loans showed almost double decrease—13.8% against 28.7% a year before.

The deterioration of the economic growth prospects and the drop in real income of the population exposed the quality problem of the banks' credit portfolio. The level of overdue debts grew from 4.1% to 4.6%, the retail portfolio showing higher deterioration.

Major deterioration happened in the segment of consumer lending and mostly affected banks in the segment of high-margin consumer lending. The mortgage credit portfolio quality remained high with 1.3% share of overdue debt.

High pace of lending to corporate customers held the share of overdue loans in the total loans to non-bank organizations at the level of the previous year. However, the deterioration in the financial position of some large borrowers required restructuring of the loans provided. In addition, the events in Ukraine led to a significant deterioration in the quality of loans provided to the Ukrainian borrowers by Russian banks.

Deterioration in the credit portfolio quality requiring additional provisions to be created, alongside with a sharp rise in the cost of funding from the Bank of Russia, reduced the profits of the banking sector by 40% as compared with the year 2013. Financial markets also ended the year with a decrease: the dollar RTS index fell by 45%;

the ruble MICEX index, by 7%. Russia's sovereign rating was cut down to the lower edge of the group of investment quality ratings.

Against such a complicated external economic background Sberbank remained a leader in the main segments of the Russian financial market.

*Sberbank's market share*⁹

	<i>Jan 1, 2015</i>	<i>Jan 1, 2014</i>
Assets	29.1%	29.6%
Capital	28.7%	28.4%
Loans to corporate customers	35.0%	33.3%
Loans to private customers	35.9%	33.5%
Funds of corporate customers	21.9%	17.2%
Funds of private customers	45.0%	46.7%

⁹ Calculation was done using Sberbank's internal methodology based on the data provided by the Bank of Russia.

6. Corporate Business

Sberbank is a key supplier of financial resources for the Russian economy. The growth of Sberbank's corporate loan portfolio in 2014 outran the sector and made 36.3% following the year results against 30.3% of sector growth in this segment.

Major achievements in 2014 in the field of corporate customer relations:

- Launch of a new service model of work with the largest, large, and medium corporate customers. This new model provides for creation of customer service teams and assignment of customer and product managers for each customer. By making an optimal product offer for each customer, the model allows for considerable improvement of service quality and work efficiency in relations with corporate customers.
- Implementation of RAROC¹⁰ calculation methodology for business planning and customer credit risk assessment. Application of RAROC ensures flexibility of price offer for the customer with regard to certain products, proceeding from the ratio of risk level to total income in all lines of Bank's business with this customer.
- Substantial growth of Sberbank's share in the total amount of corporate funds raised by the banking system from 17.2% to 21.9% thanks to effective work on raising corporate customers' funds.

In 2014, Sberbank issued loans to corporate customers for about RUB 8 trillion. Its corporate loan portfolio increased by 36.3% to RUB 11.6 trillion. The growth of the portfolio in the year 2014 was affected by positive revaluation of previously issued foreign currency-denominated loans, following the changes in the exchange rates. In the end of the year, foreign currency loans made a third part of the corporate loan portfolio.

The Bank actively engages with customers of various scale and forms of ownership. From mid-2014, the Bank allocated its work with the regional state sector into a separate business area. The segment-based structure of the portfolio is presented below.

Structure of corporate loan portfolio by customer segments:

	<i>Jan 1, 2015</i>		<i>Jan 1, 2014</i>	
	<i>RUB billion</i>	<i>Share, %</i>	<i>RUB billion</i>	<i>Share, %</i>
Largest business	7,118	61.1%	4,720	55.2%
Large and medium business	3,079	26.4%	2,571	30.1%
Small and microbusiness	565	4.9%	553	6.5%
Regional state sector	756	6.5%	558	6.5%
Other	130	1.1%	145	1.7%
Total	11,648	100%	8,547	100%

Credit portfolio is represented by Sberbank's segments and considers annual revision of customer segmentation. The Other item considers debts not related to customer segments. Funding of Sberbank Europe AG has been excluded from Sberbank's loan portfolio.

¹⁰ RAROC—Risk Adjusted Return on Capital.

CIB Unit

Operations with Major Customers¹¹

Sberbank continues optimization of its corporate business structure with due regard to new economic conditions. In the end of 2014, a number of important organizational and personnel-related decisions were made in the field of corporate and investment business (Sberbank CIB) covering the largest customers of the Bank. These decisions included appointment of the head of the line and business reorganization within the line, the latter being already implemented in 2015.

Thanks to the tendency for replacing foreign finance, the scope of Sberbank's largest customers grew with large reliable borrowers with public credit history, which resulted in the growth of loan portfolio of this category, made a positive influence on its quality, and created additional potential for cross-sales of Bank's other products.

In 2014, the portfolio of loans to the largest customers grew from RUB 4.7 trillion to RUB 7.1 trillion, and made as of January 1, 2015 over 60% of the Sberbank's total corporate loan portfolio.

Trade Finance

Trade finance continues its successful development. In 2014, the amount of transactions settled by Sberbank in the field of trade finance and related business made over USD 36 billion. Alongside with the development of cooperation with the partners from Western and Eastern Europe, the Bank is confidently increasing its scope of transactions with the Asia-Pacific countries, mainly with China, India, South Korea, and Singapore.

In 2014, Sberbank made a considerable increase in the scope of its active transactions in the trade finance and related business portfolio. The business related to the issuance of guarantees for the counter-guarantees of foreign partner banks in 2014 grew in almost 6 times.

Investment and Banking Business

Despite difficult conditions in 2014, the investment and banking business showed high results in a number of areas.

As a result of implementation of a new service model for relations with the largest customers and continuous improvement of processes and the team, customer satisfaction level increased considerably. In 2014, customer satisfaction rate grew from 73.6 to 77.6.

Implementation of joint-stock highly structured transactions in real estate, consumer sector, and mining industry under Sberbank Merchant Banking has become a successful step in conditions of liquidity deficit.

Bank achievements in the investment and banking business have been acknowledged by a number of industry awards, including *Best Broker House in Russia and the CIS* by *Extel* and *Most Innovative Investment Bank in Central and Eastern Europe* by *The Banker*.

¹¹ Sberbank lists customers with the annual revenues of over RUB 15 billion in the segment of major customers.

Corporate Business Unit

Large and Medium Business

In the course of implementing a new service model for corporate customers in Sberbank in the segment of large and medium business customer relations, the Bank carried out prioritization of customers in 2014, calculated their potential by products for each customer, and implemented centralized task setting and control of business development plans with each customer. Thanks to implementing a new service model, the number of products per customer grew from 3.3 to 3.6 during the year.

During the year, the Bank continued improving loan and warranty issuance conditions with regard to their terms and requirements to security, *inter alia*, with due consideration for more flexible pricing system in accordance with the borrower's quality and risk level. Thus, the Bank set out special conditions of state-supported project financing, simplified the decision-making procedure for low-risk guarantees, and reduced the terms of decision making for unified products. Special focus was made on the development and promotion of products facilitating access to state support for the customers of the agricultural sector, which would positively affect the development of import substitution in the Russian economy.

Since the middle of 2014, the Bank established a separate line of business to work with government authorities of the constituent entities of the Russian Federation and local self-government authorities.

Small and Microbusiness

Development of cooperation with small and microbusiness companies is one of key areas of activity in Sberbank. Following the results of the year, the Bank is now providing services to over 1 million active small business customers. Despite a difficult year, the portfolio of this category of customers has grown by 2.2%. Sberbank pays special attention to the projects aimed at creating available and convenient infrastructure for small business development in Russia. In 2014, the Bank took significant efforts to enhance efficiency and attractiveness of Business Development Centers and web portal *Business Environment*, which provide entrepreneurs with a wide range of services for business establishment, management, and development. It also started implementation of the updated format of these centers with the extended list of non-banking services and possibility to obtain different state services in a "one stop shop". There were over 20 updated centers functioning by the end of the year. The web portal *Business Environment* launched services for remote presentation of reports to the Federal Tax Service, and for preparing and submitting documents for business registration. There are regular educational workshops and online video broadcasts held all over the country on the basis of the web portal and the centers. Following the results of 2014, the number of users registered on the *Business Environment* website exceeded 145,000.

During the year, Sberbank continued improving and extending its product offers for small business customers. Thus, products making participation of small business in state orders—*Tender Guarantee*, *Tender Credit*, and complex solution for participation in bidding—were distributed within the network. The Bank proceeded with a large-scale migration of customers from legacy remote service systems to *Sberbank Business Online*. The number of customers connected to *Sberbank Business Online* exceeded 1 million by the end of the year.

In 2014, the Bank also gave a pilot start for a new innovative product *Business Tablet* in five regions. This product allows customers to conduct cash transactions, solve daily business tasks, work with documents, and receive full information about the cash

flow in any place and at any time. In addition to access to *Sberbank Business Online* and *Sberbank Online, Business Tablet* enables acceptance of payments with the cards and printing out of receipts, management of all customer requests through the contact center, and remote generation and presentation of reporting documents to various government authorities.

Corporate Banking Services

Sberbank continues implementing new high-technology services that enhance attractiveness and efficiency of banking services for corporate customers. The main focus is made on the creation of services using innovative information technologies and transferring a maximum amount of transactions to remote channels. In 2014, Sberbank's corporate customers made 94% of their transactions via remote service channels.

In 2014, the Bank implemented a remote account reservation service which allowed opening and starting the use of online account with its following documentation, which in its turn put up the availability of Bank services and saved customers' time. In December 2014, 4,100 accounts were opened with this system.

During the year, work on extending the functionality and customer coverage of e-document management service *E-Invoicing* was continued. In order to increase customers' interest in this product, Sberbank together with its partners makes promotional offers for electronic document management and grants additional discounts on connection to it. By the end of the year, 60,000 customers signed up for *E-Invoicing*.

The Bank has launched a new product called *Monitoring of Accounts Opened in Other Banks* which allows customers to receive detailed information on the cash flow in their accounts opened with other commercial banks, including the subsidiary banks of Sberbank. In 2014, the number of accounts signed up for Cash Management services increased by 60%.

Corporate Deposit Operations

In the year 2014, amid a low inflow of funds from individuals, the work to raise funds from corporate customers was one of the Bank's most important business areas.

Over the year, the balances of corporate customers increased by 74.4% to reach RUB 5.9 trillion. This increase partially resulted from revaluation of foreign currency-denominated funds, the share of which as of January 1, 2015 amounted to 51%. Sberbank's share in the total amount of corporate funds raised by the Russian banking system increased over the year from 17.2% to 21.9%.

A share of fixed-term deposits increased considerably at year-end in the total breakdown of products, from 58% to 70% of total corporate funds.

Corporate funds structure

<i>RUB million</i>	<i>Jan 1, 2015</i>	<i>Jan 1, 2014</i>
Current accounts / demand accounts	1,737,317	1,411,780
Fixed-term deposits	4,153,400	1,962,268
Obligations on repayment to creditor (non-bank) of the borrowed securities	3,126	2,196
Deposits in precious metals and other deposits	4,974	5,949
Total corporate funds	5,898,817	3,382,193

7. Retail Business

In 2014, retail lending in Russia continued growing, and showed a 13.8% growth for a year. Retail loan portfolio of Sberbank grew by 22.1%. Achievements in retail lending in 2014:

- Amid macroeconomy deterioration in 2014, Sberbank took a number of measures to retain loan portfolio quality. As a result thereof, the quality of retail loan portfolio remained better and on average at the market.
- In 2014, Sberbank made a stress on the mortgage products, heaving increased its market share to the record-breaking 53%. The share of mortgage loans in the retail portfolio of the Bank grew from 41.5% to 47.1% during the year.
- In 2014, Sberbank continued showing strong results in the segment of bank cards and acquiring, having strengthened its leadership at the market. Enhancement of IT infrastructure, active development of remote service channels, and targeted approach to sales favored retention of high growth pace of commission earnings from these operations—33.0% in 2014, and 35.5% in 2013.

In 2014, Sberbank started using a new method to determine the most appropriate product for a customer based of financial simulation and customer segmentation, and provided for active promotion of package offers to medium and rich customers.

The Bank started using models to optimize active selling campaigns. In accordance with the Sberbank Development Strategy until 2018, Sberbank made the first steps towards mass personalization: it launched a cycle of communications with the customers receiving their salary in Sberbank, started development of the Next Best Offer concept, an optimal product offer for a customer.

In 2014, Sberbank conducted a survey¹² to measure customer loyalty. The results revealed by the survey were the best in the Russian banking sector. Over the year, the index of willingness to recommend Sberbank increased by 20 percentage points and reached 57%, while the market average does not exceed 33%.

Thanks to cross sales promotion, Sberbank continued increasing the number of retail products per active customer from 1.4 to 1.5 during the year.

Private Customer Lending

Retail loans account for 24% of the loan portfolio of Sberbank¹³. In 2014, the retail loan portfolio increased by 22.1%, surpassing the symbolic amount of RUB 4 trillion to reach RUB 4,070 billion. The growth in home loans accelerated while consumer lending slowed down. Over the year, retail customers were issued with loans in an amount of about RUB 2 trillion, which is 10% more than in 2013. The share of Sberbank in the lending market increased by 2.4 percentage points and amounted to 35.9%.

¹² The survey was conducted by ARMI-Marketing (an independent company that is part of Millward Brown, an international research network) in 16 Russian regions among 40,000 customers of Sberbank in cities with a population of over 100,000.

¹³ Here, the loan portfolio of Sberbank includes: loans to banks, legal entities, and individuals.

Structure of retail loan portfolio

<i>RUB million</i>	<i>Jan 1, 2015</i>	<i>share, %</i>	<i>Jan 1, 2014</i>	<i>share, %</i>
Consumer loans	2,088,936	51.3%	1,843,451	55.3%
Mortgage loans	1,918,240	47.1%	1,384,278	41.5%
Car loans	62,748	1.6%	105,424	3.2%
Other	13	0.0%	38	0.0%
Total loans to individuals before deduction of provisions for possible losses	4,069,937	100.0%	3,333,191	100%

Based on the form 0409115 Credit Institution's Assets Quality Data.

Sberbank's share at the retail lending market:

<i>%</i>	<i>Jan 1, 2015</i>	<i>Jan 1, 2014</i>
Retail lending market	35.9	33.5
Mortgage lending market	53.0	50.4
Credit card market	29.9	23.5
Consumer lending market	32.5	32.8
Car lending market*	15.8	14.8

Data provided by Frank Research, assessed by Sberbank.

** Car lending market data comprises the total share of Sberbank and Cetelem Bank.*

Home Loans

Home loans remained a priority product for Sberbank. Their portfolio grew by 38.6% in 2014, and market share increased to 53%. Moreover, the portfolio quality remained stably high. High growth pace was also due to extension of product line, a new improved process of work with real estate agents and developers with the opportunity to file remote mortgage applications via the web system *Partner Online* all over Russia, and a new facilitated process of filing applications by customers. When it comes to the product called Home Loan with Two Documents, customers only have to file two documents, a Russian passport and another document.

Sberbank received *The Leader of Mortgage Lending* award from the ratings agency *Expert RA*, during the 5th Annual Conference *Mortgage in Russia*.

Consumer Lending

Sberbank did not aspire to maintain the growth paces of consumer loan portfolio, setting retention of portfolio quality as a priority task for the year 2014. During the year, the consumer loan portfolio grew by 13.3%. Sberbank launched a number of new products, including such state-subsidized programs as the Consumer Loan for Servicemen Participating in the SMS (Savings and Mortgage System) and the State-Supported Educational Loan.

Sberbank continued developing its loan refinancing program for the customers with good credit history.

Credit Cards

Credit cards remain one of important elements in the Bank's line of products, which is successfully used for cross sales to the existing customers of the Bank. It allows for retention of the acceptable quality level of loan portfolio.

In 2014, loan debt on credit cards increased by 52.4% and exceeded RUB 410 billion. The Bank strengthened its leading position in this market in Russia. Sberbank's share in the loan debt balance on credit cards and overdraft grew from 23.5% to 29.9%, as reported by *Frank Research*. Sberbank issued 14.6 million credit cards in total.

Car Loans

The year 2014 was a rather successful year for Sberbank in the segment of car loans. In 2014, Sberbank completed the transfer of its partner car loan channel to its subsidiary Cetelem Bank LLC, which was started in 2013.

A total share of car loan portfolio of Sberbank and Cetelem Bank grew by 1.0 p.p. to 15.8% in 2014. It allowed Sberbank Group to take 1st place in car loan portfolio at the Russian market alongside with Cetelem Bank, which used to hold 1st place in sales at the Russian car lending market since February 2014, having cooperation agreements with 23 car brands.

Retail Deposit Operations

Raising funds from private customers and ensuring their integrity remains the basis of the Bank's business. Sberbank raises funds for term deposits, on-call deposits (including bank cards), savings certificates, bills, and accounts in precious metals.

Funds of Individuals

The amount of funds raised from individuals, including fixed-term deposits, on-call accounts and bank cards, as well as funds in precious metals grew by RUB 382 billion as of 2014 year-end and exceeded RUB 8.1 trillion as of January 1, 2015. Part of the increase was provided by deposits opened through remote channels. The increase in balances was largely caused by positive revaluation of the foreign currency component of deposits after the weakening of the ruble.

Structure of individuals' funds

<i>RUB million</i>	<i>Jan 1, 2015</i>	<i>Jan 1, 2014</i>
Current accounts / on-call accounts	1,561,367	1,589,127
Fixed-Term Deposits	6,437,685	6,066,568
Funds in precious metals and other funds	128,855	90,148
Total funds of individuals	8,127,907	7,745,843

In 2014, Sberbank used to outrun the market of increasing individuals' funds in foreign currency, and as a result thereof increased its share at the market of currency deposits in foreign currency.

Sberbank's share in the Russian retail deposit market

<i>%</i>	<i>Jan 1, 2015</i>	<i>Jan 1, 2014</i>
Ruble-denominated deposit market	50.1	50.6
Foreign currency-denominated deposit market	30.4	28.2
Deposit market	45.0	46.7

Savings Certificates

Sberbank used to actively increase the amounts of funds raised for savings certificates, having supported its dominating position at the market with over 95% share. The balance of funds raised for savings certificates increased by RUB 112.3 billion to RUB 456.8 billion for the year.

Interaction with the Pension Fund of Russia

In 2014, the Bank launched a unified format of data exchange with the Pension Fund of Russia (PFR), which allowed offering a new service for pensioners, the provision of certificates on the types and amounts of pensions and other social benefits credited from the PFR to an account at Sberbank.

The number of pensioners who receive pensions via Sberbank grew by 1,483,016, which allowed the increase of the market share of pension payments.

Sberbank's share in the Russian market of pension payments

	<i>Jan 1, 2015</i>	<i>Jan 1, 2014</i>
Number of social pensioners getting their pension through Sberbank, persons	23,291,132	21,808,116
Share of pensioners receiving their pension through Sberbank in the total number of social pensioners of the Russian Federation, %	56.2	53.2

**According to Sberbank and PFR data.*

Salary Projects

During the year Sberbank was strengthening its market positions as a Bank offering complex salary solutions for corporate customers. The number of working individuals receiving their salary at Sberbank increased from 21.1 million to 22.4 million during the year. Sberbank's market share in this service grew from 43.9% to 48.0%. The number of existing agreements with the corporate customers cooperating with Sberbank in the segment of salary projects exceeded 334,000.

Non-Interest Yield Sources

Increasing the non-interest yield share is one of Sberbank's strategic goals. The main factors of growing non-interest yields in retail business are operations with bank cards, acquiring, payments and transfers.

Bank Cards

The growth in the issue of bank cards significantly accelerated the growth in the volume of operations on card accounts. In 2014, the turnover on card transactions grew by more than a third. In terms of the number of issued cards, Sberbank comes first in Europe.

Number of valid cards issued by Sberbank:

<i>million cards</i>	<i>January 1, 2015</i>	<i>January 1, 2014</i>
Debit Cards	87.3	80.5
Credit Cards	14.6	12.1
Total valid cards of Sberbank	101.9	92.6

In 2014, Sberbank offered a number of innovative solutions for traditional products. Among them there was a technology of issuance and maintenance of proximity bank credit cards Visa PayWave.

Acquiring

The number of active points of sale and service attracted for acquiring service increased and reached 446,000 by the end of the year. The share of Sberbank in the acquiring market increased by 2 percentage points to 46.4%.

Annual turnover with the banking cards on the web increased from RUB 17 billion to RUB 47 billion. The number of companies using Sberbank's Internet acquiring service exceeds 750.

Payments and Transfers

In 2014, stable growth of payments made by individuals to legal entities was observed with respect to all principal kinds of payments. The average number of payments increased by 27% and reached 10 million a day. Sberbank has become a leader in receiving payments for housing utility services with its 35% market share, and for cellular communication with 39% of the market.

This result was achieved with the active development of non-cash payments through such channels as *Mobile Bank* and *Sberbank Online*. A share of non-cash operations in the total turnover with the cards has been growing stably, and has already reached 45%.

19.6 million persons have already signed up for the *Autopayment* service. A number of subscribers for the *Autopayment—Cellular Communication* service reached 12.9 million persons. 6.7 million persons in over 100 cities of Russia are using the *Autopayment—Housing Utility* service.

The amount of transfers increased significantly in 2014. The increase made 60% with RUB 4.3 trillion of the total sum of transfers for the year. The increase was mainly due to the growing number of card transfers.

The amounts of non-cash payments and transfers grew due to development of the services of Yandex.Money, a subsidiary of Sberbank. In 2014, within the frames of integration with Yandex.Money, Sberbank continued improving its payment solutions and extending a line of joint services and customer database coverage. Sberbank has become the main channel for replenishment of Yandex.Money electronic wallets with the amount of replenishment over RUB 1 billion every month. The spheres of distribution of

digital goods offered by Yandex.Money partners in *Sberbank Online* and replication of the solution called *Pay Via Sberbank* in Yandex.Money products are being actively developed.

Insurance and Welfare Management

In 2014, in the course of implementing Sberbank Development Strategy for the year 2014–2018, the Bank set up a Welfare Management unit to consolidate development of insurance, pension, investment and deposit products under the single management.

Sberbank offers a wide range of **insurance** products for private and corporate customers, including insurance of life and health, property pledged under retail and corporate loans, financial risks and civil liability of corporate customers, accumulative and investment insurance of life, and others. In 2014, the bank insurance programs offered by Sberbank were used by over 8.5 million individuals, and the bank's corporate customers purchased 190,000 insurance policies. Since the very start of selling insurance products by Sberbank in 2009 in the sphere of bank insurance, the programs were used by over 17 million individuals, and corporate customers purchased over 500,000 insurance products.

Sberbank Life Insurance IC LLC has secured its leadership in the life insurance market. Customers in segments such as Sberbank First and Sberbank Premier purchased 35,000 long-term accumulative and investment life insurance policies. Compared to the previous year, the growth in the number of new customers stood at 78%.

More than 3.4 million customers transferred their pension savings to Sberbank Private Pension Fund, which was the best result in the market in 2014. 5.2 million Russian citizens have become the customers of Sberbank Private Pension Fund.

In pursuance of Bank Strategy till 2018 with regard to the presence of the Group at the insurance and pension support markets, the property insurance company Sberbank Insurance LLC and Sberbank Insurance Broker LLC were registered, licensed and started successful sales in 2014.

Sberbank Depositary is a recognized leader at the Russian market of custody services, and was acknowledged one of the best depositaries at the international developing markets according to Global Custodians, having shown high ratings by its customers in all investigated categories of services. The Depositary received the awards of *Category Outperformer*, *Market Outperformer*, and *Global Outperformer*.

Sberbank Depositary maintains about 400,000 custody accounts. Market value of customers' assets under the custody in 2014 remained almost unchanged and made RUB 3.6 trillion.

In 2014, the Bank introduced industrial application of a service of depositary accountings of pawns, and created the infrastructure for the custody service of Bank's pawns under the transaction associated with the issuance of bonds with mortgage coverage.

In the reporting year, the Bank launched a tax agent function for the profit paid on securities placed for custody to the Depositary.

Development of Remote Customer Service Channels

In the course of its innovative development Sberbank continues improving its remote service channels, which in its turn reduces load on the divisions. The network of self-service terminals as of January 1, 2015 made 54,000 ATMs and 36,000 payment terminals.

According to *Global Finance*, in 2014 Sberbank became a winner in the categories of the *Best Mobile Banking in Central and Eastern Europe*, *Best SMS Banking in Central and Eastern Europe*, and *Best Banking Application for Mobile Telephones in Central and Eastern Europe*, and *Sberbank Online* was acknowledged the best retail Internet banking system in Russia and all over Central and Eastern Europe in 2014.

The number of connections to SMS service Mobile Banking reached 72.2 million, and the number of active users increased from 14.9 to 20.9 million for the year.

33.2 million customers signed up for *Sberbank Online* service. The number of its active users went up from 9.3 to 19.4 million customers over the year. The number of payments made via the system reached 30 million per month. Monthly amount of transfers doubled to RUB 122 billion.

Quality of Service in Retail Business

Handling customer requests remains a key priority for the Bank. Following the work on improving the service, more than a hundred systemic problems in the processes of the Bank were revealed and measures to eliminate each of these problems were defined. Over 30 measures have been already implemented. It allowed reducing the amount of customers' requests by 31% since the beginning of 2014.

Special attention was paid to service quality, advanced labor performance and personnel development in the Sberbank Contact Center in 2014. The Bank maintained a mean time to response in 2014 at a high level of 35 seconds. An index of satisfaction with service in the Contact Center increased from 70% to 80%, even though the number of requests grew significantly: in 2014 there were 77.7 million incoming calls compared to 61.6 million a year earlier.

Following the results of the study held by an independent company ARMI-Marketing, 72% of customers are fully satisfied with the service quality in Sberbank. The share of such customers in 2014 grew by 7 percent points.

Sberbank was recognized as the most friendly Russian bank on social networks—first place in the ranking of the most friendly banks in Russia for the third quarter of 2014, published by *EasyFinance*.

8. Operations with the Bank's Securities Portfolio. Investments

Financial assets carried at fair value through profit or loss

<i>RUB million</i>	<i>Jan 1, 2015</i>	<i>Jan 1, 2014</i>
Russian Government Bonds	4,816	34,820
Bonds of constituent entities of the Russian Federation	458	2,386
Bonds and Eurobonds of banks	62,388	15,091
Corporate bonds	41,490	38,836
Eurobonds of foreign states	124	877
Shares	56,559	4,371
Financial derivatives	659,853	48,282
Financial assets carried at fair value through profit or loss, total	825,688	144,663

Net investments in securities and other financial assets available for sale

<i>RUB million</i>	<i>Jan 1, 2014</i>	<i>Jan 1, 2014</i>
Russian Government Bonds	796,023	852,500
Bonds of constituent entities of the Russian Federation	45,878	56,325
Bonds and Eurobonds of banks	43,638	48,967
Corporate bonds	442,729	440,531
Eurobonds of foreign governments	349	-
Shares	30,989	34,983
Investments in subsidiaries and affiliates	385,839	310,871
Other equity participation	45	50
Net investments in securities and other financial assets available for sale, total	1,745,490	1,744,228

Net investments in securities held to maturity:

<i>RUB million</i>	<i>Jan 1, 2014</i>	<i>Jan 1, 2013</i>
Russian Government Bonds	187,906	203,945
Bonds of constituent entities of the Russian Federation	39,883	60,833
Corporate bonds	138,685	139,209
Net investments in securities held to maturity, total	366,474	403,988

During 2014, the Bank's securities portfolio and investments added RUB 645 billion, including:

- RUB 611 billion—increase in the fair value of financial derivatives from which economic benefits are expected. This increase came amid growing financial liabilities carried at fair value through profit or loss, at the expenses of financial derivatives from which reduction in the economic benefits is expected. As of year-end 2014, a net position in financial derivatives grew by RUB 28 billion and made RUB 42 billion.
- RUB 75 billion—a growth in investments in subsidiaries and affiliates through new acquisitions and an increase in the capital of subsidiaries.
- RUB 42 billion—a reduction in securities portfolio that mainly happened due to redemption of a number of issues of state, corporate, and subfederal bonds accounted in the portfolios for sale and held to maturity. Besides, the Bank minimized its investments in bonds since the beginning of the year amid the negative dynamics at the exchange markets caused by graduate increase of key interest rate by the Bank of Russia and non-residents' withdrawal from Russian assets as a result of growing geopolitical tension (significant growth of investments in Eurobonds was mainly caused by currency revaluation). However, the Bank is going to keep its share of securities as liquid assets in the total structure of Bank assets in conditions of their growth in the long-term prospect.

9. Risk Management

The Group singles out the following kinds of risks it is imposed to as significant ones¹⁴: credit risks of corporate and retail customers, country risk, credit risks of financial institutions, ALM risks, market risks of operations at the financial markets, risk of losses as a result of change in real estate value, legal and compliance risk, liquidity risk, business reputation loss risk, risk of models, operating, strategic, regulatory, and tax risks.

Risk management processes are being implemented consistently. Target state of risk management system that would fully comply with the main requirements of the Bank of Russia and recommendations of the Basel Committee is planned to be achieved in 2015.

The list of significant risks of the Group is updated annually. The functions of management of all significant risks are spread among the committees of the Executive Board of the Bank. Risk management on an integrated level is performed by the GRC, the Executive Board, and the Supervisory Board of the Bank.

The Bank lays special emphasis on the risk culture as one of the most important systems ensuring stable development in the ever-changing conditions. Risk culture is part of Sberbank's corporate culture. It is a complex of knowledge, values, principles, and beliefs in the field of risk management, which build up a collective ability of the Bank to identify, analyze, discuss openly, and respond to the existing and future risks. Risk culture supplements the formal mechanisms existing in the Bank and makes an integral part of the integrated risk management system. The Bank pays special attention to employees' behavior as a practical demonstration of risk culture. The Bank has built up behavioral models, which shall be the target models for all employees irrespective of their position from the point of view of risk culture.

Credit Risk

Credit Risk is the downside risk associated with the loss of value of a financial asset (loan, debt securities held to maturity) due to the default or deterioration in the credit quality of the counterparty/issuer.

Counterparty Risk in Financial Market Operations is the risk due to the counterparty's default on the transaction.

Concentration Risk (in terms of the Credit Risk) is associated with the provision of large loans to a single borrower/group of related borrowers; concentration of debt by individual sectors of the economy, segments, portfolios, geographic regions; and similarly, by investments in securities.

Residual risk is the risk that the risk reduction measures may not produce the desired effect in connection with the implementation concerning the legal risk, liquidity risk.

General Description of Credit Risk Management

The purpose of credit risk management is to identify and ensure the level of risk required to ensure sustainable development of the Group, as determined by the Banking Group development strategy and the macroeconomic parameters.

¹⁴ Since Sberbank is a parent company of the Banking Group where risk management is mostly carried out on the Group level, some information about risk management is presented in relation to the Group.

Objectives of the Group in credit risk management are as follows:

- To implement a systematic approach, to optimize the sectoral, regional, and product portfolio structure in order to reduce the level of credit risk.
- To increase the competitive advantages of the Group due to more accurate assessment of the accepted risks and the implementation of risk management measures, including a decrease in realized credit risks.
- To maintain the stability in the event of the introduction of new products, including more complex ones.

The Group applies the following methods of credit risk management:

- Preventing risk before the operation.
- Planning the risk level by means of evaluation of the level of expected losses.
- Limiting credit risk by setting limits.
- Structuring of transactions.
- Managing the collateral for transactions.
- Using the system of decision-making authority.
- Monitoring and controlling the risk level.

Credit risk assessment is carried out at the Bank as a whole and by individual portfolios of assets, as well as broken down by individual counterparties, countries, regions, and industries. The assessment is based on statistical models of credit risk quantification.

The Group has created a unified *system of internal ratings*. It is based on the economic and mathematical models of estimated probability of default of counterparties and transactions. Models are reviewed periodically based on historical data. At the same time, mandatory evaluation shall be provided of the risk factors related to the contractor's financial position and its dynamics, structure of property, business reputation, credit history, cash flow and financial risk management system, information transparency, customer's position in the industry and region, support provided on the part of bodies of state power and holding companies, and also on the part of the borrower's group. Based on the analysis of these factors, the probability of counterparties/transactions default is assessed and a corresponding rating is awarded.

Assessment of individual counterparty risks of the transactions is held for:

- Corporate customers, banks, small business entities, countries, constituents of the Russian Federation, municipal formations, insurance and leasing companies—based on the system of credit ratings, and by building the models of predicted cash flows or other important indicators.
- For individuals and microbusiness entities—based on the assessment of counterparty's solvency in accordance with the Bank rules and express assessment.

Risk limitation and control of expected losses due to default of the borrower is made through a *system of limits* available for each line of business. The scope of the limit is determined by the level of the borrower's risk that depends on the borrower's financial position and other factors, like: external influence, management quality, assessment of business reputation. Country limits are subject to specific qualification. In 2014, the Bank

implemented an automated management system of credit risk limits. It is planned to be introduced in the subsidiary banks of the Group.

The Group controls the *concentration of large credit risks*, compliance with prudential requirements, and predicts the level of credit risks. For this purpose, a list of related borrowers' groups is maintained at the Group member level, limits on borrowers are set, the portfolio is analyzed broken down by segments and products.

The main tool for reducing credit risk is the availability of *collateral*. The volume of the accepted collateral depends on the risk of the borrower/transaction and is fixed in terms of loan products. The Bank uses the Collateral Policy as one of the approaches to credit risk hedging aiming at improving the quality of the loan portfolio. The quality of collateral is determined by the probability of obtaining funds in the amount of the estimated collateral value upon sale. The quality of collateral is determined by several factors: liquidity, accuracy of determining the value, risk of impairment, exposure to the risks of loss/damage, and legal risks. Evaluation of the collateral value is made based on the internal expert evaluation of the Group's specialists, evaluation of independent evaluators or based on the cost of the collateral subject in the borrower's bookkeeping using the discount. The surety by solvent legal entities as collateral security also requires assessment of risks of both the surety and the borrower. The Bank performs regular monitoring of pledged assets to ensure control over quantitative, qualitative and cost parameters of the pledged assets, their legal affiliation, and conditions of storage and upkeep. Frequency of monitoring is defined by: requirements of Bank of Russia regulations, conditions of credit product issuance; kind of collateral. Standard frequency of monitoring provides for the following: confirmation of the value of collateral and insurance supervision—quarterly; frequency of site inspections, control of title and encumbrances, depending on the type and quality category of the asset—quarterly/semi-annually/annually.

The existing systems of limits and authorities allow to optimize the credit process and to manage credit risk. A risk profile determining authorities for decision making depending on the risk category of the application is assigned to each territorial subdivision/Group bank.

Overdue receivables

<i>Jan 1, 2015</i>					
<i>RUB million</i>	<i>Total</i>	<i>up to 30 days</i>	<i>31–90 days</i>	<i>91–180 days</i>	<i>above 180 days</i>
Credit institutions	5,315	5,315	-	-	-
Legal entities	442,218	161,815	60,619	23,867	195,917
Individuals	253,007	87,228	37,128	28,640	100,011
Total overdue debt	700,540	254,358	97,747	52,507	295,929

<i>Jan 1, 2014</i>					
<i>RUB million</i>	<i>Total</i>	<i>up to 30 days</i>	<i>31–90 days</i>	<i>91–180 days</i>	<i>above 180 days</i>
Legal entities	284,040	38,282	36,692	22,166	186,900
Individuals	166,754	64,905	24,159	17,139	60,551
Total overdue debt	450,794	103,187	60,851	39,305	247,450

Restructured Loans

As of January 1, 2015, the amount of *restructured corporate loans* amounted to RUB 2,212.0 billion, and their share in the corporate loan portfolio is 19.0%. Restructuring means such alteration of the original material terms and conditions of the credit contract made with the debtor for his benefit, as is not provided for by the original material terms and conditions of the contract.

As of January 1, 2015, the amount of restructured loans to individuals in the loan portfolio amounted to RUB 72.5 billion, and their share in the loan portfolio of individuals is 1.8%. Standard restructuring options provide for loan term extension, change of loan repayment arrangements, waiver of liquidated damages in whole or in part, and change of loan currency.

Level of Concentration of Major Credit Risks

The Bank pays close attention to control the level of concentration of large credit risks. The Bank conducts daily monitoring of major credit risks and forecasts the compliance with the requirements¹⁵ imposed by the Bank of Russia for N6 (maximum exposure per Borrower or group of affiliated borrowers) and N7 (limit on major credit risks) ratios. For these purposes, the List of Major and Related Borrowers of the Bank is being kept and monitored.

*The share of loans of the 20 largest borrowers / groups of borrowers*¹⁶ for the year 2014 changed from 22.0% to 24.5% of the customer loan portfolio. Among the Bank's major borrowers are representatives from various sectors of the economy; therefore, the credit risk is adequately diversified.

Detailed information about the structure of loans receivable of the Bank and their quality is given in an explanatory note which is part of the 2014 annual financial statements of Sberbank of Russia prepared in accordance with requirements of the Bank of Russia and posted on Sberbank's website at www.sberbank.ru.

Liquidity Risk

Liquidity risk management helps to secure the Bank's capability to perform its obligations to customers and counterparties unconditionally and in due time, in compliance with the regulations of the Bank of Russia concerning liquidity risk management, either in normal business conditions, or in crisis situations. Sberbank's Regulation on Liquidity Risk Management is the main document regulating the assessment, control, and management of liquidity risk. In the matter of liquidity risk management, the Bank differentiates the risks of normative, physical, and structural liquidity.

Regulatory liquidity risk includes violation of the regulatory limits in terms of statutory liquidity ratios set by the Bank of Russia (N2, N3, or N4). In order to manage the regulatory liquidity risk, the Bank carries out weekly monitoring and short-term,

¹⁵ Bank of Russia Ordinance *On Statutory Ratios of the Banks* (as revised on October 25, 2013) No. 139-I dated March 12, 2012.

¹⁶ When calculating the figure, the Form 0409118 source data is used: loan debt of 20 largest borrowing companies (groups of companies) refers to the remainder of the loan portfolio of legal entities and individuals; both the numerator and denominator include fixed-term, overdue debt and cession agreements; the 20 largest companies debt takes into account the debt of Sberbank's subsidiaries, while the debt of banks is ignored.

medium-term, and long-term forecasting of the statutory ratios. In addition, Sberbank has established a system of warning and critical limits for the values of the statutory liquidity ratios, which ensures compliance with the restrictions set by the Bank of Russia on the reporting data within the month, taking into account possible fluctuations of certain balance sheet items.

Physical liquidity risk means the Bank's failure to discharge its obligations to a counterparty in any currency due to a lack of funds: inability to pay, to grant a loan, etc. The instruments of physical liquidity risk management in the *short-term* run include a cash flow prediction model broken down by principal currencies and control over accessible bank liquidity reserves. In order to cover possible liquidity deficit that exceeds the available reserve of funds, the Bank has the following liquidity reserves: repo operations with the bank on the pledge of securities; FX SWAP market operations and borrowings from the Bank of Russia on the pledge of non-market assets.

Structural liquidity risk (the risk of concentration) means the probability of significant deterioration of physical or normative liquidity due to an imbalance in the asset and liability structure, including a strong dependence of the Bank's liability base on one or more clients or funding sources in a certain currency for a certain period.

Liquidity management in the year 2014 was mostly determined by the financial markets conditions due to the existing macroeconomic situation, *i.e.* complications in Ukraine, imposition of sanctions against Russia by the EU and USA, ruble depreciation, and other factors. Despite the instability of financial markets, Sberbank made the most of the opportunities available to manage currency borrowings in the debt and capital markets:

- In February, the Bank placed subordinated bonds under the updated Regulation No. 395-P redeemable in 5 years, with the consent of the Bank of Russia. The amount of issue made USD 1 billion. This placement allowed for raising long-term funding and improving the capital adequacy ratio.
- In March, the Bank made a private placement for a sum of USD 500 million and EUR 500 million under the MTN program.
- In June, there was the debut Eurobond issue worth EUR 1 billion.

Due to the flexible interest rate policy, a highly diversified liabilities base and low dependence on external borrowings, Sberbank has retained sufficient ruble and foreign currency liquidity throughout the year. The Bank managed to reduce the amount of short-term borrowings from the Bank of Russia, replacing them with medium- and long-term drawings, and thus to improve the existing liquidity profile.

Compliance with liquidity ratios:

<i>Liquidity ratios</i>	<i>Limit imposed by Bank of Russia</i>	<i>Critical value by Sberbank</i>	<i>Value as of the reporting date, %</i>	
			<i>Jan 1, 2015</i>	<i>Jan 1, 2014</i>
N2	over 15%	15%	74.3	53.6
N3	over 50%	55%	66.4	58.5
N4	under 120%	115%	111.2	102.5

As of January 1, 2015, Sberbank overcomplies with the limits of statutory liquidity ratios set by the Bank of Russia. During the year, the Bank has improved the values of instant and current liquidity. The growth of the R4 ratio is associated with the revaluation of long-term customer debt portfolio in connection with the rising rates of major currencies, and growth of the portfolio in real terms in the second half of 2014. On January 1, 2015, amendments to the methods for calculating the statutory liquidity ratios become effective (in accordance with Bank of Russia Ordinance No. 3490-U dated December 16, 2014 *On Amendments to the Bank of Russia Instruction On Statutory Ratios of Banks No. 139-I dated December 3, 2012*), which resulted in a significant improvement of all liquidity ratios of Sberbank (N2, N3, N4).

Analysis of the Bank's Assets and Liabilities Broken down by Maturity

The term structure of customer funds in 2014 did not practically change, but the share of the funds attracted from the Bank of Russia increased. Moreover, the Bank managed to reduce the amount of short-term borrowings from the Bank of Russia under repo transactions, replacing them with medium- and long-term drawings. It should be noted that the structure of the Bank of Russia refinancing facilities allows increasing the maturity of the funds drawn from the Bank of Russia, at any time. Thus, Sberbank's liquidity gap increase is of a technical nature and does not specify actual liquidity risk increase.

Securities assessed at fair value through profit or loss, as well as the most liquid share of securities available for sale, are considered liquid assets as they can easily be converted into cash within a short period of time. Such assets are placed in the table below in the category *On demand and below 1 month*.

The level of liquidity for assets and liabilities of the Bank as of January 1, 2015

<i>RUB million</i>	<i>on demand and less than 1 month</i>	<i>from 1 to 6 months</i>	<i>from 6 months to 1 year</i>	<i>from 1 year to 3 years</i>	<i>over 3 years</i>	<i>not rated</i>	<i>total</i>
Assets							
Cash and cash equivalents	1,240,712	-	-	-	-	-	1,240,712
Funds of credit institutions held with the Central Bank of the Russian Federation	278,834	31,697	24,510	23,773	10,862	-	369,676
Required reserves	51,680	31,697	24,510	23,773	10,862	-	142,522
Funds in credit institutions	356,487	-	-	-	-	-	356,487
Financial assets carried at fair value through profit or loss	190,623	125,670	248,291	202,254	58,850	-	825,688
Loan debt prior to deduction of provision for possible losses	1,271,259	1,614,720	2,209,632	4,768,733	6,507,410	318,829	16,690,583
Net investments in securities and other financial assets available for sale	1,359,651	-	-	-	-	385,839	1,745,490
Investments in subsidiaries and affiliates	-	-	-	-	-	385,839	385,839
Net investments in securities held to maturity	-	13,881	5,968	124,935	221,690	-	366,474
Current tax claims	-	-	-	67,058	-	-	67,058
Deferred tax asset	-	-	-	-	-	-	-
Fixed assets, intangible assets, and inventories	-	-	-	-	-	478,612	478,612
Other assets	274,724	14,914	31,194	26,654	31,916	27,782	407,184
Total assets	4,972,290	1,800,882	2,519,595	5,213,407	6,830,728	1,211,062	22,547,964
Liabilities							
Loans, deposits, and other funds of the Central Bank of the Russian Federation	1,495,736	1,278,229	237,300	4,553	500,000	-	3,515,818
Due to credit institutions	345,757	124,756	172,397	131,793	20,153	-	794,856
Due to customers other than credit institutions	5,203,047	3,059,655	2,322,268	2,359,620	1,082,134	-	14,026,724
Deposits from individuals	2,139,953	2,023,850	1,964,300	1,653,677	217,272	-	7,999,052
Financial liabilities carried at fair value through profit or loss	51,702	190,454	239,642	93,628	42,518	-	617,944
Debt instruments issued	69,407	174,063	178,257	65,685	25,990	-	513,402
Current tax liabilities	-	2	-	-	-	-	2
Deferred tax liability	-	-	-	-	-	42,891	42,891
Other liabilities	194,506	15,028	4,213	2,499	7	-	216,253
Total liabilities	7,360,155	4,842,187	3,154,077	2,657,778	1,670,802	42,891	19,727,890
Net liquidity gap	-2,387,865	-3,041,305	-634,482	2,555,629	5,159,926	1,168,171	2,820,074
Aggregate liquidity gap	-2,387,865	-5,429,170	-6,063,652	-3,508,023	1,651,903	2,820,074	

Level of liquidity for assets and liabilities of the Bank as of January 1, 2014

<i>RUB million</i>	<i>on demand and less than 1 month</i>	<i>from 1 to 6 months</i>	<i>from 6 months to 1 year</i>	<i>from 1 year to 3 years</i>	<i>over 3 years</i>	<i>no stated maturity</i>	<i>total</i>
Assets							
Cash and cash equivalents	717,320	-	-	-	-	-	717,320
Funds of credit institutions held with the Central Bank of the Russian Federation	336,094	24,752	19,330	22,754	5,873	-	408,803
Required reserves	39,420	24,752	19,330	22,754	5,873	-	112,129
Funds in credit institutions	94,301	-	-	-	-	-	94,301
Financial assets carried at fair value through profit or loss	97,820	3,826	6,377	26,191	10,449	-	144,663
Loan debt prior to deduction of provision for possible losses	807,123	1,330,615	1,816,425	4,055,336	4,280,707	269,739	12,559,945
Net investments in securities and other financial assets available for sale	1,433,357	-	-	-	-	310,871	1,744,228
Investments in subsidiaries and affiliates	-	-	-	-	-	310,871	310,871
Net investments in securities held to maturity	-	21,725	51,483	56,814	273,966	-	403,988
Fixed assets, intangible assets, and inventories	-	-	-	-	-	468,070	468,070
Current profit tax claims	-	16	-	246	-	-	261
Other assets	211,697	38,259	13,690	27,095	22,165	2,551	315,457
Total assets	3,697,711	1,419,193	1,907,305	4,188,436	4,593,160	1,051,231	16,857,036
Liabilities							
Loans, deposits, and other funds of the Central Bank of the Russian Federation	1,477,036	90,000	100,000	-	300,000	-	1,967,036
Due to credit institutions	186,104	133,235	135,838	139,106	36,176	-	630,459
Due to customers other than credit institutions	3,981,551	2,406,064	1,866,229	2,271,920	602,271	-	11,128,035
Deposits from individuals	2,174,049	1,878,813	1,516,367	1,828,974	257,492	-	7,655,695
Financial liabilities carried at fair value through profit or loss	1,876	3,592	2,438	17,603	8,542	-	34,051
Debt instruments issued	72,810	139,693	121,916	68,309	1,791	-	404,519
Other liabilities	136,838	3,862	319	3,704	73	-	144,796
Total liabilities	5,856,215	2,776,446	2,226,740	2,500,642	948,853	-	14,308,896
Net liquidity gap	-2,158,504	-1,357,253	-319,435	1,687,794	3,644,307	1,051,231	2,548,140
Aggregate liquidity gap	-2,158,504	-3,515,757	-3,835,192	-2,147,398	1,496,909	2,548,140	

Country Risk

Transfer risk is a risk of losses because of the inability of the counterparties of a specific country (except sovereign counterparties) to satisfy their obligations in a currency that differs from the currency of the counterparty's country, for reasons other than standard risks, for reasons that depend on the government of the country, not on the counterparty.

Risk of national economies is a loss risk arising from the inability or unwillingness of a sovereign counterparty of a specific country and the impossibility of other counterparties of this country to satisfy their obligations in the national currency for reasons that differ from standard risks, for reasons that depend on the government of the country, not the counterparty.

In order to limit and manage the risks accepted by the Group in respect of certain countries, the Bank has developed a system of country risk limits¹⁷. These limits restrict the total concentration of transactions with counterparties from a certain country, including sovereign borrowers/issuers and public authorities.

Transfer risk is assessed and capitalized within the Bank's Internal Capital Adequacy Assessment Process, thus ensuring that sufficient financial resources are available to the Bank to cover possible losses in the realization of this risk¹⁸.

¹⁷ Country Risk Limit Establishment Methodology No. 2224-3 dated October 15, 2013.

¹⁸ Methodology for Calculating Economic Capital to Cover Losses on Transfer Risk No. 2563 dated June 29, 2012.

Country concentration of assets and liabilities of the Bank as of January 1, 2015

<i>RUB million</i>	Russia	CIS countries	Countries of the Developed Countries group¹⁹	Other countries	Total
<i>Assets</i>					
1 Monetary funds	1,240,712	-	-	-	1,240,712
2 Funds of credit institutions in the Bank of Russia	369,676	-	-	-	369,676
3 Funds in credit institutions	35,826	866	192,524	127,271	356,487
4 Financial assets carried at fair value through profit or loss	508,589	107	48,740	268,252	825,688
5 Net loans receivable	13,505,010	322,150	910,970	1,151,249	15,889,379
6 Net investments in securities and other financial assets available for sale	1,456,626	46,883	115,211	126,770	1,745,490
7 Net investments in securities held to maturity	342,398	6,316	17,760	-	366,474
8 Current profit tax claims	67,058	-	-	-	67,058
9 Fixed assets, intangible assets and inventories	478,598	-	-	14	478,612
10 Other assets	310,005	2,716	67,819	26,644	407,184
11 Total assets	18,314,498	379,038	1,353,024	1,700,200	21,746,760
<i>Liabilities</i>					
12 Loans, deposits, and other funds of the Bank of Russia	3,515,818	-	-	-	3,515,818
13 Funds of credit institutions	299,725	52,206	343,563	99,362	794,856
14 Funds from customers other than credit institutions	12,869,762	31,196	925,475	200,291	14,026,724
15 Financial liabilities carried at fair value through profit or loss	210,912	10	113,428	293,595	617,945
16 Issued debt liabilities	513,402	-	-	-	513,402
17 Other liabilities	182,665	262	25,766	7,560	216,253
18 Current profit tax liability	2	-	-	-	2
19 Deferred tax liability	42,891	-	-	-	42,891
20 Provisions for possible losses on contingent liabilities of credit nature and other losses	35,325	43	-	1,163	36,531
21 Total liabilities	17,670,502	83,717	1,408,232	601,971	19,764,422
Net balance item	643,996	295,321	-55,208	1,098,229	1,982,338

¹⁹ The Developed Countries group includes: Australia, the Republic of Austria, the Grand Duchy of Luxembourg, the Hellenic Republic, Ireland, the Italian Republic, Canada, the Kingdom of Belgium, the Kingdom of Denmark, the Kingdom of Spain, the Kingdom of the Netherlands, the Kingdom of Norway, the Kingdom of Sweden, New Zealand, the Portuguese Republic, the United Kingdom of Great Britain and Northern Ireland, the United States of America, the Federal Republic of Germany, the Republic of Finland, the French Republic, the Swiss Confederation, and Japan.

Country concentration of assets and liabilities of the Bank as of January 1, 2014

<i>RUB million</i>	Russia	CIS Countries	Countries of the Developed Countries group	Other Countries	Total
Assets					
1 Monetary funds	717,320	-	-	-	717,320
2 Funds of credit institutions in the Bank of Russia	408,803	-	-	-	408,803
3 Funds in credit institutions	1,975	280	90,495	1,551	94,301
4 Financial assets carried at fair value through profit or loss	116,120	3,787	8,926	15,830	144,663
5 Net loans receivable	10,641,455	164,697	633,459	538,395	11,978,007
6 Net investments in securities and other financial assets available for sale	1,512,118	37,677	85,534	108,899	1,744,228
7 Net investments in securities held to maturity	384,716	10,633	8,639	-	403,988
8 Current profit tax claims	261	-	-	-	261
9 Fixed assets, intangible assets and inventories	468,051	-	-	19	468,070
10 Other assets	257,578	5,538	21,077	31,264	315,457
11 Total assets	14,508,397	222,612	848,131	695,958	16,275,097
Liabilities					
12 Loans, deposits, and other funds of the Bank of Russia	1,967,036	-	-	-	1,967,036
13 Funds of credit institutions	167,007	22,872	356,498	84,082	630,459
14 Funds from customers other than credit institutions	10,513,477	23,496	496,566	94,496	11,128,035
15 Financial liabilities carried at fair value through profit or loss	9,662	-	10,597	13,791	34,051
16 Issued debt liabilities	404,519	-	-	-	404,519
17 Other liabilities	129,389	1,394	7,483	6,531	144,796
18 Provisions for possible losses on contingent liabilities of credit nature and other losses	27,494	1	206	3,299	31,001
19 Total liabilities	13,218,583	47,763	871,350	202,199	14,339,896
Net balance item	1,289,813	174,849	-23,219	493,758	1,935,201

Financial Market Risks

This category includes the following types of risks:

- Interest risk for the debt securities portfolio of the trade book is the risk arising as a result of adverse changes in market rates.
- Stock risk of the trade book is the risk arising as a result of adverse changes in equity security quotations.
- Currency risk of the trade book is the risk arising as a result of adverse changes in foreign exchange rates and precious metals prices.
- Market credit spread risk is a risk of losses due to unfavorable changes in the market prices of financial instruments, the current fair value of which depends on the market appraisal of credit quality of a debt security issuer/transaction party (related name) (of an instrument profitability component reflecting the level of the issuer/contractor's credit risk), with deterioration of credit quality of the issuer/contractor, including their default.
- Volatility risk is a risk of losses or reduction of profit associated with changes of financial instrument base asset price volatility.

Estimation of the level of trading position risks is made by the Bank based on the VaR (Value-at-Risk) model using the historical simulation method with a confidence probability of 99% at a 10-day horizon, with mark-ups factored in for the inherent risk related to change in the prices for individual instruments due other than to a change in the overall market situation.

Market risk²⁰

<i>Type of risk</i>	<i>Risk level RUB billion</i>		<i>Risk level % of capital</i>	
	<i>Jan 1, 2015</i>	<i>Jan 1, 2014</i>	<i>Jan 1, 2015</i>	<i>Jan 1, 2014</i>
Market Risk	47.6	18.8	2.11%	0.94%
on debt securities portfolio	46.7	17.2	2.07%	0.86%
stock risk	1.0	2.2	0.04%	0.11%
currency risk	2.8	5.7	0.12%	0.29%
investment diversification effect	-3.0	-6.4	-0.13%	-0.32%

Market risk as of January 1, 2015 increased considerably as compared to the value as of January 1, 2014 due to the increased volatility of the currency exchange rates and interest rate level. Reduced currency risk can be explained by cancellation of the CBR requirement to consider strategic investments in subsidiaries when calculating an open currency position. Reduction of the stock market risk is determined by reduction of the share portfolio volume. In 2014, transaction portfolios on the financial markets were divided according to the risk types and business units' specialization. This enabled an increase in the manageability of VaR with respect to all commercial operations.

²⁰ Calculated based on the Bank's total position on financial instruments, including the bank book position, as well as on the Bank's total open currency position.

Interest Rate and Currency Risks in the Bank Book

Interest and currency risks of the bank book are the risks of the Bank incurring financial losses under the bank book positions due to a negative change of interest rates, currency exchange rates and prices for precious metals.

The main objectives of management over these types of risk are:

- Minimization of potential losses due to the realization of interest rate and currency risks.
- Compliance with regulators' requirements.
- Risk-return optimization.

Interest rate Risk in the Bank Book

The Bank assumes the interest rate risk associated with the effects of fluctuations in the market interest rates on the cash flows. Interest rate risk in the bank book includes:

- The interest rate risk arising due to maturity mismatches (repricing of interest rates) of assets and liabilities that are sensitive to changes in interest rates, when shifting in parallel, changing the slope and shape of the yield curve.
- The basis risk arising from a mismatch in the degree of change in interest rates of assets and liabilities that are sensitive to changes in the interest rates with similar maturity (interest rate repricing period).
- Advanced repayment (interest rate revision) risk regarding the assets and liabilities sensitive to interest rate changes.

In order to measure the interest rate risk, a standardized shock, in accordance with the recommendations of the Basel Committee, is used. Forecasting of possible changes in interest rates is carried out separately with respect to the ruble position and is aggregated by foreign currency. Interest rate shock is calculated as 1% and 99% percentile of the distribution of the average interest rate change obtained by the method of historical simulations according to data at least for the last 5 years. As a basic interest rate for the assessment of ruble interest rate shock, an indicative rate of ruble interest rate swaps for a period of 1 year (RUB IRS 1Y) is used, as well as the LIBOR 3M—for the currency position.

Currency Risk in the Bank Book

The Bank is exposed to currency risk due to the open currency positions availability²¹. The main sources of the bank book OCP are: operations of financing and attracting in foreign currency and income earned in foreign currencies. Currency risk is realized due to unfavorable changes in exchange rates.

The Bank undertakes daily aggregation of OCP and manages the open currency position in the bank book in order to reduce the currency risk. The Bank uses spot settlement exchange transactions, forward contracts, as well as the U.S. dollar futures contracts traded on MICEX, as the main instruments for risk management.

In 2014, the Bank was closing currency positions of the bank book, and, consequently, the Bank did not suffer any losses due to a considerable weakening of the exchange rate of the Russian ruble against the foreign currencies in accordance with the bank book's positions.

²¹ Hereinafter, OCP.

Detailed information about the risk management procedures, as well as about other key risks, such as risk of losses as a result of change in property value, legal risk, compliance risk, regulatory risk, tax risk, operating risk, strategic risk and risk of models is provided in the explanatory note included in the scope of annual accounting (financial) statements of Sberbank of Russia for the year 2014, prepared in compliance with requirements of the Bank of Russia and published on the website of Sberbank www.sberbank.ru.

10. Corporate Governance

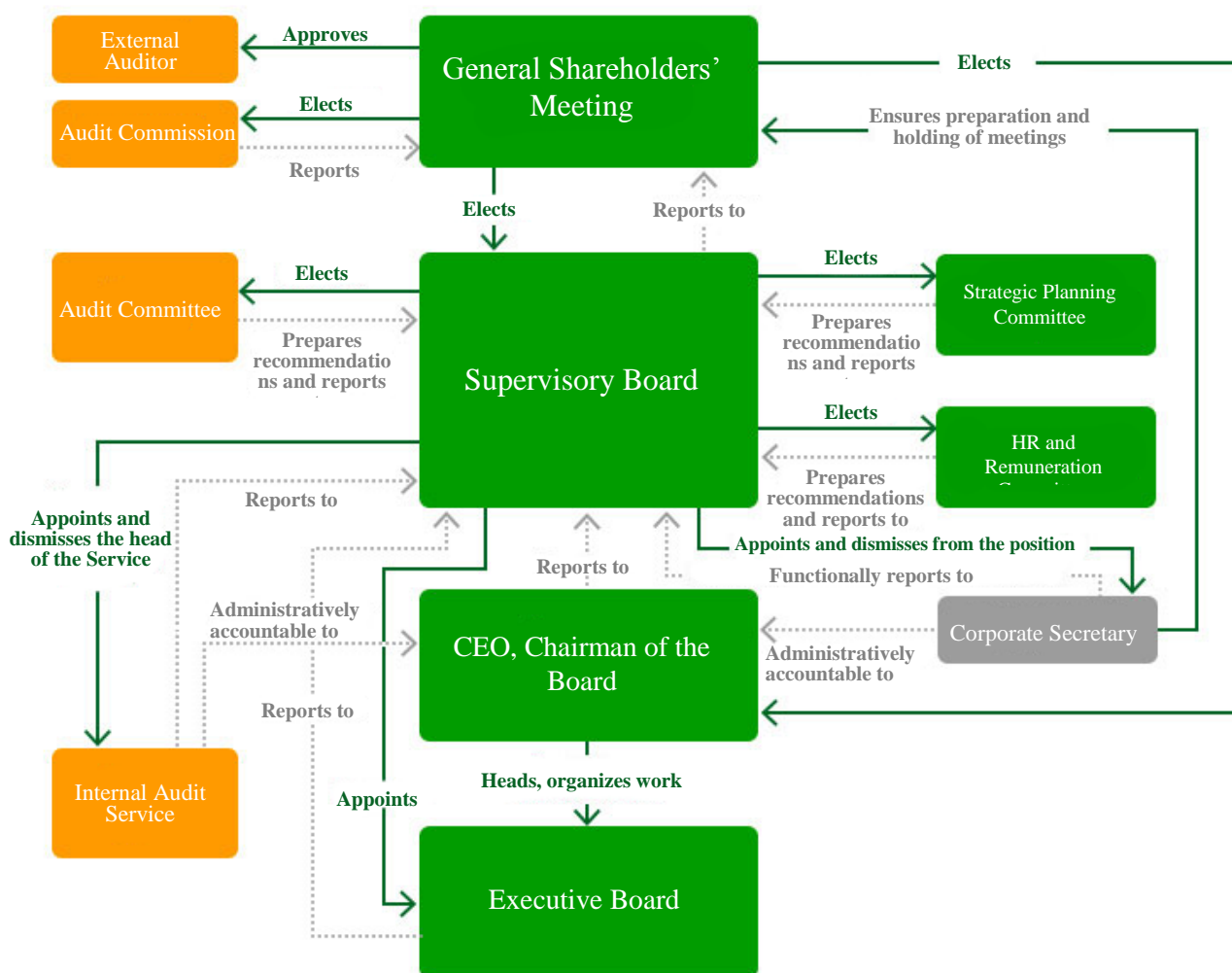
Corporate Governance System

Sberbank's corporate governance system is a system of governance and control bodies established in compliance with requirements of Russian laws, regulator, MICEX, and with due consideration for recommendations of the Basel Committee on Banking Supervision.

A system of governance and control bodies created in the Bank establishes rules and procedures for corporate decision making, ensures governance and control of Bank activity, regulates relations between shareholders (owners), Supervisory Board, management, and other parties concerned.

At the present time the existing corporate governance system meets the interests of stable development of Bank's business, ensuring protection of rights and lawful interests of shareholders at a time.

Chart Bank's Corporate Governance System



General Shareholders' Meeting

General Shareholders' Meeting is a superior management body of the Bank, which makes decisions on the core issues of its activity.

Shareholders of the Bank are entitled to make key decisions and to approve documents regulating the corporate governance system of the Bank, as well as to elect members to the Supervisory Board and the CEO, Chairman of the Executive Board. Each shareholder is able to freely exercise its voting right at the General Shareholders' Meeting.

A shareholder (or its representative) is entitled to express its opinion and to put questions to the Chairman of the meeting, members and candidates to the Supervisory Board and the Audit Commission, auditor's representative, members of executive bodies of the Bank present at the meeting. The course of the meeting may be observed in a remote manner; since 2011, the Bank started organizing web broadcasts of the meeting on the Bank's corporate website in Russian and English languages on a permanent basis.

The procedure for preparing and holding the General Shareholders' Meeting is governed by Regulation on the General Shareholders' Meeting of Sberbank of Russia.

Supervisory Board

The Supervisory Board of the Bank is a collective governance body conducting strategic management and general governance of Bank activity, defining core principles and approaches to organizing corporate governance system in the Bank, including risk management and internal control systems, and controlling the activity of executive bodies. The Supervisory Board is accountable to the General Shareholders' Meeting of the Bank.

The Supervisory Board members are elected at the annual General Shareholders' Meeting until the next annual meeting and may be re-elected an unlimited number of times. In June 2014, the annual General Shareholders' Meeting approved amendments to the Articles of Association of the Bank, in accordance with which the number of members in the Supervisory Board was reduced from 17 to 14. The work order of the Supervisory Board of the Bank is governed by Regulation on the Supervisory Board of Sberbank of Russia.

The Supervisory Board of the Bank consists of executive, non-executive and independent directors. *Executive* directors are members of the Supervisory Board, who are bound by employment relations with the Bank. *Non-executive* directors are members of the Supervisory Board, who are not bound by employment relations with the Bank, yet are not independent directors. *Independent* directors are persons possessing enough professionalism, experience and independence to form their own opinion, who are able to express unbiased and scrupulous judgments that do not depend on the influence of executive bodies of the Bank, certain groups of shareholders or other interested parties.

Members of the Supervisory Board

Members of the Supervisory Board
elected at the annual General Shareholders' Meeting
on **May 31, 2013**

Members of the Supervisory Board
elected at the annual General Shareholders' Meeting
on **June 6, 2014**

<i>Non-executive directors</i>			
1	Sergey I. Ignatiev	1	Sergey I. Ignatiev
2	Nadezhda Yu. Ivanova	2	Nadezhda Yu. Ivanova
3	Georgy I. Luntovskiy	3	Georgy I. Luntovskiy
4	Aleksey V. Moiseev	4	Aleksey L. Kudrin
5	Alessandro Profumo	5	Alessandro Profumo
6	Aleksey V. Ulyukaev	6	Valery P. Goreglyad
7	Sergei A. Shvetsov	7	Sergei A. Shvetsov
<i>Executive directors</i>			
8	Herman O. Gref	8	Herman O. Gref
9	Bella I. Zlatkis	9	Bella I. Zlatkis
<i>Independent directors</i>			
10	Sergei M. Guriev	10	Martin Grant Gilman
11	Aleksey L. Kudrin	11	Evsey T. Gurvich
12	Ilya V. Lomakin-RRumyantsev	12	Peter Kraljic
13	Vladimir A. Mau	13	Vladimir A. Mau
14	Sergey G. Sinelnikov-Murylev	14	Sergey G. Sinelnikov-Murylev
15	Dmitry V. Tulin	15	Dmitry V. Tulin*
16	Ronald Freeman	16	Gennady G. Melikyan
17	Akhmet M. Egilmez	17	Nadia Wells

* No longer independent director since January 21, 2015.

Meetings of the Supervisory Board

Meetings of the Supervisory Board shall be held in compliance with the Work Plan of the Supervisory Board, and, if necessary, in addition to the scheduled ones.

In 2014, the Supervisory Board held 7 meetings *in presentia* where they discussed the most important issues of Bank activity, including the issues being subject to further approval by the General Shareholders' Meeting of the Bank, *i.e.* the issues of preparing to the annual General Shareholders' Meeting; decisions on changing the members in the Executive Board of the Bank and on appointing the head of Internal Audit Service and the corporate secretary of the Bank; approval of internal documents of the Bank.

All members of the Supervisory Board elected on June 5, 2014 attended over 75% of meetings of the Supervisory Board and its committees throughout June 5, 2014 to December 31, 2014.

From January 1, 2014 to June 5, 2014, the following five members of the Supervisory Board elected on May 31, 2013 attended less than 75% of the meetings: A. V. Moiseev, R. Freeman, S. M. Guriev, Ahmet Mahfi Egilmez, A. V. Ulyukaev.

Short Biographic Data

Below, there are short biographic data²² of the members of the Supervisory Board of Sberbank elected at the annual General Shareholders' Meeting on June 6, 2014

SERGEI M. IGNATIEV

Chairman of the Supervisory Board, Sberbank of Russia

Sergei M. Ignatiev was born on January 10, 1948 in Leningrad.

In 1975, he graduated from the Economy Faculty of Lomonosov Moscow State University with a specialization in Political Economy. In 1978, upon completing his post-graduate study in Lomonosov Moscow State University, he was awarded a scientific degree of the Candidate of Economic Sciences.

Since 2002, he held the office of Deputy Governor of the Central Bank of the Russian Federation.

Since June 2013 till present, he has been an Advisor to the Governor of the Central Bank of the Russian Federation.

No interest in the authorized capital/ordinary shares in Sberbank of Russia.

No transactions with shares of Sberbank of Russia in 2014.

GEORGY I. LUNTOVSKIY

Deputy Chairman of the Supervisory Board, Sberbank of Russia, Chairman of the HR and Remuneration Committee of the Supervisory Board

Georgy I. Luntovskiy was born on April 12, 1950 in Kursk.

In 1978, he graduated from the All-Union Correspondence Financial and Economic Institute with a specialization in Finance & Credit, in 1997—from the National Economy Academy at the Government of the Russian Federation with a specialization in Management in Market Conditions, in 1998 he was awarded a scientific degree of the candidate of economic sciences in Moscow State University of Economy, Statistics, and Information Technology.

Since 2005 till present, he has been the First Deputy Governor of the Central Bank of the Russian Federation.

No interest in the authorized capital/ordinary shares in Sberbank of Russia.

No transactions with shares of Sberbank of Russia in 2014.

ALEXEI L. KUDRIN

*Deputy Chairman of the Supervisory Board of Sberbank of Russia
Chairman of the Strategic Planning Committee of the Supervisory Board*

Alexei L. Kudrin was born on October 12, 1960 in Dobel, Latvian SSR.

In 1983, he graduated from the Economy Faculty of Zhdanov Leningrad State University with a specialization in Political Economy. In 1987, upon completing his post-graduate study in the Institute of Economy under the Academy of Science of the USSR, he was awarded a scientific degree of the candidate of economic sciences.

Since 2007, he held the office of Deputy Chairman of the Government of the Russian Federation—Minister of Finance. Since June 2011 till present, he has been the Dean of the Faculty of Free Arts and Sciences of Saint-Petersburg State University.

No interest in the authorized capital/ordinary shares in Sberbank of Russia.

No transactions with shares of Sberbank of Russia in 2014.

MARTIN G. GILMAN

*Independent Director,
Member of the Strategic Planning Committee of the Supervisory Board*

²² Information about professional activities of members of the Supervisory Board covers the past five years.

Martin Grant Gilman was born on August 11, 1948 in Memphis, Tennessee, USA. In 1970, he graduated from the University of Pennsylvania (USA), Bachelor of Science (BS) in Economics (Wharton School) and a Bachelor of Arts (BA) in Political Science (College of Liberal Arts). In 1971, he received the Certificate of International Studies at the School of International Studies at Johns Hopkins University in Bologna. He also received a M.Sc. degree in London School of Economics in 1972, and a Ph.D. in economics in 1981.

At present, he is a Professor at Higher School of Economics, Director of the Institute of Fundamental Interdisciplinary Studies at Higher School of Economics (Moscow, Russia).

Share in the authorized capital of Sberbank of Russia: 0.00018%

Percentage of ordinary shares of Sberbank of Russia: 0.00019%

Information on transactions with shares of Sberbank of Russia in 2014:

Date	Transaction information	Share in the authorized capital before the change, %	Percentage of ordinary shares before the change, %	Share in the authorized capital after the change, %	Percentage of ordinary shares after the change, %
9/22/14	Purchase of ADO for ordinary shares	0	0	0.00013%	0.00014%
10/1/14	Purchase of ADR for ordinary shares	0.00013%	0.00014%	0.00018%	0.00019%

VALERY P. GOREGLYAD

Member of the Supervisory Board, Sberbank of Russia

Member of the Audit Committee of the Supervisory Board

Valery P. Goreglyad was born on June 18, 1958 in Glussk, Mogilev Region, Belorussian SSR.

In 1981, he graduated from Moscow Aviation Institution of S. Ordzhonikidze with a specialization in Aircraft Manufacture. Doctor of Economics, Professor.

In 2004–2013, he worked as an auditor, and then—as Deputy Chairman of the Audit Chamber of the Russian Federation.

Since 2013 till present, he has been the Chief Auditor of the Central Bank of the Russian Federation.

No interest in the authorized capital/ordinary shares in Sberbank of Russia.

No transactions with shares of Sberbank of Russia in 2014.

HERMAN O. GREF

CEO, Chairman of the Executive Board, Sberbank of Russia

Member of the Supervisory Board, Sberbank of Russia

Member of the Strategic Planning Committee of the Supervisory Board

Herman O. Gref was born on February 8, 1964 in Panfilovo, Irtysh District, Pavlodar Region, Kazakh SSR.

In 1990, he graduated from the Law Faculty of Dostoyevsky Omsk State University with a specialization in Law. Candidate of Economic Sciences.

From 2007 till present—CEO, Chairman of the Executive Board of Sberbank of Russia.

Share in the authorized capital of Sberbank of Russia: 0.0031%

Share of ordinary shares of Sberbank of Russia: 0.003%

No transactions with shares of Sberbank of Russia in 2014.

EVSEY T. GURVICH

Independent Director,

Member of the Audit Committee of the Supervisory Board

Evsey T. Gurvich was born on June 14, 1947 in Baku, Azerbaijan SSR.

In 1971, he graduated from the Faculty of Management and Applied Mathematics of Moscow Physical and Technical Institute (MPTI). In 1975, upon completing his post-graduate study in MPTI, he was awarded a scientific degree of the candidate of mathematical sciences.

Since 2004 till present, he has been the Head of the Economic Expert Group.

No interest in the authorized capital/ordinary shares in Sberbank of Russia.

No transactions with shares of Sberbank of Russia in 2014.

BELLA I. ZLATKIS

Deputy Chairman of the Executive Board, Sberbank of Russia

Member of the Supervisory Board, Sberbank of Russia

Bella I. Zlatkis was born on July 5, 1948 in Moscow.

In 1970, she graduated from Moscow Financial Institute with a specialization in Finance & Credit.

In 1978, upon completing her post-graduate study in the All-Union Correspondence Institute of Finance and Economy, she was awarded a scientific degree of the candidate of economic sciences.

From 2004 till present—Deputy Chairman of the Executive Board of Sberbank of Russia.

Share in the authorized capital of Sberbank of Russia: 0.0004%

Share of ordinary shares of Sberbank of Russia: 0.0005%

No transactions with shares of Sberbank of Russia in 2014.

NADEZHDA Yu. IVANOVA

Member of the Supervisory Board, Sberbank of Russia

Member of the Audit Committee of the Supervisory Board

Nadezhda Yu. Ivanova was born on June 13, 1953 in Moscow.

In 1975, she graduated from Moscow Financial Institute with a specialization in Finance & Credit.

Since 1995—Director of the Consolidated Economic Department of the Central Bank of the Russian Federation. Since June 2013 till present—Deputy Chairman—Director of the Consolidated Economic Department of the Central Bank of the Russian Federation.

No interest in the authorized capital/ordinary shares in Sberbank of Russia.

No transactions with shares of Sberbank of Russia in 2014.

PETER KRALJIC

Independent Director,

Member of the Strategic Planning Committee of the Supervisory Board

Peter Kraljic was born on July 1, 1939 in Ljubljana, Slovenia.

In 1963, he graduated from the Metallurgy Faculty in the University of Ljubljana (Slovenia). In

1967, he graduated from the Technical University of Hanover (Germany) as Ph.D. in metal

sciences. In 1971, he got his MBA degree in the INSEAD Business School (France).

Since 1970, he worked in McKinsey in Germany and France, holding a number of key executive positions. Since 2002 he has been an honorary director of McKinsey.

No interest in the authorized capital/ordinary shares in Sberbank of Russia.

No transactions with shares of Sberbank of Russia in 2014.

VLADIMIR A. MAU

Independent Director

Chairman of the Audit Committee of the Supervisory Board

Member of the HR and Remuneration Committee of the Supervisory Board

Vladimir A. Mau was born on December 29, 1959 in Moscow.

In 1981, he graduated from the Economy Faculty of Plekhanov Moscow Institute of National

Economy. In 1987, he was awarded a scientific degree of the candidate of economic sciences, and in 1994—doctor in economics. In 1999, he graduated from the Université Pierre Mendès France Grenoble (France) as Ph.D. in economics.

Since 2002 till present, he has been Rector of the Russian Presidential Academy of National Economy and Public Administration.

No interest in the authorized capital/ordinary shares in Sberbank of Russia.

No transactions with shares of Sberbank of Russia in 2014.

ALESSANDRO PROFUMO

Member of the Supervisory Board, Sberbank of Russia

Member of the Strategic Planning Committee of the Supervisory Board

Alessandro Profumo was born on February 17, 1957 in Genoa, Italy.

In 1987, he graduated from the Bocconi University (Italy) as M.Sc. in business administration.

Since 1997 to 2010, he was the President of Unicredit Group. Since 2012 till present, he has been the Chairman of Monte dei Paschi di Siena (Italy).

No interest in the authorized capital/ordinary shares in Sberbank of Russia.

No transactions with shares of Sberbank of Russia in 2014.

GENNADY G. MELIKYAN

Independent Director,

Member of the Strategic Planning Committee of the Supervisory Board

Gennady G. Melikyan was born on November 27, 1947 in Kropotkin, Krasnodar Territory.

In 1974, he graduated from the Economy Faculty of Lomonosov Moscow State University. In

1977, upon completing his post-graduate study in Lomonosov Moscow State University, he was awarded a scientific degree of the Candidate of Economic Sciences.

Since 2003 to 2011—Deputy Governor of the Central Bank of the Russian Federation—Head of the Main Inspectorate of Credit Institutions, First Deputy Governor of the Central Bank of the Russian Federation. Since 2012—member of the Advisory Board to the Governor of the Central Bank of the Russian Federation.

Share in the authorized capital of Sberbank of Russia: 0.0001%

Share of ordinary shares of Sberbank of Russia: 0.0001%

No transactions with shares of Sberbank of Russia in 2014.

SERGEI G. SINELNIKOV-MURYLEV

Independent Director,

Member of the HR and Remuneration Committee of the Supervisory Board

Member of the Strategic Planning Committee of the Supervisory Board

Sergei G. Sinelnikov-Murylev was born on July 11, 1960 in Moscow.

In 1982, he graduated from Lomonosov Moscow State University with a specialization in Economic

Cybernetics. In 1985, he was awarded a scientific degree of the candidate of economic sciences, and in 1996—doctor in economics. In 2005, he received a diploma that entitles him to supervise scientific research in economics (Le diplôme de l'habilitation à diriger des Recherches en "SCIENCES ECONOMIQUES") In 2007, he was awarded a title of professor.

Since 2001 till present, he has been a professor of the System Economy Analysis Chamber of Moscow Physical and Technical Institute (State University).

Since 2002 till present, he has been a vice-Rector of the Russian Presidential Academy of National Economy and Public Administration.

Since 2008 till present, he has been Deputy Head of the Chamber of Theory of Transient Economy under the National Research University—Higher School of Economy, and a research advisor in Gaidar Institute of Economic Politics.

Since 2007 till present, he has been Rector of the Russian Foreign Trade Academy of the Ministry of Economic Development of the Russian Federation.

No interest in the authorized capital/ordinary shares in Sberbank of Russia.
No transactions with shares of Sberbank of Russia in 2014.

DMITRY V. TULIN

Member of the Supervisory Board, Sberbank of Russia
Member of the Audit Committee of the Supervisory Board
Member of the HR and Remuneration Committee

Dmitry V. Tulin was born on March 26, 1956 in Moscow.
In 1978, he graduated from Moscow Financial Institute with a specialization in International Economic Relations. In 1985, he was awarded a scientific degree of the Candidate of Economic Sciences.
In 2006–2012, he was a companion of Deloitte & Touche CIS. Since 2012 till present, he has been Professor of the Russian Academy of Business. In January 2015, he was appointed First Deputy Governor of the Central Bank of the Russian Federation.
No interest in the authorized capital/ordinary shares in Sberbank of Russia.
No transactions with shares of Sberbank of Russia in 2014.

NADIA WELLS

Independent Director,
Member of the Strategic Planning Committee of the Supervisory Board

Nadia Wells was born on December 24, 1970 in London, Great Britain.
In 1993, she graduated with honors from Oxford University as MA in Modern History and Modern Language. In 2000, she got her MBA degree in the INSEAD Business School (France).
Since 2001 to 2004, she held an office of Vice President of Capital International SA.
No interest in the authorized capital/ordinary shares in Sberbank of Russia.
No transactions with shares of Sberbank of Russia in 2014.

SERGEI A. SHVETSOV

Member of the Supervisory Board, Sberbank of Russia
Member of the Strategic Planning Committee of the Supervisory Board

Sergei A. Shvetsov was born on December 27, 1970 in Moscow.
In 1993, he graduated from Lomonosov Moscow State University with a specialization in Economic Cybernetics.
In 200–2011—Director of the Financial Market Operations Department, Central Bank of the Russian Federation. In 2011–2013—Deputy Governor of the Central Bank of the Russian Federation. Since September 2013—holds the office of First Deputy Governor of the Central Bank of the Russian Federation.
No interest in the authorized capital/ordinary shares in Sberbank of Russia.
No transactions with shares of Sberbank of Russia in 2014.

Information on Remuneration and Compensation of Expenses to the Members of the Supervisory Board

Payment of remuneration to members of the Supervisory Board and compensation of expenses connected with their participation in work of the Supervisory Board shall be made in the amount and according to the procedure established by the Bank's internal document—Regulation on Remunerations and Compensations to the Members of the Supervisory Board of Sberbank of Russia, approved by annual General Shareholders' Meeting on May 31, 2013.

Remuneration consists of a basic part, which is paid to a member of the Supervisory Board of the Bank provided that he or she participated in no less than a half of the Supervisory Board meetings held in the billing period, and additional remuneration

for work in the Committees, for chairing the Committees and for chairing the Supervisory Board.

The amount of basic remuneration is established by decision of the General Shareholders' Meeting of the Bank dated May 31, 2013 and makes RUB 4.2 million.

Depending on their participation in work of the Supervisory Board members of the board are paid the following kinds of additional remuneration:

- 10% of basic remuneration—for performing the duties of a member of any of the Supervisory Board Committees.
- 20% of basic remuneration—for performing the duties of a member of the Chairman of any of the Supervisory Board Committees.
- 30% of basic remuneration—for performing the duties of the Chairman of the Supervisory Board.

If a member of the Supervisory Board performs several additional duties, additional remuneration for performing each of such duties shall be summed up, but cannot exceed 30% of basic remuneration in total.

A settlement period for paying remuneration shall be a period from the day of election to the Supervisory Board to the termination date of authorities of a member of the Supervisory Board.

There are no long-term motivation programs and optional programs for the members of the Supervisory Board of the Bank.

In 2014, members of the Supervisory Board (11 persons) received RUB 46.2 million of basic remuneration (in 2013 (14 persons)—RUB 58.8 million). The sum of payments for performing the duties of two chairmen of the Committees made RUB 1.7 million (RUB 840,000 to each), for performing the duties of members of the Committees—RUB 4.2 million (10 persons, RUB 420,000 to each). Operating expenses connected with the performance of functions of board members were compensated to three members of the Supervisory Board in the amount of RUB 879,000. Information about paying remuneration and compensating expenses in 2014 is provided for the members of the Supervisory Board who expressed their consent in writing in 2014 for receiving compensation, and who submitted the Bank their written requests for compensation of expenses.

The total sum of remuneration received by members of the Supervisory Board in 2014 for their participation in this governance body amounted to RUB 53 million (in 2013, RUB 61.3 million).

Conflict of Interest

Members of the Supervisory Board shall abstain from the actions that will or may lead to the conflict of interests, and should such conflict exist or arise, they shall inform the Supervisory Board about that, including notification on the actual possession and on each fact of purchase and/or alienation of Bank securities.

Members of the Supervisory Board shall abstain from voting on the issues where they have personal interest.

No loans (credits) have been issued by the Bank to members of the Supervisory Board.

Information about Direct Ownership of Bank Shares by the Members of the Supervisory Board

Full name	Share in the authorized capital, %	Percentage of ordinary shares, %	Information on the settlement of transactions with Bank shares in 2014
Sergey I. Ignatiev	-	-	No transactions settled
Georgy I. Luntovskiy	-	-	No transactions settled
Aleksey L. Kudrin	-	-	No transactions settled
Martin Grant Gilman	0.00018	0.00019	2 transactions of purchasing ADR for ordinary shares (9/22/14 and 10/1/14)
Valery P. Goreglyad	-	-	No transactions settled
Herman O. Gref	0.0031	0.003	No transactions settled
Evsey T. Gurvich	-	-	No transactions settled
Bella I. Zlatkis	0.0004	0.0005	No transactions settled
Nadezhda Yu. Ivanova	-	-	No transactions settled
Peter Kraljic	-	-	No transactions settled
Vladimir A. Mau	-	-	No transactions settled
Alessandro Profumo	-	-	No transactions settled
Gennady G. Melikyan	0.0001	0.0001	No transactions settled
Sergei G. Sinelnikov-Murylev	-	-	No transactions settled
Dmitry V. Tulin	-	-	No transactions settled
Nadia Wells	-	-	No transactions settled
Sergei A. Shvetsov	-	-	No transactions settled
Cumulative percentage of Bank shares owned by the members of the Supervisory Board	0.00378	0.00379	-

Liability Insurance

Liability of all members of the Supervisory Board of the Bank is insured under the Liability Insurance Agreement of the Bank and its Subsidiaries, Members of the Supervisory Board and Officers of the Bank and its Subsidiaries (Insurance Agreement), concluded between the Bank and Ingosstrakh Insurance Company.

The Insurance Agreement covers only the misdeeds of a member of the Supervisory Board performed by the latter in the course of his/her official duties. Any other actions or omission committed by the member of the Supervisory Board in any other capacity, as well as any deliberate offense are not covered by the Insurance Agreement.

Insurance of collective bodies' liability is recommended by the Bank of Russia Corporate Governance Code, and is called to guarantee protection of shareholders' interests and compensation of loss upon occurrence of negative consequences as a result of actions of the members of governance bodies.

Assessment of Performance Efficiency of the Supervisory Board and its Committees

The Supervisory Board carries out quality assessment of its work on an annual basis for the purpose of revealing additional focuses in its work and in the work of its Committees, and determining the areas for its improvement and development.

The Bank engages an independent external advisor for such assessment from time to time (but not less than once in three years), and carries out assessment of its performance efficiency on its own (self-assessment).

In 2014, the Supervisory Board carried out its self-assessment for the second time. Its results showed high level of work organization and effective interaction between the Supervisory Board and the Bank. Among other things, members of the board highly appreciated the work of the Chairman of the Supervisory Board, and mentioned that the atmosphere at the meetings of the Supervisory Board favored open exchange of opinions and effective resolution of disagreements. Following the self-assessment results, the Supervisory Board out several areas for improvement, special attention shall be paid to in the process of work of the Supervisory Board in future.

The Supervisory Board is going to continue assessment of its performance efficiency, both involving an external advisor and on its own.

Supervisory Board Committees

The Bank has the Audit Committee, HR and Remuneration Committee, and Strategic Planning Committee.

The Committees are the bodies of the Supervisory Board established for preliminary consideration of the most important issues of Bank activity related to the competence of the Supervisory Board, as well as to prepare recommendations to the Supervisory Board to make decisions on such issues.

Committees' Functions

<i>Audit Committee</i>	<i>HR and Remuneration Committee</i>	<i>Strategic Planning Committee</i>
Preliminary consideration of the issues connected with: ✓ Accounting (financial) statements of the Bank ✓ Risk management ✓ Internal control ✓ Corporate governance ✓ Internal and external audit ✓ Counteraction to unscrupulous practices of Bank employees and third parties ✓ Review of the report submitted by the Review Chamber on the results of inspection of the financial and economic activities of the Bank.	Preliminary consideration of the following issues: ✓ Continuity planning and formation of the occupational structure of the Supervisory Board, executive bodies and other top executives ²³ of the Bank ✓ Development of an effective system of remuneration to members of the Supervisory Board, executive bodies and other employees of the Bank	Preliminary consideration of the following issues: ✓ Determination of strategic objectives of the Bank (together with the executive bodies of the Bank) ✓ Implementation of Bank Development Strategy and elaboration of recommendations for the Supervisory Board for its adjustment ✓ Bank Risk and Equity Management Strategy ✓ Assessment of the long-term performance efficiency of the Bank

Members of the Committees²⁴

<i>Audit Committee</i>	<i>HR and Remuneration Committee</i>	<i>Strategic Planning Committee</i>
Chairman of the Committee: V.A. Mau Committee members: V.P. Goreglyad N.Yu. Ivanova E.T. Gurvich D.V. Tulin	Chairman of the Committee: G.I. Luntovskiy Committee members: V.A. Mau S.G. Sinelnikov-Murylev D.V. Tulin	Chairman of the Committee: A.L. Kudrin Committee members: H.O. Gref M.G. Gilman P. Kraljic G.G. Melikyan A. Profumo S.G. Sinelnikov-Murylev N. Wells S.A. Shvetsov

Activities of the Committees in 2014

The Audit Committee considered a preliminary candidate to the position of Bank's auditor for the year 2014 and the first quarter of 2015, and listened to the report on the interim results of auditor's work in 2014. The Committee also considered an audit report on the annual accounting (financial) statements of the Bank for the year 2013 and results of inspections conducted by Internal Audit Service of the Bank.

In 2014, the HR and Remuneration Committee considered approaches towards recruitment of candidates to the Supervisory Board, changes among the members of the Executive Board of the Bank, and carried out preliminary assessment of corporate secretary's work as of 2014 year-end.

The Strategic Planning Committee considered during the year the course of implementing the Sberbank Group Strategy for the year 2014–2018 in 2014.

²³ Other top executives of the Bank shall mean senior managers to whom the Bank of Russia is entitled to place qualification requirements and requirements to business reputation in accordance with Article 60 of Federal Law *On the Central Bank of the Russian Federation (Bank of Russia)* No. 86-FZ dated July 10, 2002.

²⁴ Members of the Committees as of December 31, 2014.

Corporate Secretary

For the purpose of ensuring the compliance by the governance bodies and executives of the Bank with the corporate governance procedures, requirements of current legislation, Articles of Association, internal documents of the Bank that guarantee the implementation of rights and legitimate interests of shareholders, the Bank introduced a position of a corporate secretary. A corporate secretary is appointed by the Supervisory Board.

In his/her activity the corporate secretary is accountable to and controlled by the Supervisory Board, and is administratively subordinate to the CEO, Chairman of the Executive Board of the Bank. The corporate secretary is a head of Corporate Secretary's Service, the structural division of the Bank. The corporate secretary's activities are governed by Regulation on the Corporate Secretary of Sberbank of Russia.

OLEG Y. TSVETKOV

Corporate Secretary, Sberbank of Russia

Oleg Y. Tsvetkov was born on December 1, 1973 in Sokol, Vologda Region.

In 2000, he graduated from Faculty of Law Science in Moscow State Academy of Law. In 2002, he was awarded a scientific degree of the Candidate of Philological Sciences (English language). In 2008, he got his MBA degree in the Business School of Northumbria University (Great Britain).

In 2006–2014, he held the office of a corporate secretary of Severstal; in 2011–2014, he was the head of Department of Corporate Relations in Severstal. Since 2011 till present—Chairman of the Council of All-Russian Non-Governmental Organization *National Association of Corporate Secretaries*. Since January 2014—Head of Corporate Secretary's Service of Sberbank of Russia. On September 12, 2014, he was appointed the corporate secretary of Sberbank of Russia.

No interest in the authorized capital/ordinary shares in Sberbank of Russia.

No transactions with shares of Sberbank of Russia in 2014.

Executive Bodies of the Bank

The Bank's current operations are managed by the executive bodies—CEO, Chairman of the Executive Board, and the Executive Board of the Bank.

The executive bodies of the Bank and the Supervisory Board possess enough level of independence. The Supervisory Board does not interfere with the daily activities of the executive bodies and does not limit their possibility to promptly resolve regular issues of Bank activity. However, the executive bodies inform the Supervisory Board on a regular basis on the most important issues of Bank activity, which are important for implementing the Bank Development Strategy, business planning and development, as well as on the state of risk management and internal control system.

The Supervisory Board interacts with the executive bodies and officers of the Bank for the purpose of receiving full and accurate information required for making decisions.

Executive Board

The Executive Board is a collective executive governance body. The Board conducts preliminary discussion of the issues which are to be considered at the General Shareholders' Meeting and by the Supervisory Board of the Bank, including annual reports, *inter alia*, annual accounting statements of the Bank; prepares draft resolutions on them; organizes the fulfillment of resolutions of the General Shareholders' Meeting and the Supervisory Board of the Bank; defines the risk management policy of the Bank; discusses reports of heads of units of the Bank's central office and reports of heads of regional banks on the results of activities; organizes implementation of the latest banking

technologies in the work practice of the Bank; organizes and conducts in accordance with established procedure the work on improving a chain of branches and other standalone units of the Bank; implements projects on the complex automation of banking works; ensures creation of modern banking infrastructure, and considers and resolves other issues of Bank activities.

Members of the Executive Board

Members of the Executive Board of Sberbank of Russia as of December 31, 2014

1	Herman O. Gref	CEO, Chairman of the Executive Board
2	Maksim V. Poletaev	First Deputy Chairman of the Executive Board
3	Lev A. Khasis	First Deputy Chairman of the Executive Board
4	Oleg V. Mikhailov	Deputy Chairman of the Executive Board
5	Sergey N. Gorkov	Deputy Chairman of the Executive Board
6	Bella I. Zlatkis	Deputy Chairman of the Executive Board
7	Stanislav K. Kuznetsov	Deputy Chairman of the Executive Board
8	Vadim V. Kulik	Deputy Chairman of the Executive Board
9	Alexander V. Morozov	Deputy Chairman of the Executive Board
10	Alexander Yu. Torbakhov	Deputy Chairman of the Executive Board
11	Alexander V. Bazarov	Senior Vice President
12	Denis A. Bugrov	Senior Vice President
13	Nikolai V. Tsekhomskiy	Senior Vice President—Director of Finance Department

During the period from January 1 to December 31, 2014, the following changes occurred in the structure of the Executive Board:

- In accordance with the resolution of the Supervisory Board dated February 21, 2014, Andrey M. Donskikh, Deputy Chairman of the Executive Board of the Bank, was removed from the Executive Board and his authorities were terminated from February 28, 2014.
- In accordance with the resolution of the Supervisory Board dated July 14, 2014, Olga N. Kanovich, Senior Vice President of the Bank, was removed from the Executive Board and her authorities were terminated from July 15, 2014.
- In accordance with the resolution of the Supervisory Board dated November 14, 2014, Oleg V. Ganeev, Senior Vice President of the Bank, was transferred to the position of Deputy Chairman of the Executive Board of the Bank and became a member of the Executive Board

During the period from January 1 to March 31, 2015, the following changes occurred in the structure of the Executive Board:

- In accordance with the resolution of the Supervisory Board dated March 20, 2015, Denis A. Bugrov, Senior Vice President of the Bank, was removed from the Executive Board and his authorities were terminated from March 27, 2015.

Short Biographic Data

Below, there are short biographic data on the members of the Executive Board as of December 31, 2014²⁵

²⁵ Information about the professional activities of the Executive Board members is given for the last five years.

HERMAN O. GREF

CEO, Chairman of the Executive Board, Sberbank of Russia

Member of the Supervisory Board, Sberbank of Russia

Herman O. Gref was born on February 8, 1964 in Panfilovo, Irtysh District, Pavlodar Region, Kazakh SSR.

In 1990, he graduated from the Law Faculty of Dostoyevsky Omsk State University with a specialization in Law. Candidate of Economic Sciences.

From 2007 till present—CEO, Chairman of the Executive Board of Sberbank of Russia.

Share in the authorized capital of Sberbank of Russia: 0.0031%

Percentage of ordinary shares of Sberbank of Russia: 0.003%

No transactions with shares of Sberbank of Russia in 2014.

MAKSIM V. POLETAEV

First Deputy Chairman of the Executive Board of Sberbank of Russia

Maxim V. Poletaev was born on April 6, 1971 in Yaroslavl.

In 1993, he graduated from Yaroslavl State University with a specialization in Accounting, Control, and Analysis of Business Activity.

From 2009 to 2013, he held the office of Vice President—Chairman of Moscow Bank, Sberbank of Russia.

From March 2013—Member of the Executive Board, Sberbank of Russia. From June 2013 till present—

First Deputy Chairman of the Executive Board of Sberbank of Russia.

Share in the authorized capital of Sberbank of Russia: 0.0001%

Percentage of ordinary shares of Sberbank of Russia: None

No transactions with shares of Sberbank of Russia in 2014.

LEV A. KHASIS

First Deputy Chairman of the Executive Board of Sberbank of Russia

Lev A. Khasis was born on June 5, 1966 in Kuibyshev (now, Samara).

In 1989, he graduated from Korolev Kuibyshev Aviation Institute of the Order of the Red Banner of Labor with a specialization in Aircraft Engineering. In 1995, he graduated from the Institute of Professional Development and Advanced Training in Finance and Banking under the Academy of Finance of the Government of the Russian Federation (with a specialization in Banking). In 2001, he graduated from St. Petersburg University of the Ministry of Interior Affairs of Russia with a specialization in Jurisprudence, and was also awarded a scientific degree of the candidate of legal sciences upon graduation from the university. In 2007, he was awarded a scientific degree of the candidate of economic sciences (Institute of System Analysis under the Russian Academy of Sciences).

In 2006–2011—Chief Executive Officer of X5 Retail Group N.V.

In 2011–2013—Senior Vice President of Wall-Mart Stores Inc. Since September 2013 till present—member of the Executive Board, First Deputy Chairman of the Executive Board, Sberbank of Russia.

Share in the authorized capital of Sberbank of Russia: 0.0018%

Percentage of ordinary shares of Sberbank of Russia: 0.0019%

No transactions with shares of Sberbank of Russia in 2014.

OLEG V. GANEEV

Deputy Chairman of the Executive Board, Sberbank of Russia

Oleg V. Ganeev was born on October 5, 1972 in Ufa, Republic of Bashkortostan.

In 1995—graduated from Ufa State Aviation Technical University with a specialization in Automated Design Engineering Systems. In 1997—graduated from Bashkir State University with a specialization in the Economic and Social Planning. In 2010—graduated from the Academy of National Economy of the Government of the Russian Federation, MBA program *Strategic Management and Marketing*. In 2014—graduated from London Business School (Management

and Finance for Bankers).

From February 2001 to September 2012—Director of Bashkir Division No. 8598 of Sberbank of Russia.

From September 2012 to August 2013—Vice President for Managing Branch Chain under the Territory Development Unit Management.

From August 2013 to November 2014—Senior Vice President for Managing Branch Chain under the Territory Development Unit Management.

From November 2014 till present—member of the Executive Board, Deputy Chairman of the Executive Board of Sberbank of Russia.

Share in the authorized capital of Sberbank of Russia: None

Percentage of ordinary shares of Sberbank of Russia: None

No transactions with shares of Sberbank of Russia in 2014.

SERGEY N. GORKOV

Deputy Chairman of the Executive Board, Sberbank of Russia

Sergei N. Gorkov was born on December 1, 1968 in Orenburg Region.

In 1994—graduated from the Academy of the Federal Security Service of Russia with a specialization in Science of Law. In 2002—graduated from Plekhanov Russian Economic Academy with a specialization in Finance & Credit.

From 2008 to 2010—Director of HR Policy Department, Sberbank of Russia.

From October 2008 till present—member of the Executive Board, Deputy Chairman of the Executive Board of Sberbank of Russia.

Share in the authorized capital of Sberbank of Russia: None

Percentage of ordinary shares of Sberbank of Russia: None

No transactions with shares of Sberbank of Russia in 2014.

BELLA I. ZLATKIS

Deputy Chairman of the Executive Board, Sberbank of Russia

Bella I. Zlatkis was born on July 5, 1948 in Moscow.

In 1970, she graduated from Moscow Financial Institute with a specialization in Finance & Credit.

In 1978, upon completing her post-graduate study in the All-Union Correspondence Institute of Finance and Economy, she was awarded a scientific degree of the candidate of economic sciences.

From 2004 till present—Deputy Chairman of the Executive Board of Sberbank of Russia.

Share in the authorized capital of Sberbank of Russia: 0.0004%

Percentage of ordinary shares of Sberbank of Russia: 0.0005%

No transactions with shares of Sberbank of Russia in 2014.

STANISLAV K. KUZNETSOV

Deputy Chairman of the Executive Board, Sberbank of Russia

Stanislav K. Kuznetsov was born on July 25, 1962 in Leipzig (GDR).

In 1984—graduated from the Military Institute of the Red Banner of Labor (military political specialization, foreign languages). In 2002—graduated from the Institute of Law of the Ministry of Interior Affairs of the Russian Federation with a specialization in the Science of Law. In 2005, he was awarded a scientific degree of the candidate of legal sciences.

From 2008 to 2010—Senior Vice President of Sberbank of Russia.

From January 2008 till present—member of the Executive Board, Sberbank of Russia.

From October 2010 till present—Deputy Chairman of the Executive Board of Sberbank of Russia.

Share in the authorized capital of Sberbank of Russia: None

Percentage of ordinary shares of Sberbank of Russia: None

No transactions with shares of Sberbank of Russia in 2014.

VADIM V. KULIK

Deputy Chairman of the Executive Board, Sberbank of Russia

Vadim V. Kulik was born on August 14, 1972 in Nalchik, Kabardino-Balkarian ASSR.

In 1995—graduated from Mendeleyev Russian Chemical and Technological University with a specialization in Chemical Technology of Materials in Modern Power Engineering.

In 2008-2010—Director of Directorate for Establishment of a Centralized Credit Back Office for Retail Customers; Director of Retail Risk Department; Director of Risk Department, Sberbank of Russia.

From 2011 till present—Vice President, Director of Risk Department, Senior Vice President of Sberbank of Russia.

From January 2013 till present—member of the Executive Board, Sberbank of Russia. From May 2013 till present—Deputy Chairman of the Executive Board of Sberbank of Russia.

Share in the authorized capital of Sberbank of Russia: None

Percentage of ordinary shares of Sberbank of Russia: None

No transactions with shares of Sberbank of Russia in 2014.

ALEXANDER V. MOROZOV

Deputy Chairman of the Executive Board, Sberbank of Russia

Alexander V. Morozov was born on March 9, 1969 in Moscow.

In 1995—graduated from the Economy Faculty of Lomonosov Moscow State University of. In 2004—graduated from Harvard Business School.

In 2008-2009—Director of Finance Department of Sberbank of Russia. From May 2008 till present—member of the Executive Board, Sberbank of Russia.

From 2009 to 2012—Vice President, Director of Finance Department of Sberbank of Russia.

From January 2013 till present—Deputy Chairman of the Executive Board of Sberbank of Russia.

Share in the authorized capital of Sberbank of Russia: 0.0014%

Percentage of ordinary shares of Sberbank of Russia: 0.0009%

No transactions with shares of Sberbank of Russia in 2014.

ALEKSANDER Yu. TORBAKHOV

Deputy Chairman of the Executive Board, Sberbank of Russia

Alexander Yu. Torbakhov was born on August 22, 1971 in Moscow.

In 1994—graduated from Ordzhonikidze Moscow Aviation Institution with a specialization in Gyroscopic Instruments and Systems of Orientation, Navigation, and Stabilization. In 1997—graduated from Moscow State Institute of International Relations with a specialization in International Economic Relations. In 2005, he got his MBA degree in the Business School of Chicago (USA).

In 2009-2010—General Director of VypelCom.

From 2010 till present—member of the Executive Board, Deputy Chairman of the Executive Board of Sberbank of Russia.

Share in the authorized capital of Sberbank of Russia: None

Percentage of ordinary shares of Sberbank of Russia: None

No transactions with shares of Sberbank of Russia in 2014.

ALEXANDER V. BAZAROV

Member of the Board of Sberbank of Russia

Senior Vice President

Alexander V. Bazarov was born on August 5, 1962 in Kyiv, Ukrainian SSR.

In 1984—graduated from Taras Shevchenko State University of Kyiv with a specialization in Political Economy. In 1987, upon completing his post-graduate study in Taras Shevchenko State University of Kyiv he was awarded a scientific degree of the candidate of economic sciences. In 1994 he got his MBA degree in the Business School of Wharton School (Accounting & finance).

In 2008-2009—Director of Corporate Customer Department, Sberbank of Russia.

From June 2008 till present—member of the Executive Board, Sberbank of Russia.

In 2009–2012—Vice President, Director of Major Customer Department, Sberbank of Russia.
 From 2013 till present—Senior Vice President of Sberbank of Russia.
 Share in the authorized capital of Sberbank of Russia: 0.0022%
 Percentage of ordinary shares of Sberbank of Russia: 0.0023%
 No transactions with shares of Sberbank of Russia in 2014.

DENIS A. BUGROV

Member of the Board of Sberbank of Russia
Senior Vice President

Denis A. Bugrov was born on October 16, 1974 in Moscow.
 In 1995—graduated from London School of Economics and Political Science (economics). In 1998—graduated from Moscow State Institute of International Relations under the Ministry of Foreign Affairs of the USSR as Economist in International Economic Relations. In 2000—graduated from European Institute of Business Administration (MBA).
 From February 2008 to March 26, 2015—member of the Executive Board, Senior Vice President, Sberbank of Russia.
 Share in the authorized capital of Sberbank of Russia: None
 Percentage of ordinary shares of Sberbank of Russia: None
 No transactions with shares of Sberbank of Russia in 2014.

NIKOLAI V. TSEKHOMSKIY

Member of the Board of Sberbank of Russia
Senior Vice President—Director of Finance Department

Nikolai V. Tsekhomskiy was born on March 21, 1974 in Leningrad.
 In 1995—graduated from St. Petersburg State Academy of Engineering and Economy with a specialization in Management, in 1996—with a specialization in Economy and Management in Mechanical Engineering. In 1999, upon completing his post-graduate study in St. Petersburg State Academy of Engineering and Economy, he was awarded a scientific degree of the candidate of economic sciences.
 In 2009–2011—Chairman of the Executive Board of Barclays Bank LLC. From November 2012—Adviser of the President of Sberbank of Russia. From January 2013 till present—member of the Executive Board, Sberbank of Russia. From January 2013 to July 2014—Vice President, Director of Finance Department of Sberbank of Russia. From July 2014 till present—Senior Vice President, Director of Finance Department of Sberbank of Russia.
 Share in the authorized capital of Sberbank of Russia: 0.00007%
 Percentage of ordinary shares of Sberbank of Russia: 0.00007%
 Information on transactions with shares of Sberbank of Russia in 2014:

Date	Transaction information	Share in the authorized capital prior to the change, %	Percentage of ordinary shares prior to the change, %	Share in the authorized capital after the change, %	Percentage of ordinary shares after the change, %
6/17/14	Acquisition of ordinary shares	0	0	0.0000089%	0.000009%
7/29/14	Acquisition of ordinary shares	0.0000089%	0.0000093%	0.00007%	0.00007%

Remuneration of Members of the Executive Bodies

Remuneration of CEO of the Bank and members of the Executive Board (13 persons) in 2014 made RUB 2716.4 million (in 2013, RUB 3513.7 million for 14 persons), including fixed remuneration (official salaries, vacation allowances, allowance

paid on the basis of the average salary for a period of business trips)—RUB 652.5 million (in 2013, RUB 691.0 million), variable remuneration (monthly, quarterly bonuses, bonuses paid based on the annual results)—RUB 2063.9 million (in 2013, RUB 2822.7 million), including remuneration paid for the performance of functions of members of the Executive Board to the latter in 2014 in the amount of RUB 8.8 million (in 2013, RUB 8.8 million).

The amount of all payments accrued to the members of the Executive Board includes: salaries, bonuses, payment of annual leave, sick leave, payment of average earnings during the business trips, social payments, remuneration at the end of the year, remuneration for participation in the activities of the Supervisory Board, other payments established by the laws and regulations of the Bank. The annual remuneration is displayed for the period of performance efficiency assessment, in the aforesaid scope. A part of the annual remuneration for the year 2014, which is to be paid in 2015, is provided based on the estimated data. The calculation has been made according to standards established by the employment contract pursuant to the resolution of the Supervisory Board.

Description of Principles and Approaches Used for Motivation of Bank's Key Managers

The remuneration policy for Bank's key managers is aimed at achieving the Bank's strategy through its focus on the accomplishment of strategic goals of development and by the use of tools for regular performance efficiency assessment through a system of balanced performance indicators.

The corporate remuneration policy is aimed at ensuring the efficient management of the general remuneration system, which is designed to attract, retain, motivate, promote the career and professional development of Bank's key managers whose qualifications and performance contribute to achieving the business and strategic objectives of the Bank.

The wage structure includes fixed and variable components. Variable remuneration is associated with the result of achieving and over-achieving various key performance indicators: individual and group; financial and non-financial. The basic elements of the variable remuneration are quarterly bonuses and remuneration depending on the performance results for the year.

Variable remuneration funds are being created based on the Bank's performance (or that of its divisions and branches), which is considered in the context of the level of exposure. This being the case, the existing internal regulations on bonus payments provide for a connection between the remuneration and the performance achieved, including the option of reducing premium funds in the event of failure at the level of the Bank/division to meet the established targets. An additional element to account for possible risk in bonus payments to the Bank's key managers is a system, applied in business units, of partial payment of the annual remuneration for possible adjustment of the amount if the actual performance differs from targets.

Regular monitoring of target achievement and a system of periodical assessment based on measurable results allows a more objective estimation and forecasting of targets and reduces the risk of not achieving them upon year-end results.

Retirement benefit is paid to key managers in compliance with the rules of labor laws.

Bank Committees Accountable to the Executive Board

In order to improve efficiency and develop business there is a number of collective operating bodies (committees) in Sberbank, which are accountable to the Board of Sberbank of Russia, and the main objectives of which are to resolve issues and conduct a uniform coherent policy in various areas of the Bank's operating activities.

List of collective operating bodies accountable to the Board of the Bank as of December 31, 2014:

Corporate Business Committee	Implement the Bank's Development Strategy in terms of corporate customer service (major, large, medium-sized corporate clients, and small and microbusiness)
Loans and Investments Committee	Improve and ensure implementation of the Bank's lending policy
Distressed Assets Committee	Provide effective operations of the Bank for settlement of bad debt
Retail Business Committee	Ensure implementation of the Bank's Development Strategy in terms of retail customers service (individuals)
Retail Loans Committee	Ensure implementation of the Bank's lending policy for individuals
Assets and Liabilities Management Committee	Ensures implementation of the Bank's Development Strategy in terms of the asset and liability management, management of liquidity risk, market risks and capital adequacy.
Projects and Process Committee	Ensures management of programs and projects, approves priorities and allocation of resources between programs and projects
HR Management Committee	Ensures implementation of the Bank's Development Strategy in terms of HR management
Subsidiaries and Affiliates Management Committee	Provides solutions of tasks, imposed by the Bank to subsidiaries and affiliates of Sberbank of Russia
Group Risks Committee	Ensures development, implementation and improvement of the strategy and policy in terms of management of all risks related to the Group's activity
Subsidiary Banks Committee	Considers issues of subsidiary banks business planning, proposals for creation and liquidation of subsidiaries and affiliates, integration of the assets acquired, and subsidiary banks auditing results
International Transactions Committee	Approval of subsidiary bank transactions with customers/counterparties, setting limits
Market Risks Committee	Ensures implementation of the Bank's Development Strategy in terms of risk management for operations in financial markets
Compliance Committee	Compliance risk management, take decisions to prevent and settle conflict of interests
Tender Committee	Accreditation of providers and suppliers, consideration of proposals in the procurement of goods, works and services
Customer Experience Committee	Ensures monitoring of and control over achievement of the target level of satisfaction of Bank's internal and external customers.
Welfare Management Committee	Ensures implementation of the Bank's Development Strategy in terms of development of welfare management sphere
Budget Committee	Ensures the business planning process of the Group
Audit Results Consideration Committee	Consideration of audit results, approval of measures based on the results of audits, and control over the elimination of violations and weaknesses

Monitoring of Financial and Economic Activities of the Bank

External Auditor

In order to check and verify reliability of accounting (financial) statements compiled in accordance with the legislation of the Russian Federation and financial statements drawn up in accordance with the International Financial Reporting Standards (IFRS), the Bank commissions audit organizations performing audit activities pursuant to the legislation of the Russian Federation and subject to the International Auditing Standards.

The Bank holds an annual open tender for selecting the auditing organization with the right to audit the Bank. Tender documentation for the open tender is approved by the Tender Committee of Sberbank of Russia for procurement of goods, performance of works and provision of services, and published on the official website of the Bank. The auditing organization selected following the open tender is approved by the Executive Board, Audit Committee of the Supervisory Board, Supervisory Board and submitted for approval to the annual General Shareholders' Meeting of the Bank.

The amount of the auditor's remuneration is determined on a competitive basis as part of open tenders and further reflected in the agreement on audit, and shall be approved by the Supervisory Board of the Bank.

On June 6, 2014, the annual General Shareholders' Meeting of the Bank approved the auditing organization Ernst & Young Vneshaudit as a Bank's auditor for the year 2014 and the first quarter of 2015.

The cost of Bank audit for the year 2014 and the first quarter of 2015 makes RUB 49,560,000, including 18% VAT.

Audit Commission

The annual general shareholders' meeting appoints the Audit Commission to control financial and economic activity of the Bank.

The Audit Commission perform year-end inspection (audit) of financial and business activities of the Bank and also at any time as requested by bodies and persons determined in Federal Law 'On Joint-Stock Companies No. 208-FZ dated December 26, 1995, the Articles of Association of the Bank, and Regulation on the Audit Commission of the Bank. The Audit Commission evaluates the accuracy of data included in the annual report and contained in the annual accounting (financial) statements of the Bank, may call for convening an extraordinary general shareholders' meeting or meetings of the Bank's Supervisory Board when any breaches are revealed during the audit in financial and economic activities or a real threat to the Bank's interests (or depositors) require adopting resolutions on matters that fall within the cognizance of such bodies of the Bank.

Members of the Audit Commission of Sberbank of Russia elected at the annual General Shareholders' Meeting on June 6, 2014

1	Natalya P. Borodina	Head of Division for Audit Operations on Financial Markets and Work with Credit Institutions, Internal Audit Department of the Central Bank of the Russian Federation
2	Vladimir M. Volkov	Deputy Chief Accountant, Central Bank of Russian Federation—Deputy Director of Accounting and Reporting Department
3	Tatyana A. Domanskaya	Head of Division for Interaction with External Controlling Authorities, Internal Control, Inspection and Audit Department, Sberbank of Russia
4	Yulia Yu. Isakhanova	Head of Financial Control Division of the Finance Department, Sberbank of Russia
5	Alexey Y. Minenko	Deputy Chief Accountant of Sberbank of Russia, Deputy Director of Accounting and Reporting Department, Sberbank of Russia
6	Olga V. Polyakova	Director of the Internal Audit Department of the Central Bank of the Russian Federation
7	Natalya V. Revina	Director of Methods and Risks Department, Sberbank of Russia

Based on the resolution of the annual general shareholders' meeting held on June 6, 2014, remuneration for 12 months of 2014 was paid to the members of the Audit Commission in the amount of RUB 3.3 million for their participation in this management body of the Bank (in 2012—RUB 3.3 million).

Internal Audit Service

The Internal Audit Service of the Bank is a group of structural units of the Bank that have been assigned with the functions of inspecting and assessing the effectiveness of internal controls, risk management systems, information security systems, reliability of accounting and reporting, and some other controlling functions, including the functions of controlling the compliance with the procedures established for the internal controls over financial and business activities of the Bank.

In its work the Internal Audit Services applies the best internal audit practices, including international principles of professional practice in the internal auditing (Internal Auditing Standards, Internal Auditing Ruling, and Ethics Code) developed by the International Institute of Internal Auditors.

The Service audits all lines of Bank activity; any division and any employee of the Bank, as well as any company of the Group may become the object of auditing.

The Internal Audit Service arranged for an independent channel for Bank employees to inform (*inter alia*, in a confidential manner) on the violations of laws, internal procedures, abuse or failure to comply with the standards of professional ethics by any employee of the Bank or any member of the governance body or body controlling financial and business activity of the Bank.

Throughout 2014, according to the plan approved by the Supervisory Board and by order of Bank management, the units of the Internal Audit Service carried out over 5,900 of planned and over 9,400 of unplanned inspections.

In 2014, the Internal Audit Service carried out 42 audits of financial and business activity of subsidiary and affiliate non-credit organizations, and audits of 4 subsidiary banks.

The Internal Audit Service is functionally accountable to the Supervisory Board, and administratively subordinate to CEO, Chairman of the Executive Board.

Corporate Governance Development

During 2014, the Bank paid special attention to improving the corporate governance system and practice, improving its quality, and to improving the system of internal corporate communications.

During the year, the Bank carried out complex evaluation of all components of the Bank's corporate governance system for their compliance with the recommendations of the Corporate Governance Code recommended for application by the Bank of Russia (hereinafter, "Bank of Russia Corporate Governance Code"), recommendations of the Basel Committee on Banking Supervision (Principles for Enhancing Corporate Governance), and requirements of MICEX Listing Rules.

In 2014, the Bank optimized the number of members in the Supervisory Board (the amount of directors was reduced from 17 to 14 members), appointed a corporate secretary of the Bank, elaborated a plan for implementing provisions of the Bank of Russia Corporate Governance Code, adopted new revisions of the Articles of Association and internal documents of the Bank which take into consideration the best corporate governance practices. The priority short-term task was cascading of Bank's corporate governance standards to the level of subsidiaries.

Corporate Governance Activities

On November 26–28, 2014 the Corporate University of Sberbank held special corporate governance sessions for the members of the Supervisory Board and Executive Board of the Bank, directors of Bank departments, and directors, chairmen of boards of directors, corporate secretaries and heads of legal departments of subsidiary companies. The program of sessions included the international tendencies in corporate governance development, modern technologies for the management of banking groups, and changes in the corporate laws. Leading Russian and foreign experts were involved in the work of sessions.

On December 2, 2014, Sberbank took part in the 4th All-Russian Corporate Governance Forum and in IX National Award *Director of the Year*, acting as a strategic partner of the above events. Sberbank supported the session *Corporate Governance as a Tool for Sustainable Business Development*. Chairmen and members of Boards of Directors, top managers of the largest Russian and foreign companies took part in the session as speakers. Vladimir Mau, the member of the Supervisory Board of Sberbank, received an *Independent Director* award for the year 2014.

On December 16, 2014, Sberbank and the National Association of Corporate Secretaries (NACS) with the participation of the Institute of Chartered Secretaries and Administrators of the Great Britain (ICSA) held a corporate governance workshop. The event engaged corporate secretaries and specialists in the field of corporate governance from the largest Russian joint-stock companies and companies of the Sberbank Group.

Authorized Capital

Sberbank of Russia is an open market companies the shares of which are freely traded on the Russian stock market and in London, Frankfurt and USA (over-the-counter market) in the form of ADR.

Since the Bank's IPO in June 1991, there have been 13 issues of shares among investors (Russian and foreign legal entities and individuals). The authorized capital was formed in the amount of RUB 67.76 billion and consists of 21,586,948,000 ordinary shares and 1,000,000,000 preferred shares with a nominal value of RUB 3 each.

The Bank's main shareholder is the Central Bank of the Russian Federation, which interest in the authorized capital of Sberbank is 50% plus one voting share, in the voting shares—52.32%.

Sberbank Shareholders Structure

<i>Category of shareholders</i>	<i>Share in the authorized capital as of the shareholders register closing date, %</i>	
	The year 2013	The year 2014
	<i>(end of operating day April 11, 2013)</i>	<i>(end of operating day June 17, 2014)</i>
Bank of Russia	50.0 + 1 share	50.0 + 1 share
Non-Resident Corporate Investors	44.0	43.52
Resident Corporate Investors	2.3	2.52
Private Investors	3.7	3.96

Cost of shares and market capitalization of Sberbank

	<i>January 1, 2015</i>	<i>January 1, 2014</i>
Ordinary share (MICEX), <i>RUB per share</i>	54.9	101.1
Preferred share (MICEX), <i>RUB per share</i>	37.7	80.0
MICEX Index, <i>p.</i>	1,397	1,504
RTS index, <i>p.</i>	791	1,443
Market capitalization including preferred shares, <i>USD billion</i>	21.9	68.7

Source: Bloomberg.

Sberbank's shares were under pressure throughout 2014 after the abrupt reduction in the beginning of March due to deterioration in the geopolitical situation. Sectoral sanctions, weakening of ruble, decrease in oil prices, and risks of recession did not allow the quotations to restore to the level of February 2014.

In spite of the outlined reduction of interest from foreign investors towards Russian stock market and outflow of foreign capital due to Ukrainian crisis followed by the imposition of Western sanctions against Russian individuals and companies, Sberbank's shares continue being the most liquid at the Russian trading floors. Trading volume of ordinary and preferred shares of Sberbank on the MICEX in 2014 amounted to more than RUB 3 trillion, which makes 32% of the total trading volume on the MICEX and is comparable with a total trading volume of the largest Russian "blue chips" (Gazprom, Lukoil, and Rosneft). It should be mentioned that possessing the most liquid securities, Sberbank is perceived by investors in close connection with the Russia's risks, which causes high volatility of Bank's shares in the existing complicated geopolitical conditions.

Dividends Report

In 2014, the Bank allocated 20% of its net profit falling on shareholders and calculated on the basis of the annual consolidated financial statements under IFRS to pay dividends as of 2013 year-end.

Payment of dividends based on the results of 2014 will be considered by the Supervisory Board when preparing to the annual General Shareholders' Meeting of the Bank. Then, the total amount of profit to be distributed and the amount of dividends per 1 share of each category will be recommended to the General Shareholders' Meeting for approval. Information on the resolutions made at the General Shareholders' Meeting will be disclosed in accordance with the Russian laws on Sberbank's official website www.sberbank.ru. Below there is a history of dividends payment on Sberbank's shares for the last two years:

Year for which the dividends are paid	Share, falling to dividend payments in the Bank's net earnings under IFRS	Share of the Bank's net earnings under RAS earmarked for payment of dividends	Dividends per 1 ordinary share, RUB	Dividends per 1 preferred share, RUB	Amount of dividends per all ordinary and preferred shares, RUB million	Date of the General Shareholders' Meeting that passed the resolution on distribution of dividends
for the year 2012	16.9%	17.0%	2.57	3.20	58,678	5/31/13
for the year 2013	20.0%	19.2%	3.20	3.20	72,278	6/6/14

On March 20, 2015, the Supervisory Board of the Bank approved a new regulation on the dividend policy, which was published on Sberbank's official website www.sberbank.ru.

Interaction with Shareholders and Investors

Committee for Interaction with Minority Shareholders

In order to maintain interaction with minority shareholders Sberbank keeps operation of the Committee for Interaction with Minority Shareholders presided by A.V. Danilov-Danilyan. The year 2014 was dedicated to the operation with Sberbank subsidiaries and with certain business segments.

At the meetings of the Committee in Moscow they listened to the reports and presentations on new approaches towards the management of operational processes, on the development of innovative technologies, on the performance results of ZAO Sberbank Leasing and ZAO Sberbank AST, and on the development of lending to large, medium and small business. In December 2014, the Committee held one on-site meeting in the South-Western Bank where over 200 shareholders took part.

Interaction with Institutional Investors

In the course of its work on enhancement of bank's information transparency and investment attractiveness, in 2014 the Sberbank's team took part in 18 conferences, held 405 meetings with investors and analysts, having covered over 700 investments funds and about 1,000 portfolio managers.

An annual review of Sberbank perception assessment by leading international investors and analysts, conducted since the year 2011, shows a continuous improvement of financial communications, disclosure, presentation materials, and increased access to and awareness of the Bank's management in the investment community, which has a positive impact on the investment history.

Major Transactions

During 2014, Sberbank of Russia did not carry out any transactions recognized as major transactions in accordance with the Federal Law *On Joint-Stock Companies* or any other transactions which, in accordance with the Articles of Association of Sberbank of Russia, are subject to approval of major transactions.

Non-Arm's-Length Transactions

The following is the list of transactions performed Sberbank of Russia in 2014 transactions recognized in accordance with the Federal Law *On Joint-Stock Companies*, as non-arm's-length transactions. All the mentioned transactions are approved by the Supervisory Board of the Bank.

1	Contractor: Bank of Russia Interested parties: S.M. Ignatiev, G.I. Luntovskiy, S.A. Shvetsov, N.Yu. Ivanova	
	Raising loans from the Bank of Russia under the General Credit Agreement for Provision of Loans by the Bank of Russia Secured by Assets or Sureties within five months of 2014 (February, March, April, May, June)	<p>The amount of funds raised from the Bank of Russia in each month shall not exceed RUB 300,000 million.</p> <p>Interest rates on loans from the Bank of Russia shall be determined at the credit auctions of the Bank of Russia. Loans of the Bank of Russia shall be provided by the latter for a term indicated in the Requests for Participation in Credit Auction. Other terms and conditions for providing Bank of Russia's loans shall be established by the latter and published in Bank of Russia Bulletin.</p>
	Raising loans from the Bank of Russia under the General Credit Agreement for Provision of Loans by the Bank of Russia Secured by Assets or Sureties within three months of 2014 (June, July, August)	<p>The amount of funds raised from the Bank of Russia in each month shall not exceed RUB 330,000 million.</p> <p>Lending period—3 months.</p> <p>Other terms and conditions for providing Bank of Russia's loans shall be established by the latter and published in Bank of Russia Bulletin.</p>
	Raising funds from the Bank of Russia in July 2014 under the General Credit Agreement for Provision of Loans by the Bank of Russia Secured by Assets or Sureties	<p>Amount of funds raised from the Bank of Russia: shall not exceed RUB 330,000 million.</p> <p>Lending period—12 months.</p> <p>Other terms and conditions for providing Bank of Russia's loans shall be established by the latter and published in Bank of Russia Bulletin.</p>
	Raising loans from the Bank of Russia under the General Credit Agreement for Provision of Loans by the Bank of Russia Secured by Assets or Sureties within September and October 2014	<p>Amount of funds raised from the Bank of Russia: shall not exceed RUB 340,000 million.</p> <p>Lending period—6 months.</p> <p>Other terms and conditions for providing Bank of Russia's loans shall be established by the latter and published in Bank of Russia Bulletin.</p>
	Raising funds from the Bank of Russia under the General Credit Agreement for Provision of Loans by the Bank of Russia Secured by Assets or Sureties	<p>Agreement 1: Amount of funds raised from the Bank of Russia: shall not exceed RUB 340,000 million.</p> <p>Lending period—up to 120 days</p> <p>Agreement 2: Amount of funds raised from the Bank of Russia: shall not exceed RUB 340,000 million.</p> <p>Lending period—120 days and more.</p> <p>Interest rates on loans from the Bank of Russia shall be established by the Bank of Russia. Other terms and conditions for providing Bank of Russia's loans shall be established by the latter and published in Bank of Russia Bulletin.</p>
	Concluding an agreement on provision of loans by the Bank of Russia secured by pledge of claims on the loans raised for the	The agreement contains no financial obligations of the parties

	implementation of investment projects	
	Raising loans from the Bank of Russia under the General Credit Agreement for Provision of Loans by the Bank of Russia Secured by Assets or Sureties within three months (November, December, January)	The amount of funds raised from the Bank of Russia in each month shall not exceed RUB 340,000 million. Lending period—6 months. Interest rates on loans from the Bank of Russia shall be determined at the credit auctions of the Bank of Russia. Other terms and conditions for providing Bank of Russia's loans shall be established by the latter and published in Bank of Russia Bulletin.
	Raising funds from the Bank of Russia in November under the General Credit Agreement for Provision of Loans by the Bank of Russia Secured by Assets or Sureties	Amount of funds raised from the Bank of Russia: shall not exceed RUB 340,000 million. Lending period—6 months and more. Interest rates on loans from the Bank of Russia shall be determined at the credit auctions of the Bank of Russia. Other terms and conditions for providing Bank of Russia's loans shall be established by the latter and published in Bank of Russia Bulletin.
	Concluding an agreement on provision of loans by the Bank of Russia secured by pledge of bonds	Interest rates on the loans of the Bank of Russia and terms of Bank of Russia's loans shall be established by the Bank of Russia and published on its official website.
	Raising funds from the Bank of Russia under the General Credit Agreement for Provision of Loans by the Bank of Russia Secured by Assets or Sureties	Amount of funds raised from the Bank of Russia: shall not exceed RUB 20,000 million. Lending period—1 year. The interest rate shall be set by the Bank of Russia and published in the Bank of Russia Bulletin.
2	Contractor: Bank of Russia, VTB Bank Interested parties: S.M. Ignatiev, G.I. Luntovskiy, S.A. Shvetsov, N.Yu. Ivanova	
	Raising funds from the Bank of Russia under the General Credit Agreement for Provision of Loans by the Bank of Russia Secured by Assets or Sureties, against the surety of VTB Bank	Amount of funds raised from the Bank of Russia: shall not exceed RUB 100,000 million. Lending period—1 year. The interest rate shall be set by the Bank of Russia and published in the Bank of Russia Bulletin.
	Sberbank of Russia under the Agreement on Securing Bank of Russia's Loans with Sureties concluded by and between Sberbank of Russia and the Bank of Russia undertakes to be liable to Sberbank of Russia for the fulfillment of obligations by VTB Bank on repayment of loan which will be provided by the Bank of Russia to VTB Bank on the basis of the loan application under the General Credit Agreement for Provision of Loans by the Bank of Russia Secured by Assets or Sureties	Amount of funds raised from the Bank of Russia: shall not exceed RUB 100,000 million. Lending period—1 year. The interest rate shall be set by the Bank of Russia and published in the Bank of Russia Bulletin.

3	Contractor: DB AO Sberbank (Republic of Kazakhstan) Interested parties: S.N. Gorkov	
	Concluding an Agreement on Opening Impersonal Metal Accounts in Gold, Silver, Platinum and Palladium of Loco Almaty in the name of Sberbank of Russia with DB AO Sberbank (Republic of Kazakhstan), and settling operations with them in accordance with the legislation of the Republic of Kazakhstan and the above Agreement.	
	Opening and maintaining loro correspondent account in rubles in the name of DB AO Sberbank for the purpose of settlements on the operations established by the Bank of Russia.	
	Provision of revolving line of credit in the form of overdraft for the loro correspondent account	Credit limit: RUB 350 million
	Opening and maintaining loro correspondent account in Turkish liras by Sberbank of Russia in the name of DB AO Sberbank	
	Cession of rights to Kazfinance LLC belonging to DB AO Sberbank (Kazakhstan) under the Credit Line Agreement, Bank Loan Agreement, Guarantee Agreement, Money Loan Agreement, Money Pledge Agreement, Guarantee Agreement, Money Pledge Agreement	Price of cession agreement is RUB 853 million
4	Contractor: Sberbank of Russia JSC (Ukraine) Interested parties: H.O. Gref, S.N. Gorkov, A.V. Morozov, A.V. Bazarov, D.A. Bugrov	
	Provision of interbank loans under the Agreement on General Terms and Conditions of Bilateral Transaction Settlement at the Interbank Market	Amount: RUB 78,660 million Term: up to 15 years
	Settlement of foreign currency purchase/sale transactions under the Agreement on General Terms and Conditions of Bilateral Transaction Settlement at the Interbank Market	Amount: RUB 6,320 million Term: to 1 year
	Provision by Sberbank of Russia of monetary funds (a loan) as subordinated debt defined by the agreement to Sberbank of Russia (Ukraine)	Amount: USD 12 billion Term: 12 years
	Provision by Sberbank of Russia of monetary funds (a loan) as subordinated debt defined by the agreement to Sberbank of Russia (Ukraine)	Amount: USD 40 billion Term: 10 years
	Provision by Sberbank of Russia of monetary funds (a loan) as subordinated debt defined by the agreement to Sberbank of Russia (Ukraine)	Amount: USD 60 billion Term: 7 years
	Transactions of precious metals purchase/sale on conditions of the General Agreement on General Terms and Conditions of Transaction Settlement at the	Amount: max USD 50 billion

	Market of Precious Metals	
	Transactions of purchase and sale, acceptance and delivery for collection of cash currency on conditions of the General Agreement on General Terms and Conditions of Cash Currency Purchase, Sale, Acceptance and Delivery for Collection	Amount: max USD 50 billion
	Opening and maintenance of a multicurrency nostro correspondent account in the name of Sberbank of Russia with Sberbank of Russia JSC (Ukraine), and provision of settlement services by Sberbank of Russia to Sberbank of Russia JSC (Ukraine)	
	Placement of cash funds of Sberbank of Russia in Sberbank of Russia JSC (Ukraine) in accordance with the Agreement on General Terms and Conditions of Bilateral Transactions at the Interbank Market, and agreement on raising cash funds on conditions of a subordinated debt and operations with precious metals	A one-time amount of money deposited shall not exceed the equivalent of USD 2,000 billion
5	Contractor: JSC BPS Sberbank (Republic of Belarus) Interested parties: S.N. Gorkov, A.V. Morozov, D.A. Bugrov	
	Concluding an additional agreement to the Agreement on Provision of Monetary Funds (Loan) by Sberbank of Russia on Conditions of Subordinated Debt, as set out in the Agreement, to BPS-Sberbank OJSC (Republic of Belarus)	Amount: EUR 40 million
6	Contractor: Cetelem Bank LLC Interested parties: A.Y. Torbakhov, A.V. Morozov, D.A. Bugrov	
	Provision by Sberbank of Russia of monetary funds (a loan) as subordinated debt defined by the agreement to Cetelem Bank LLC	Amount: RUB 5,180 million Term: 10 years
7	Contractor: Denizbank A.S. Interested parties: H.O. Gref, S.N. Gorkov, V.V. Kulik, A.V. Morozov, D.A. Bugrov	
	Provision by Sberbank of Russia of monetary funds (a loan) as subordinated debt defined by the agreement to Denizbank A.S.	Amount: max USD 300 billion Term: 10 years
	Provision by Sberbank of Russia of monetary funds (a loan) as subordinated debt defined by the agreement to Denizbank A.S.	Amount: max USD 150 billion Term: to 10 years
8	Contractor: Denizbank A.S., Akkuyu NPP JSC Interested parties: S.N. Gorkov, A.V. Morozov, D.A. Bugrov, V.V. Kulik, H.O. Gref	
	Provision of a bank guarantee by Sberbank of Russia to secure payment obligations of its subsidiary bank—Denizbank A.S., Turkey, under the Agreement on Primary Banking Services, concluded by and between Denizbank A.S. and AES Akkuyu JSC	Amount: RUB 34,379 million
9	Contractor: Sberbank (Switzerland) AG	

	Interested parties: A.V. Bazarov, A.V. Morozov	
	Provision of overdraft credit on the loro correspondent account opened for Sberbank (Switzerland) AG with Sberbank of Russia	Amount: max RUB 150 million
10	Contractor: Sberbank Europe AG Interested parties: S.N. Gorkov, D.A. Bugrov, A.V. Morozov, M.V. Poletaev, V.V. Kulik	
	Provision by Sberbank of Russia of monetary funds (a loan) as subordinated debt defined by the agreement to Sberbank Europe AG	Amount: max EUR 175 million
	Purchase of additional ordinary shares of Sberbank Europe AG by Sberbank of Russia	Amount: EUR 135 million
	Provision by Sberbank of Russia of monetary funds (a loan) as subordinated debt defined by the agreement to Sberbank Europe AG	Amount: max USD 100 million Term: up to 10 years
11	Contractor: Sberbank CIB CJSC Interested parties: M.V. Poletaev	
	Concluding an additional agreement to loan agreement between Sberbank of Russia and ZAO Sberbank CIB	For a total sum of: RUB 647 million
	Concluding a bank guarantee agreement between Sberbank of Russia and ZAO Sberbank CIB	Amount: max RUB 200 million
12	Contractor: Sberbank Leasing CJSC Interested parties: M.V. Poletaev, L.A. Khasis, V.V. Kulik	
	Sberbank of Russia undertakes to provide services to its customers on supplying information on the Leasing Factory products of Sberbank Leasing CJSC, receiving from its customers a package of documents required to consider a possibility to conclude a leasing agreement by Sberbank Leasing CJSC with the customers, on exchanging information with Sberbank Leasing CJSC through the protected communication channels for the purpose of transferring information data on the customers and on the product needed by the customer, on informing the customers about the results of documents review and about the decision made by Sberbank Leasing CJSC as to concluding/refusing to conclude a leasing agreement, and Sberbank Leasing CJSC undertakes to pay for the services	Price of the transaction: RUB 1,749.94
13	Contractor: Federal State Autonomous Educational Institution of Higher Professional Education NRU Higher School of Economics Interested parties: H.O. Gref	
	Bank Guarantees Agreement	Guarantee limit is up to RUB 500 million

14	Contractor: National Settlement Depository Interested parties: B.I. Zlatkis	
	Determining a list of certificates of Exchange Bonds transferred for custody to the National Settlement Depository, and the cost of services of their mandatory centralized storage	Price of the Agreement: max RUB 69 million
	Opening and maintenance of loro correspondent account in Swiss francs for the benefit of the National Settlement Depository with Sberbank of Russia	
15	Contractor: National Settlement Depository, MICEX Interested parties: A.L. Kudrin, V.P. Goreglyad, B.I. Zlatkis	
	Determining the conditions and procedure of owning the shares of the National Settlement Depository and exercising the rights against the National Settlement Depository arising out of the ownership of such shares	No financial obligations of the parties contained
16	Contractor: Transaero Airlines OJSC Interested parties: L.A. Khasis	
	Opening a revolving framework line of credit with the differentiated interest rates for TRANSAERO Airline to conduct its daily activities	Price of the transaction: RUB 800 million
	Changing the terms and amount of multicurrency revolving limit under the General Agreement on the Framework Revolving Line of Credit with Differentiated Interest Rates	Price of the transaction: RUB 1,000 million
	Changing the amount of simultaneously existing guarantees under the Bank Guarantee Agreement	Price of the transaction: RUB 1,413 million
	Opening a non-revolving framework line of credit for TRANSAERO Airline to conduct its daily activities	Price of the transaction: RUB 1,500 million
	Changing the terms and the limit of a framework line of credit opened under the General Agreement on the Framework Revolving Line of Credit with Differentiated Interest Rates	Price of the transaction: RUB 2,800 million
17	Contractor: Mining and Metallurgical Company Norilsk Nickel JSC Interested parties: D.A. Bugrov	
	Concluding agreements, according to which Sberbank of Russia under its terms and conditions: opens accounts for MMC Norilsk Nickel JSC and settles operations with such accounts, and MMC Norilsk Nickel JSC will pay for the services according to the tariffs of Sberbank of Russia existing as of the agreement dates; debits accounts of MMC Norilsk Nickel JSC opened with Sberbank of Russia on conditions of previous given statement of acceptance, with no additional orders from MMC Norilsk Nickel JSC	

	Concluding agreements on the procedures and terms for calculating the interest based on the aggregate average chronological balance in the settlement accounts of MMC Norilsk Nickel JSC and its subsidiaries	
	Concluding agreements according to which Sberbank of Russia provides to MMC Norilsk Nickel OJSC the services on financial flows management and the management of financial flows of subsidiaries of MMC Norilsk Nickel OJSC	MMC Norilsk Nickel JSC will pay for the services according to the tariffs of Sberbank of Russia
	Concluding agreements according to which MMC Norilsk Nickel JSC places deposits with Sberbank of Russia	Amount: max RUB 100,000 million
	Concluding agreements according to which MMC Norilsk Nickel JSC raises funds to Sberbank of Russia in the form of loans, lines of credit, overdrafts, overdraft loan arrangements	Amount: max RUB 200,000 million Term: Max 7 years
	Concluding agreements for the purchase and sale of foreign currency for rubles or another foreign currency	Amount: max RUB 100,000 million
	Concluding agreements according to which MMC Norilsk Nickel JSC provides Sberbank of Russia and/or SIB (Cyprus) Limited, and/or Sberbank CIB (UK) Limited, and/or Sberbank (Switzerland) AG with a surety securing the fulfillment of obligations by the subsidiaries of MMC Norilsk Nickel JSC	Amount: max RUB 100,000 million
18	Contractor: Krasnaya Polyana OJSC Interested parties: S.K. Kuznetsov	
	Participation in shared construction of a hotel complex	Amount: USD 3 million
	Participation in shared construction of a shared construction facility	Amount: USD 43 million
	Providing Krasnaya Polyana OJSC with the following services: placing advertising and information materials (AIM), additional installation of AIM, technical maintenance of AIM, illumination of AIM	Amount: RUB 745 million
19	Contractor: JSC RusHydro Interested parties: D.A. Bugrov	
	Raising funds of JSC RusHydro for deposits in Sberbank of Russia and for minimum required balance in the RusHydro accounts with Sberbank of Russia	Sum of transactions: RUB 152,800 million
20	Contractor: Severstal OJSC Interested parties: R. Freeman	
	Concluding additional agreements to two Revolving Line of Credit Agreements	1. Amount: max RUB 6,000 million 2. Amount: max RUB 9,000 million
21	Contractor: UEC OJSC Interested parties: A.Y. Torbakhov	
	Opening and maintenance of a bank account of the guarantee fund of UEC Payment	

	System opened for UEC OJSC with Sberbank of Russia	
22	Contractor: Gazprom Interested parties: V.A. Mau	
	Determining the conditions and procedure for settling conversion transactions and transactions with financial derivatives by Gazprom and Sberbank of Russia, procedure for fulfilling obligations under them, as well as liabilities of the parties for improper fulfillment of the obligations under transactions and other obligations assumed by the parties under the General Agreement on the General Terms and Conditions of Conversion Transactions and Forward Transactions	
	Settlement of conversion transactions and forward transactions by Gazprom and Sberbank of Russia under the General Agreement on the General Terms and Conditions of Conversion Transactions and Forward Transactions	Amount: Max RUB 25,000 million for conversion transactions, and max RUB 50,000 million for forward transactions
23	Contractor: Rosselkhozbank OJSC Interested parties: I.V. Lomakin-Rumyantsev	
	Determining the conditions and procedure for settling transactions with financial derivatives by Rosselkhozbank OJSC and Sberbank of Russia, procedure for fulfilling obligations under them, as well as liabilities of the parties for improper fulfillment of the obligations under transactions and other obligations assumed by the parties under the General Agreement on the Fixed-Term Transactions at the Financial Markets	
	Settlement of transactions with financial derivatives by Rosselkhozbank OJSC and Sberbank of Russia under the General Agreement on the Fixed-Term Transactions at the Financial Markets	Amount: max RUB 200,000 million
	Settlement of conversion transactions by Rosselkhozbank OJSC and Sberbank of Russia under the General Agreement on the Fixed-Term Transactions at the Financial Markets	Amount: max RUB 100,000 million
	Settlement by Rosselkhozbank OJSC and Sberbank of Russia under the General Agreement on the General Terms and Conditions of Settlement and Implementation of Repurchase Agreements at the Securities Market	Amount: max RUB 150,000 million
	Raising funds by Sberbank of Russia from Rosselkhozbank OJSC, placement of money by Sberbank of Russia with Rosselkhozbank OJSC	Amount: max RUB 100,000 million

11. Branch Network and Presence Abroad

Branch Network within the Russian Federation

In 2014, the Bank continued modernization of its branch network. In 2014, 302 units were opened. 1,138 bank service offices were closed. City offices were closed because their current location did not meet the geomarketing criteria or because of poor condition of their premises. Village offices were closed for unbiased reasons, *e.g.* poor state of the premises and absence of alternative variants in a specific inhabited locality. However, there are mobile bank units running at the remote areas, and offices are created in quickly-mounted modular structures. When there is technical possibility, there are ATMs and payment terminals mounted in the rural areas.

In 2014, the North-Eastern Regional Bank was reorganized to improve regional management. Its units became a part of the Far-Eastern and Baikal Regional Banks.

Structure of the branch network of the Bank within the Russian Federation:

<i>units</i>	<i>Jan 1, 2015</i>	<i>Jan 1, 2014</i>
Bank units in the Russian Federation, including	17,140	17,976
Regional banks	16	17
Branch offices	78	77
Total bank service offices, including:	17,046	17,882
Total number of additional offices, including	11,713	11,898
<i>specialized in rendering services to individuals</i>	10,206	9,388
<i>universal</i>	1,256	2,268
<i>specialized in rendering services to legal entities</i>	251	242
Operational offices	652	670
Operational cash desks outside the cash operating units	4,488	5,169
Mobile cash offices	193	145

Regional structure of Sberbank offices as of January 1, 2015:

Cities with a population over 1 million	12.4%
Cities with a population over 100,000 and less than 1 million	18.7%
Other cities	18.3%
Urban-type communities	7.2%
Rural settlements	43.4%

Reformatting

The Bank started reformatting of its branch network in 2010. Since then, the Bank opened almost 6,000 service points of new format, including about 1,400 points opened in 2014. 68% of city branch network was reformatted during 4 years.

In the course of the program, the Bank upgrades offices and makes them more comfortable for customers, and adjusts the service points for certain groups of customers. 24/7 self-service is available in all offices of new format.

In the reporting year, the focus was on reformatting the branch network in large cities, given that this is where the major part of the business is concentrated. In cities with the population over 100,000 people, 823 customer service points of new format were opened.

Presence in Foreign Countries

Sberbank has one ***branch*** abroad ***in the Republic of India***, which was established as a strategic platform for development of the Group's business.

Subsidiary banks²⁶ operate in the Republic of Kazakhstan, Ukraine, the Republic of Belarus, Switzerland, Austria, the Czech Republic, Slovakia, Hungary, Croatia, Serbia, Slovenia, Bosnia and Herzegovina, Banja Luka within Bosnia and Herzegovina, Turkey, Germany, and Bahrain. Within their regions of presence, subsidiary banks offer a wide range of banking services to retail and corporate customers, and perform operations in financial markets. All operations are made under licenses obtained from national regulators.

Two foreign ***representative offices*** situated in Germany and China do not carry out banking transactions directly, but do promote the business of the Bank and its customers in the regions and create an image of Sberbank in these countries.

²⁶ This annual report does not include financial data of the subsidiary banks.

12. Personnel

General Information about the Personnel

In 2014, the actual number of Sberbank's personnel increased by 20,209 people, reaching 275,723 people. The increase was mainly due to the growing number of employees in the retail business. The share of employees from the Retail Business Unit in the total amount of Bank's personnel has grown and makes 55.4%, that of the Corporate Business Unit—10.7%. A considerable part of the employees (44%) is directly working with the customers.

Employee Engagement

Sberbank pays great attention to improving its employee engagement. In 2014, 163,000 employees took part in the engagement study. The engagement index grew considerably from 61.2 to 68.9 points during the year. Thus, Sberbank is close to the average level of 69.0 for the financial companies of the world. The Bank achieved satisfaction with the most important factors associated with the work in the Bank, such as the image of senior management, remuneration system and benefits for employees. Positive dynamics is explained by the response of the employees to regular increase in salaries and 100% coverage of the employees' VHI²⁷ by the employer.

Recruitment, Evaluation, and Career Promotion of Personnel

In 2014, as part of the Sberbank Development Strategy for the year 2014–2018, the Bank designed a career development system for mass specialties by using the SAP-based automated system. The Bank implemented a pilot project in one of the branch offices of Moscow Bank for Retail Unit BUs that overall employ 1,200 people. It allowed working out the algorithm of screening perspective employees with the help of an automated module. Employees can now review online their career ladder and career capacity map, and learn what knowledge and skills they need to develop for a target position, and to advance to higher positions. In 2015, Sberbank plans to continue replicating this project in regional banks.

Sberbank continued modernization of its human resource processes and procedures in accordance with the new requirements of the labor market. Thus, the Bank elaborated a unified standard for adaptation of new employees, including manager tools and New Employee's Guidebook.

Personnel commissions evaluated 11,200 persons. In 2015, such evaluation will cover 18,500 employees. The Bank will start its coaching and mentoring project.

Besides, as part of Sberbank Development Strategy, the Bank designed a new model of corporate competences. Alongside with the managerial competences, it also included value-based competences, such as "I am a leader," "We are a team," "Everything is designed for a customer." Their inclusion in the criteria for selection and career advancement helps to build a shared understanding by personnel of their own role and company's key principles, and it aids in creating a corporate culture where everyone views themselves as a full-fledged member of the team.

In 2014, the Bank established a personnel reserve of 101 executives for such key positions in the Bank as Director of the Central Office Department, Chairman/Deputy Chairman in the Regional Bank managing SBHO and SBO. The personnel reserve for the next level of SBHO, SBO, and banks includes 364 executives.

²⁷ Voluntary Health Insurance.

The Bank designed a mentoring system to organize the continuity of knowledge. About 7,000 executives have received training in mentoring tools. In 2015, the Bank plans a widespread introduction of the mentoring system across Sberbank.

A book of the standards has been created to select and adapt the personnel for mass positions in Retail Business Unit. This book is used in all regional banks. Similar standards are being tested for the Corporate Business Unit.

A career portal Sberbank of Talents has been successfully integrated with the internal system SAP Recruiting and three leading job search web portals, www.hh.ru, www.superjob.ru, www.job.ru. Sberbank's portal entered top 8 of the best websites in the world in the nomination of Buried Treasures.

Sberbank was ranked third among the best employers in Russia for students and graduates in the Universum Global ranking.

In 2013–2014 Sberbank actively interacted with the educational institutions. Over 13,000 students received their practical training in the Bank. Sberbank has held the International Students' Olympic Games *Battle of Banks*. 17 students have completed their master's program in Finance at the Higher School of Economics in Moscow with the support of Sberbank.

National and international final games of Global Management Challenge 2013/2014 have been held in Moscow and Sochi with the participation of Sberbank. It is the largest world championship in strategy and business management using a business simulator. It aims to develop managerial competence without abandoning the main working or educational activities. For Sberbank it gives an opportunity to discover future talented employees.

Training and Development of Managers and Specialists

Sberbank has implemented centralized training of employees for mass and non-mass positions. During the year such training has been completed by 220,000 persons. 48 full-time educational programs and 1,333 multimedia courses have been developed during the year. In particular,

- Sberbank holds training courses on personal effectiveness skills, business etiquette, effective negotiations, and public speaking. Such sessions were attended by 766 specialists from the Central Office; training under the Sales Workshop program, held at the training sites of regional banks, was attended by 2,296 specialists working with corporate customers and 16,816 specialists from retail businesses.
- As part of the Banking Academy Sberbank First the experts of the central office shared their professional knowledge with the employees of regional banks.
- A course on Voice Lie Detection was attended by 180 employees from the underwriting service and 90 employees working with troubled assets.
- The Bank has established about 307 *Training BUs* in 137 Russian cities, where students are trained to become specialists in retail customer service.

A special page on Training and Development of Specialists is maintained on the corporate portal of Sberbank, where employees can learn about all their training opportunities.

In 2014, 26,100 people received training as part of the programs and projects implemented by the Corporate University.

In the reporting year, the *Sberbank 500* program included three new courses (*Risk Management for Executives*, *Foundations of Modern IT Management*, and *Corporate Culture*), developed in conjunction with the Bank's business units and aimed at achieving the main objectives of the Bank's Development Strategy for the year 2014–2018.

The participants enrolled in the program *Finance and Management for Bankers* (London Business School) included top managers from Denizbank, as well as from Rostelecom and Rosatom, the largest partners of Sberbank.

We continued our series of lectures and workshops presented by invited experts. With the broadcast relayed to regional and subsidiary banks, the audience of these events reached tens of thousands of people.

In 2014, the Corporate University of Sberbank designed two training case studies based on Sberbank experience. In collaboration with INSEAD teachers, work began on development of 5 case studies for implementation within the *Sberbank 500* program.

In 2014, the Bank successfully implemented a program on verbal communication to improve the linguistic and socio-cultural competencies of its employees in business communication. The program was designed specifically for Sberbank Group, and this was the first instance of raising, on this scale, the socio-cultural aspect of training in the Russian corporate sector.

As an organization working in different countries, Sberbank pays special attention to the English language proficiency of its employees. They are tested for their English language skills in a format using international tests. The Bank has arranged in-class and distance learning in order to provide English language training for its personnel.

In 2014, four new titles (*This Time Everything Will Be Different*, *The Art of Systemic Thinking*, *Bank 3.0*, and *Accelerating Change*) were added to 46 books already released as part of the Sberbank Library series. These books are available to our employees in electronic format.

Corporate Benefits and Privileges

The Voluntary Health Insurance Program was launched in a new format from January 1, 2014. It provides for a full package of voluntary health insurance, including out-patient treatment for all employees who have worked at the Bank for more than a year. The employees that have been with the Bank for less than a year are offered ambulance services and emergency hospitalization. 100% of the Bank's personnel use the medical services provided as part of the corporate voluntary health insurance.

6 insurance companies, leaders in the voluntary health insurance market, were selected for the regional banks following an open tender. The Bank monitors and evaluates its voluntary health insurance program in terms of quality and satisfaction.

We continue to implement the insurance program to protect against accidents and serious illnesses. In 2014, SOGAZ and AlfaStrakhovanie have become the partners of the Bank following an open tender. The program offered to employees is unique as it provides protection not only in the event of commonly insured risks, but also in the case of serious illnesses of employees.

The Bank accumulated and transferred to Sberbank Private Pension Fund the next contribution for the participants in the Corporate Pension Program.

13. IT Development

In 2014, the Bank began to implement its new Technological Development Strategy until 2018. The main focus of transformations was on:

- Simplifying the IT landscape of the Bank.
- Reducing the terms of launching banking products at the market, finishing work on the implementation of centralized systems in 16 regional banks.
- Developing remote banking services.
- Ensuring reliability of automated systems and their performance reserve required for the business growth.
- Optimizing designed activity, enhancing performance of projects with an IT component, drastic improvement of project management quality.

The Bank has a number of *key achievements* it may be proud of.

As part of the strategic program *Establishment of Unified Centralized IT Platform of the Bank* in Moscow, Tsentralno-Chernozemny, and Severny Banks, Sberbank put an automated system into commercial operation for services to legal entities. This is an important milestone towards the formation of an effective centralized banking platform, which will allow the Bank to optimize the cost of ownership of its IT landscape and increase the implementation rate of new products and services.

Moscow, Srednerussky, Severo-Kavkazsky, and Tsentralno-Chernozemny Banks have been transferred to the automated system of retail lending.

Seven regional banks were transferred to the Unified Center of Deposit Processing. As part of the Green Street service, customers can perform operations with their deposits, regardless of the outlet used for opening the deposit within any regional bank, as well as within combined territories of Moscow and Srednerussky Banks.

92,000 service providers were connected to receive billing payments in the Unified Payment Service. Payments to all service providers became available through an online bank in 16 banks, BU network in 9 banks, and self-service terminals in 1 bank.

As part of the centralization program, the Bank reduced its IT costs through savings on equipment (servers and storage systems) and on data center premises in the regional banks, economy benefits from the implementation of automated systems and system-wide application software, development of systems by employees of Sberbank Technology CJSC, development and support for target systems, with total savings in an amount of more than RUB 2.5 billion.

Sberbank launched a new strategic program called Creating Support Platform for Business Development (18+), where the innovative technologies will improve productivity, reduce the total cost of ownership for IT infrastructure of the Group, and reduce the time frame for new product launches.

In 2014, both Sberbank and the Group were actively working in these areas, despite the impact of changing external environment and a number of other challenges.

- In 2014, Sberbank completed a significant volume of work to improve the reliability of automated systems. Compared to 2013, the downtime of critical systems following incidents was reduced by 20%, interruptions of critical systems resulting from technological maintenance works were reduced by 2 times, and system capacity reached the level necessary for ensuring business growth.

- The key systems were operating under a constantly increasing workload. Thus, in 2014 the amount of transactions via *Sberbank Online* increased in 2.5 times, which is connected both with the development of system functionality, and with the growing customer database. Faced with increased workload, the Bank managed to meet its goal of improving system reliability with its *Reliability 99.99* program, by implementing special backup and optimization technology and focusing on proactive IT services and operational risks.
- In mid-December, there was a sharp increase in workload on all the systems of the Bank as a result of the unstable financial situation and an information attack launched against Sberbank. In this situation, all systems have been working steadily.
- Frequency and power of DDoS attacks²⁸ on web services of the Bank have increased considerably, in 2014 Sberbank registered 42 attacks of that kind. As a result of measures implemented as part of the *Reliability 99.99* program these attacks had no significant impact on customer services. The margin of safety in the systems of Sberbank exceeds the current intensity of DDoS attacks seen in the Russian Internet by many times.
- In the reporting year the Bank postponed the date for centralizing the automated systems of restructured branch offices in the North-Eastern Bank following the delayed commissioning of a communications satellite.

In 2014, a huge step was made in improving the services of *Sberbank Online* and *Mobile Bank* for various platforms while expanding the capabilities of self-service terminals.

The Bank released an app for the social networks *Odnoklassniki* and *Vkontakte*, in which customers are able to transfer money from their card to another Sberbank card using a phone number, and pay for mobile communication services without leaving their personal account in the network.

In the reporting year, the Bank has successfully organized and supported the payment infrastructure for the Olympic Games in Sochi.

The Bank created the largest CRM²⁹ platform in Europe in terms of the number of products (900 million) and users (80,000).

An automated personnel management system in 11 regional banks has been successfully launched for industrial operation. It has finished the most extended implementation of a SAP-based centralized system in Russia.

These and other achievements allowed Sberbank to gain international recognition:

- *Sberbank Online* was recognized the best retail online bank both in Russia and Central and Eastern Europe in 2014 according to *Global Finance* magazine.
- Sberbank received an award of *Special Achievement in GIS* for the geoinformation technologies used.
- The career portal of Sberbank was ranked among the best sites of the world's largest corporations compiled by Bowen Craggs & Co together with the *Financial Times*, ahead of such companies as Citigroup, Toyota, Apple, Samsung Electronics, Bank of America, AT&T, ExxonMobil, and many others.

²⁸ A hacker attack against the computer system, launched simultaneously from a large number of computers.

²⁹ Customer Relations Management.

The plans for the next year include the active work in many areas:

- Ensuring a mode of operation for critical systems of the Bank, which in case of failure can maintain a limited functionality of client services; transferring the most critical systems to 24/7 operation.
- Implementing technology that can increase system performance without the need to review solution architecture.
- Continuing the centralization and unification of systems in the regional banks.
- Further transfer of corporate customer lending systems to the automated *Unified Corporate System*;
- Centralizing billing systems based on the *Unified Payment Service* to allow receipt of payments in the regional bank network.
- Centralizing cash service systems in the regions within the *Cash Center*.
- Reducing the number of complaints related to payments.
- Developing an intelligent system for client flow management, a system for evaluating the performance of BU operations, and reducing the number of front-end systems.
- Implementing *Cyber Security 2018*, a program for ensuring the sustainable development of business and IT of the Group amid the constant increase in cyber threats and global challenges, as well as providing secure services to customers.
- Implementing new technologies in parallel processing, distributed hardware and software systems, self-taught algorithms, intelligent administration of IT systems, use of open-source code, mobile security and mobile devices configured to meet the needs of specific customer segments.
- Continuing implementation of the *Transformation of IT Organization* program aimed at improving the effectiveness of the IT Unit, quality of implementing the projects in terms of their time frames, budget, and timely completion of the projects.

14. Operation Functions

In 2014, work continued on optimizing the Bank's operations.

The Bank was further consolidating its operating functions in the MSCs³⁰. Their number has been reduced from 12 to 9 after the closure of 3 centers in Krasnoyarsk, Stavropol, and Tyumen. The settlements function is concentrated in two settlement centers located in Samara and Nizhny Novgorod. Based on the capabilities of Southern Port MSC, work was completed on consolidating units to support the operations of Sberbank and Sberbank CIB in the global markets. Southern Port MSC also hosts the newly created Center of Competence to support customer operations.

As a result of establishing a single production space, we have achieved a significant improvement in the quality of operational service—the number of mass production deviations per 1 million operations decreased by 30%, the cost savings in the production and delivery of bank cards amounted to 11%, and the drop in the level of operational risks was 69%.

The Bank has adopted measures to ensure the continuity of customer service in a more complex external economic environment. These measures involved the definition of optimal routes for payments, and ensuring technical capability for continuous operation of the settlement function, if the Bank is disconnected from international settlement systems.

As part of coordinating the operations of Sberbank Group, ruble-denominated settlements were optimized for subsidiary banks in Belarus and Kazakhstan.

The main objective of Sberbank's operations is to ensure a further improvement in the quality and reliability of supported services and reduce the costs of operations by optimizing the processes.

³⁰ Multifunctional Service Centers.

15. Administrative and Economic Operations

Purchasing Activities

The Bank has approved the strategy for development and transformation of procurement that implies the centralization of regular procurement. As part of this strategy, *Supplies*, the program aimed at transforming and automating the supply services, is now operating.

In 2014, IT equipment procurement was implemented by the Bank under a new scheme, i.e. in direct partnership agreements with such manufacturers as IBM, EMC, Hewlett Packard, Oracle, Avaya, Crestron, Lenovo, Acer, and Hitachi. The Bank has signed memorandums on fixing transaction prices. Confirmation has been received from IBM that their delivery terms cover the foreign subsidiaries of the Bank.

Following negotiations with the Russian Big Three telecom operators, unique and best-in-Russia terms were achieved for text message costs. The expected number of text messages in 2014 is about 30 billion.

With regard to procurement of special banking equipment (cash collection, cash desk) the level of procurement centralization exceeded 90% due to cash-desk equipment, special vehicles, consumables for a cash-desk, and cash collection property. A year earlier, about 8% of procurement was centralized while the remaining purchases were made under general agreements at the level of regional banks.

The procurement amount reviewed for the year 2014 at meetings of the Tender Committee of the Central Office was RUB 109 billion, while the savings achieved in the initial cost of procurement amounted to RUB 15 billion. The total economic impact of competitive procurement procedures held by categories and centralized in the Procurement Center amounted to RUB 23.8 billion, including RUB 20.3 billion for IT procurement and RUB 3.5 billion for remaining categories, such as goods and materials, transportation, real estate, consulting, POS terminals, banking equipment, etc.

For the first time planning of procurement activity of subsidiaries and affiliates was organized as part of the business planning for the year 2015. The savings achieved in these procurement activities amounted to RUB 1.3 billion.

The Bank took a series of measures to prevent corruption in procurement:

- Centralizing the procurement function in the Procurement Center.
- Including in contracts with counterparties on the Guarantee to Prevent Corruption in the Procurement Activities of Sberbank of Russia.
- Issuing instructions and information letters explaining the procedure for interaction with the counterparties and regulating the ethical code of conduct.
- Establishing an annual psycho-physiological testing (polygraph-based) for employees involved in procurement activities at the Bank.

Sberbank's Electronic Office Document Management System (EDMS)

Sberbank continues developing its electronic document management system. Today, the system allows controlling the time frames of approval of Bank orders and directives. The report on compliance with these time frames is prepared for the management on a weekly basis. Further on, the time frames for approval of regulations and process flow charts are to be reduced. Besides, the Bank plans to improve the document management system for the *Confidential* and *Commercial Secret* documents. Thus a unified document management environment will be created for the office documents of the Bank.

Major Construction Projects in 2014

The reporting year was marked by the completion of a number of major construction projects.

Olympic Facilities in Sochi

Sberbank headed the construction of Olympic facilities since early 2012. By that time, only a third of structures had been built for the ski jump facilities, and the territory of the future resort was not developed at all. In the process of construction works, Sberbank engaged Sembol Construction, a Turkish company. On average, the construction of the resort involved about 15,000 Turkish workers a month, as a result of which projects have been completed on time.

More than 90% of all works have been completed under the direction of Sberbank. This includes:

- *RusSki Gorki* Jumping Center, a unique ski jumping venue for 7,600 spectators; its location allows to continue the competition even in case of changes in the direction of wind; the best equipment in the world was used to build these ski jumping facilities.
- *Gorky Gorod* with 3,460 rooms, an all-season resort city notable for its all-season nature and extent, has been built: the resort city facilities are located at the levels of 540, 960, 1500, and 2200 m above sea level³¹.
- Media Center of the mountain cluster, with an area of 33,000 square meters, which supported the work of approximately 500 representatives of the press and 4,000 broadcasters.

Thus, Sberbank made a significant contribution to the development of the region and represented Russia commendably as the host nation of the Olympic Games.

Mriya Resort Complex

Sberbank strives to improve the conditions of labor and rest for its employees. The construction of the *Mriya* Resort Complex, which began in 2012 on the Black Sea coast, was completed in 2014. This top class resort complex was created with the participation of foreign construction companies, recognized leaders in the construction of hotel complexes, with a proven track record in the construction of Olympic venues and infrastructure.

³¹ In 2011, the *Gorky Gorod* project won the Urban Award in the *Comprehensive Development of Territories. Mega Projects* category.

The complex has several buildings and cottage-style houses with a total area of 68,000 square meters and includes a multi-purpose sports hall, an outdoor heated swimming pool, a medical unit with modern equipment, and a spacious conference hall.

In 2014, during the implementation of the project, the Bank faced many challenges, such as increased tensions in Ukraine, changing the status of the Republic of Crimea, delayed payments, a reduced number of workers from Ukraine, and difficulties with the entry of foreign workers. Nevertheless, the project was implemented, and in the fall of 2014, the Bank's employees were able to enjoy world-class recreation while receiving beneficial health treatments.

The Campus of the Bank's Corporate University Bank in Moscow Region

In the course of creating a personnel training and advanced training system, in 2014 construction of the campus of the Corporate University of Sberbank with the total area of 66,000 square meters was finished. Among 28 erected buildings, there are teaching blocks and a sports block with a swimming pool, dormitories for attendees and teachers, and a corporate center. Each year, the University will be able to provide training for up to 12,000 students. Target audience of the university is Sberbank's managers.

A whole range of advanced technologies was used during the construction of this site: the *Green Roof*, glazing with the maximum energy efficiency, establishment of an autonomous center using trigeneration technology (*i.e.*, the center became a source of electricity, heat and cold supply to the complex), each building has a heat point with the system of integrated effective automatic equipment.

Development of the Material and Technical Base of Sberbank

In 2014, 65 real estate sites of regional banks were under construction. In addition, Sberbank was involved in the participatory share construction of 12 sites. 2,708 facilities were being reconstructed, including 1,702 facilities reconstructed under the reformatting program.

Real Estate Management and Operation

In 2014, the Bank actively worked to *reduce the number of unused facilities and improve the efficient use of its real estate sites*. Following the results of the year the Bank sold real estate facilities with the total area of 288,000 square meters, and leased out 144,000 square meters. The Bank refused from the lease of the premises with the area of 229,000 square meters. The total economic effect for the year 2014 including the lease of spaces made RUB 1.7 billion.

The Bank conducted huge methodological work to support these activities. The following amendments were introduced to the Federal Law *On Banks and Banking Activity* at the initiative of Sberbank: the restriction imposed on the banks in trading activities are no longer applied to the sale of property acquired by the banks in order to ensure their core activities and the sale of the mortgaged property in case of foreclosure; sale of property received by the Bank under the agreement on compensation. Therefore, the banks were exempted of the risk of prosecution in the event of selling real estate without engaging a third-party agent.

In order to effectively manage its real estate facilities, the Bank implements the *Property Insurance Program*. In 2014, it held an open tender to select an insurance company for insuring the property interests of the Bank. Following the tender results, the Bank concluded a general real estate insurance agreement with MAX CJSC for 2 years, on

conditions of which the Bank insured its own facilities with the book value of over RUB 20 million for a total limit of indemnity of RUB 302 billion. The insurance premium will make RUB 56 million for the entire period.

The Bank started work on adjustment of the Real Estate Transactions module, designed for selling and leasing real estate facilities of the Bank on the Sberbank website. The service will allow attracting potentially interested parties for selling real estate assets of the Bank, to increase liquidity of real estate portfolio of the Bank, to predict the demand for real estate, and to control disposals of excessive real estate facilities of the Bank.

In order to reduce rent costs, the Bank performed work to transfer foreign currency-denominated lease agreements into their ruble-denominated equivalents. By the end of the year, with regard to some of the contracts, Sberbank had signed an additional agreement on the transition to rubles or on establishing a currency corridor. The resulting savings amounted to RUB 370 million.

Power Resources Used by the Bank

Information on the volume and kinds of power resources used by Sberbank in physical and monetary terms is given below.

<i>Power Resources</i>	<i>2014</i>		<i>2013</i>	
	<i>Quantity</i>	<i>Value, thousand RUB</i>	<i>Quantity</i>	<i>Value, thousand RUB</i>
Electric power, kW·hour	1,052,472,378	4,237,773	887,847,794	3,475,111
Heat energy, Gcal	1,560,235	1,430,557	1,950,065	1,028,749
Potable water, cubic m	3,069,000	110,673	3,392,644	78,272
Diesel fuel, l	13,718,766	437,479	13,063,854	323,103
Gasoline, l	17,217,092	487,667	22,255,076	507,572
Gas, cubic m	13,320,446	102,969	12,257,083	54,001
Coal, tons	1,996	4,914	1,752	5,044
Firewood, cubic m	1,918	1,739	1,773	1,549
Kerosene, l	36,280	1,516	58,290	2,435

16. Cash Flow Management

In 2014, Sberbank developed a fundamentally new model for managing cash collection and cashier operations of the Bank. It is based on a transparent calculation of services for internal customers, possibility of the optimal choice between the services of Cash Flow Management Center and those of the outsourcing companies. The model encourages providing the most effective solutions.

Development of Cash Operations

The cash operations units of the Bank provided uninterrupted service for internal and external customers. The productivity of cash centers increased by 11%.

As part of developing its cash liquidity management, 11 regional banks completed the implementation of OptiCash/OptiNet, an automated system, to manage the cash liquidity of BUs and ATMs.

The cash technologies were streamlined simultaneously with their continuous risk audit and implementation of security features. In 2014, the Bank ensured an acceptable level of realized cash risk in its branch network and cash centers. The level of risk does not exceed the figures for the same period of last year.

Sberbank was the first among the Russian commercial banks to put high-performance counting and sorting systems into commercial operation, which exceed the performance of existing equipment in terms of cash handling rate by more than 5 times.

Coin Deposit Machines, a new type of Self-Service Terminals, was successfully introduced by the Bank. It will help to shift coin deposit operations with retail customers to remote channels and to satisfy the needs of retailer customers in the delivery of coins.

The Bank is developing new equipment, that is automatic deposit machines for self-service cash collection of revenue by organizations with online crediting of funds to customer accounts.

Cash Collection Services

Cash collection units implemented the Cash Collection Units Development Concept of Sberbank of Russia for the year 2010–2014. The number of operations settled by the cash collection units in 2014 grew by 20% against the previous year and exceeded 27 million.

<i>Type of operation</i>	<i>Number of operations for the year 2014, million.</i>
Collection of cash and valuables of customers	20.9
Delivery of cash and coins	0.65
Transportation of cash and valuables within the system	2.2
Maintenance of ATMs and payment terminals	3.8
Other	0.05

An automated system for monitoring special cash collection vehicles was commissioned for industrial operation. The Bank works on optimizing the routes (transport regulation and logistics system) and the actual cash collection process (using mobile data collection technology). Both projects will allow reducing the duration of the entire cash collection service cycle.

In 2014, the largest cash collection center in Russia and Europe for processing and storage of bank valuables was commissioned in Moscow. The center allows the use of

unique innovative technology, automate the processes to a maximum extent and reach a fundamentally new level of productivity. Besides, the center created the reserve capacity for accepting new sites for Cash Management and Collection Services, including ATMs and cash operations units of other banks, as well as major retail chains with non-standard requirements for processing technology. The complex capacities are able to maintain service of over 8,000 points, about a thousand of cash desk units of credit institutions, and 7,000 ATMs. Commissioning of this complex allowed closing 7 outdated low-effective divisions in Moscow Region.

17. Safety & Security

In 2014, Sberbank prioritized the following areas of work in the field of security: ensuring information security of the Bank, counteracting criminal invasions to the self-service terminals of the Bank, counteracting frauds using fake documents, ensuring physical protection of Bank facilities.

Approval of the *Information Security Strategy of Sberbank of Russia for the year 2014–2018* has become an important milestone of the reporting year. The relevancy of its development and implementation is stipulated by unprecedented growth of invasions to the information assets of the financial sector, telecommunications companies and government entities: misappropriations from customers and banks, from ATMs, cellular operators, DDos attacks, information wars on the web, integration of cybercrimes, and traditional crimes. The initiatives set out in the Strategy are called to bring Sberbank to the world leaders in the field of cyber security.

Sberbank has the largest in Europe network of *self-service terminals (SST)*, which includes over 90,000 devices. The Bank implements work on the protection of SST, money in them and customers' funds one may get access to using these devices.

The measures required to protect SST include equipment of terminals with security alarm connected with the control panels of security companies, installation of additional locks in the safe boxes of terminals and equipment of SST with gas analyzing sensors.

In spite of considerable growth of criminal invasions to the self-service terminals (665 cases, 24% increase), the damage caused to the Bank from stealing cash funds from SST reduced by 13% during the year.

As for the year 2013, the Bank managed to cut the number of SST thefts from 48 to 26 cases. Security companies arriving upon actuation of alarm signals on the terminals detained 176 intruders, comparing to 73 persons a year before. With the help of technical security devices 500 attempts of stealing money from SST for a sum of RUB 1.1 billion were prevented. Thanks to the fraud monitoring system the amount of prevented losses on skimming³² in 2014 made about RUB 4.7 billion. Moreover, application of chipped cards, implementation of anti-skimming equipment and active struggle against the installers of unauthorized equipment ensured stable tendency towards reduction of compromise cases and amount of Bank's losses. 1,423 cases of skimming equipment mounted on SST were discovered during the year (in 2013, 2,583). 141 sets of devices were confiscated. 77 persons were detained at the place of the crime by law enforcement agencies with the active support of economic security units.

In 2014, the Bank approved the Concept for equipping its self-service terminals with a video surveillance system. Implementation of the Concept will considerably increase the level of technical protection of the terminals.

In terms of economic security the Bank worked on improving a mechanism of interaction between the security service, underwriting service, and Risk Unit in all segments of lending.

The sum of prevented potential damage as a result of refusal to issue loans to corporate customers because of revealing negative information by the economic security units and presentation of fake documents by the customers makes over RUB 136.6 billion.

³² Skimming is a kind of fraud with the bank cards using special devices reading out the information from the magnetic strip on the card.

When verifying credit applications using the *Credit Factory technology*, 929 applications containing fake data and documents supporting the borrower's income and employment were discovered. 43 persons were detained by law enforcement agencies at the attempt to receive loans using fake documents. The sum of prevented damage made over RUB 1.2 billion.

In 2014, the economic security units carried out over 141,000 inspections of credit applications of the individuals, which were considered using the decentralized technology; the sum of prevented damage made RUB 22.8 billion.

The employees of security units of the Bank perform new functions associated with the assurance of economic *security of subsidiary banks in the far-abroad and neighboring countries* and discovery of threats to the interests of the Sberbank Group. During the year the Bank discovered negative and important information on the parties to 90 transactions of the subsidiary banks with foreign counterparties.

In 2014, the economic security units sent 4,151 application data to law enforcement agencies *on the criminal prosecution of the persons who have committed crimes against bank interests, including unfair borrowers* (in 2013, 3,064 persons). 1,254 criminal cases were initiated (in 2013, 912), 250 persons were convicted (in 2013, 174).

The services of *remote banking service* are used today by about 1.5 million legal entities and 21 million individuals. The information security units implemented the technologies to discover fraudulent operations, with the help of which they discovered and prevented 71 attempts of stealing money of legal entities and over 87,000 attempts of stealing money of individuals in 2014. The damage prevented made RUB 2.9 billion.

In 2014, law enforcement agencies in collaboration with the information security units of Sberbank prevented the activity of three cybercriminal groups making mass attacks on the Bank's customers. 7 persons were detained and brought to responsibility.

The priority *Bank facilities* are equipped with the modern high-technology integrated security systems from the leading world manufacturers. Among such facilities there are the Cash Collection Center and the Corporate University of the Bank.

In 2015, a special stress will be made on the implementation of the program called Cybersecurity 2018, and on the minimization of the level of implemented operational risks as a result of criminal invasions to the Bank facilities and external fraud, and collaborating with competitors with the negative business reputation.

18. Development Prospects

The Sberbank Development Strategy for the year 2014–2018 (approved in November 2013, ref. to www.sberbank.ru) takes into consideration new global trends and key challenges faced by the Bank and the world banking system.

The Strategy contained updated mission and values of the Bank. Mission: "We give people confidence and reliability; we make their life better by helping realize their hopes and dreams." Three landmarks were chosen as the main values: "I am the leader," "We are the team," "Everything is designed for the customer."

Financial targets set by the Strategy are associated with the mission to preserve leadership in financial efficiency and profitability among comparable banks.

In 2015, the Group will continue implementing its Development Strategy for the year 2014–2018. Notwithstanding the changes happening to the economic and political situation in Russia and all over the world, the main non-financial tasks and focuses of the group set out in the Strategy remain up-to-date. Moreover, the Bank will monitor on a regular basis changes in the external environment and analyze the need to revise its financial objectives and priorities in the portfolio of programs with due regard to a new market situation.

The Bank is planning work in five major strategic areas in 2015:

1. ***With the client for a lifetime***—ensure stable growth of transaction business by means of deep knowledge of customers and personal product offers, ensure the highest service quality and enhance customer satisfaction level.
2. ***Team and culture***—continue formation of a solid professional team sharing updated values and corporate culture of Sberbank.
3. ***Technological breakthrough***—ensure high reliability and availability of IT systems by means of architecture simplification, process centralization and modernization.
4. ***Financial performance***—ensure high operational efficiency in each work segment of the Bank, and optimization of operational costs.
5. ***Mature organization***—continue implementation of management elements required for an effective organization of Sberbank scale and complexity,

In the opinion of the Bank's management, crisis phenomena and increasing uncertainty at the market provide for additional opportunities for the Group:

- Consolidation of positions on the Russian market, increase of the level of credibility and loyalty of customers.
- Higher rates of restructuring of the sales system and management system with lower risks associated with scaling of transformations.
- Retention of potential for the implementation of strategic development projects while the competitors are thinking of rescuing their business.
- Using the temporary fall in market growth rates for deeper modernization of processes, infrastructure and IT system architecture.
- Limiting the growth of expenses and strict control at all stages of expenditures.
- Piloting the innovative ideas (to be duplicated at the moment of market growth).
- Team development: new skills and competences, new corporate culture.

CEO,
Chairman of the Executive Board of Sberbank of Russia

H.O. Gref

Section 3
Annual Accounting (Financial) Statements
of Sberbank of Russia for 2014

Audit report
on the annual financial statements
of Sberbank of Russia
for the year ended 31 December 2014

March 2015

Translation of the original Russian version

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Independent auditor's report

Translation of the original Russian version

To the shareholders of Sberbank of Russia

Report on the annual financial statements

We have audited the accompanying annual financial statements of Sberbank of Russia (the "Bank"), which consist of the balance sheet (published form) as of 1 January 2015, statement of financial performance (published form) for the year ended 31 December 2014, appendices thereto comprising the statement of capital adequacy to cover risks, allowance for doubtful loans and other assets (published form) as of 1 January 2015; statement of obligatory ratios (published form) as of 1 January 2015; statement of cash flows (published form) for the year ended 31 December 2014; and explanatory information

Audited entity's responsibility for the annual financial statements

The management of the Bank is responsible for the preparation and fair presentation of these annual financial statements in accordance with rules on the preparation of annual financial statements established in the Russian Federation as well as for the internal control system relevant to the preparation of annual financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the fair presentation of these annual financial statements based on our audit.

We conducted our audit in accordance with the federal standards on auditing effective in the Russian Federation and International Standards on Auditing. These standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance that the annual financial statements are free from material misstatements.

Translation of the original Russian version

An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the annual financial statements. The audit procedures selected depend on our judgment, including an assessment of the risks of material misstatement of the annual financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation and fair presentation of the annual financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the annual financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of Sberbank as of January 1, 2015, its financial performance and cash flows for the year 2014 in accordance with rules on the preparation of annual financial statements established in the Russian Federation.

Other matters

The accompanying annual financial statements are not intended to present the financial position and results of operations in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than the Russian Federation. Accordingly, the accompanying annual financial statements are not designed for those who are not informed about accounting principles, procedures and practices in the Russian Federation.

Report on the results of the work in accordance with the requirements of Article 42 of Federal Law No. 395-1 "Concerning Banks and Banking Activity" of 2 December 1990

The management of the Bank is responsible for the Bank's compliance with the obligatory ratios established by the Bank of Russia and for the conformity of the Bank's internal control and organization of the risk management systems with the requirements set forth by the Bank of Russia in respect of such systems.

Translation of the original Russian version

In accordance with the requirements of Article 42 of Federal Law No. 395-1 "Concerning Banks and Banking Activity" of 2 December 1990 (hereinafter, the "Federal Law"), during the audit of the Bank's annual financial statements for the year ended 31 December 2014, we determined:

- 1) Whether the Bank complies as at 1 January 2015 with the obligatory ratios established by the Bank of Russia;
- 2) Whether the Bank's internal control and organization of the risk management systems conform to the requirements set forth by the Bank of Russia for such systems in respect of the following:
 - subordination of risk management departments;
 - existence of methodologies, approved by the Bank's respective authorized bodies, for detecting and managing risks that are significant to the Bank and for performing stress-testing; existence of a reporting system at the Bank pertaining to its significant risks and capital;
 - consistency in applying and assessing the effectiveness of methodologies for managing risks that are significant to the Bank;
 - Oversight performed by the Board of Directors and executive management of the Bank in respect of the Bank's compliance with risk limits and capital adequacy requirements set forth in the Bank's internal documents, and effectiveness and consistency of the application of the Bank's risk management procedures.

This work included the procedures selected on the basis of our judgment, such as inquiries, analysis, review of documents, comparison of the requirements, procedures and methodologies approved by the Bank with the requirements set forth by the Bank of Russia, and recalculation, comparison and reconciliation of numerical values and other information.

The results of our work are provided below.

Compliance by the Bank with the obligatory ratios established by the Bank of Russia

We found that the values of obligatory ratios of the Bank as of 1 January 2015 were within the limits established by the Bank of Russia.

We have not performed any procedures in respect of the Bank's accounting data, except for the procedures we considered necessary for expressing our opinion on the fair presentation of the Bank's annual financial statements.

Translation of the original Russian version

Conformity of the Bank's internal control and organization of the risk management systems with the requirements set forth by the Bank of Russia in respect of such systems

- We found that, in accordance with the legal acts and recommendations issued by the Bank of Russia, as at 1 January 2015, the Bank's internal audit division was subordinated to the Supervisory Board, and the Bank's risk management departments were not subordinated or accountable to the departments that take the relevant risks.
- We found that the Bank's internal documents effective as at 1 January 2015 that establish the methodologies for detecting and managing of credit, market, operational and liquidity risks significant to the Bank and stress-testing have been approved by the Bank's authorized bodies in accordance with the legal acts and recommendations issued by the Bank of Russia. We also found that as at 1 January 2015, the Bank has a reporting system pertaining to credit, market, operational and liquidity risks that are significant to the Bank and pertaining to its capital.
- We found that the periodicity and consistency of reports prepared by the Bank's risk management departments and internal audit division during the year ended 1 January 2015 with regard to the management of the Bank's credit, market, operational and liquidity risks complied with the Bank's internal documents and that those reports included observations made by the Bank's risk management departments and internal audit division in respect of the effectiveness of the Bank's relevant risk management methodologies.
- We found that, as at 1 January 2015, the authority of the Supervisory Board and executive management bodies of the Bank included control over the Bank's compliance with internally established risk limits and capital adequacy requirements. For the purposes of control over the effectiveness and consistency of the risk management procedures applied by the Bank during the year ended 1 January 2015, the Supervisory Board and executive management bodies of the Bank regularly reviewed the reports prepared by the Bank's risk management departments and internal audit division.

The procedures pertaining to the internal control and organization of the risk management systems were conducted by us solely for the purposes of determining the conformity of certain elements of the Bank's internal control and organization of risk management systems, as listed in the Federal Law and described above, with the requirements set forth by the Bank of Russia.

S. M. Taskaev
Partner
Ernst & Young Vneshaudit

March 18, 2015

Audited entity

Name: Sberbank of Russia
State registration with the Central Bank of the Russian Federation: No. 1481 dated June 20, 1991
A record is entered into the Uniform State Register of Legal Entities on August 16, 2002, with state registration number 1027700132195 assigned.
Address: 19 Vavilova St., Moscow, 117997 Russia.

Auditor

Translation of the original Russian version

Name: Ernst & Young Vneshaudit

A record is entered into the Uniform State Register of Legal Entities on September 16, 2002, with state registration number 1027739199333 assigned.

Address: 77 Sadovnicheskaya Naberezhnaya, bldg. 1, Moscow, 115035 Russia.

Ernst & Young Vneshaudit is a member of the Self-Regulatory Organization of Auditors of the Non-Profit Partnership Audit Chamber of Russia. Ernst & Young Vneshaudit is included in the check copy of the register of auditors and audit companies under registration number 10301017410.

Bank Reporting		
Territory code under OKATO	Code of the credit institution (branch)	
	under OKPO	registration number (reference number)
45293554000	00032537	1481

BALANCE SHEET
(published form)

as of January 1, 2015 (incl. EARD)

of the credit institution: Sberbank of Russia Open Joint-Stock Company

Sberbank of Russia

Mailing Address: 19 Vavilova St., Moscow 117997

Form code under OKUD 0409806

Quarterly (Annual)

RUB'000

Line number	Item	Explanation number	Figures as of the reporting date	Figures as of the relevant reporting date of the previous year
1	2	3	4	5
I	ASSETS			
1	Cash and cash equivalents	5.1	1 240 712 425	717 319 916
2	Funds of credit institutions held with the Central Bank of the Russian Federation	5.1	369 675 704	408 802 599
2.1	Required reserves		142 522 154	112 129 198
3	Funds held with the credit institutions	5.1	356 487 333	94 301 261
4	Financial assets carried at fair value through profit or loss	5.2	825 688 140	144 662 649
5	Net loans receivable	5.3	15 889 379 335	11 978 006 945
6	Net investments in securities and other financial assets available for sale	5.4	1 745 489 852	1 744 228 260
6.1	Investments in subsidiaries and affiliates	5.5	385 839 342	310 871 192
7	Net investments in securities held to maturity	5.6	366 474 111	403 987 608
8	Current profit tax claims	4.5	67 057 790	261 236
9	Deferred tax asset		0	0
10	Fixed assets, intangible assets and inventories	5.7	478 611 700	468 069 623
11	Other assets	5.8	407 183 754	315 457 133
12	Total assets		21 746 760 144	16 275 097 230
II	LIABILITIES			
13	Loans, deposits and other funds of the Central Bank of the Russian Federation		3 515 817 946	1 967 035 549
14	Due to credit institutions	5.9	794 856 364	630 459 333
15	Due to customers other than credit institutions	5.10	14 026 723 547	11 128 035 158
15.1	Deposits (funds) of individuals and individual entrepreneurs	5.10	7 999 051 651	7 655 694 738
16	Financial liabilities carried at fair value through profit or loss		617 944 480	34 050 544
17	Debt securities in issue	5.11	513 402 485	404 518 757
18	Current profit tax liability		2 170	0
19	Deferred tax liability	4.3	42 891 174	0
20	Other liabilities	5.12	216 252 982	144 796 061
21	Provisions for possible losses from credit contingencies, other possible losses and transactions with offshore residents		36 530 500	31 000 692
22	Total liabilities		19 764 421 648	14 339 896 094
III	SOURCES OF EQUITY			
23	Equity of shareholders (members)	5.13	67 760 844	67 760 844
24	Treasury shares (interests) redeemed from shareholders (members)	5.13	0	0
25	Paid-in capital in excess of par value		228 054 226	228 054 226
26	Reserve fund		3 527 429	3 527 429
27	Revaluation of securities available for sale at fair value less deferred tax liability (plus deferred tax asset)	8.5	-197 450 451	-7 888 290
28	Revaluation of fixed assets less related deferred tax liability		80 536 315	82 570 859
29	Retained earnings (uncovered losses) of previous years		1 488 697 172	1 183 526 718
30	Unused profit (loss) for the reporting period		311 212 961	377 649 350
31	Total sources of equity		1 982 338 496	1 935 201 136
IV	OFF-BALANCE-SHEET LIABILITIES			
32	Irrevocable liabilities of the credit institution		8 908 307 537	4 418 106 644
33	Guarantees and sureties granted by the credit institution		1 625 269 457	1 248 567 468
34	Non-credit contingencies		37 087	4 448 150

CEO, Chairman of the Executive Board
Sberbank of Russia

Herman O. Gref _____
(Full Name)

(Signature)

Chief Accountant -
Director of the Accounting and Reporting
Department, Sberbank of Russia

M.Yu. Lukyanova _____
(Full Name)

L.S.

(Signature)

Territory code under OKATO	Code of the credit institution (branch)	
	under OKPO	registration number (reference number)
45293554000	00032537	1481

STATEMENT OF FINANCIAL PERFORMANCE
(published form)

for 2014 (incl. EARD)

of the credit institution: Sberbank of Russia Open Joint-Stock Company

Sberbank of Russia

Mailing Address: 19 Vavilova St., Moscow 117997

Form code under OKUD 0409807

Quarterly (Annual)

RUB'000

Line number	Item	Explanation number	Figures for the reporting period	Figures for the relevant period of the previous year
1	2	3	4	5
1	Total interest income, including:	6,1	1 661 885 356	1 339 004 869
1.1	From funds deposited with credit institutions		31 835 665	18 594 533
1.2	From loans granted to customers other than credit institutions		1 500 795 759	1 204 934 109
1.3	From provision of services related to leasing		0	0
1.4	From investments in securities		129 253 932	115 476 227
2	Total interest expenditure, including:	6,2	702 161 479	526 327 031
2.1	On deposits from credit institutions		189 112 244	85 073 571
2.2	On deposits from customers other than credit institutions		487 049 747	415 698 283
2.3	On debt securities in issue		25 999 488	25 555 177
3	Net interest income (negative interest margin)		959 723 877	812 677 838
4	Changes in the provisions for possible losses from loans, loan and equivalent debt, funds in correspondent accounts, as well as for accrued interest income, including:	3,2	-279 570 299	-39 730 874
4.1	Change in the provision for possible losses on interest income accrued		-2 403 074	-2 493 648
5	Net interest income (negative interest margin) less provisions for possible losses		680 153 578	772 946 964
6	Net income from operations with securities carried at fair value through profit or loss		-64 381 373	3 293 721
7	Net income from operations with securities available for sale	8,5	-12 662 037	7 712 218
8	Net income from operations with securities held to maturity		-617	-568
9	Net income from operations with foreign currency		-1 472 913	216 484
10	Net income from foreign currency revaluation		172 702 496	8 737 371
11	Income from participation in the capital of other legal entities		5 332 089	3 930 718
12	Fee and commission income	6,3	241 114 334	188 907 201
13	Fee and commission expenses	6,3	23 939 331	17 681 758
14	Change in the provision for possible losses on securities available for sale		78 023	-1 712
15	Change in the provision for possible losses on securities held to maturity		238 449	-1 797 855
16	Change in the provision for other losses		-11 517 623	-15 161 613
17	Other operating income		42 227 454	18 071 721
18	Net income (expenses)		1 027 872 529	969 172 892
19	Operating expenses	6,4	598 666 217	466 383 410
20	Profit (loss) before taxation		429 206 312	502 789 482
21	Tax compensation (expenses)	6,5	117 993 351	125 140 132
22	Income (loss) after taxation	6	311 212 961	377 649 350
23	Total distributions from profits after tax, including:		0	0
23.1	Distribution among shareholders (members) in the form of dividends		0	0
23.2	Deductions for formation and replenishment of reserve fund		0	0
24	Unused profit (loss) for the reporting period	6	311 212 961	377 649 350

CEO, Chairman of the Executive Board
Sberbank of Russia

Herman O. Gref

(Full Name) (Signature)

Chief Accountant -
Director of the Accounting and Reporting
Department, Sberbank of Russia

L.S.

M.Yu. Lukyanova

(Full Name) (Signature)

Bank Reporting		
Territory code under OKATO	Code of the credit institution (branch)	
	under OKPO	registration number (reference number)
45293554000	00032537	1481

STATEMENT OF CAPITAL ADEQUACY TO COVER RISKS, ALLOWANCE FOR DOUBTFUL LOANS AND OTHER ASSETS
(published form)
as of January 1, 2015 (incl. EARD)

of the credit institution: Sberbank of Russia Open Joint-Stock Company
Sberbank of Russia

Mailing Address: 19 Vavilova St., Moscow 117997

Form code under OKUD 0409808
Quarterly (Annual)

Section 1. Information on the capital adequacy

Line number	Item	Explanation number	Figures as of the start of the reporting year<4>	Increase (+)/ reduction (-) over the reporting period	Figures as of the reporting date
1	2	3	4	5	6
1	Total equity (capital) (RUB'000), total, including:	8	1 972 891 617	338 638 811	2 311 530 428
1.1	Sources of core capital:	8.1	1 584 392 213	294 685 453	1 879 077 666
1.1.1	Authorized capital, total, including authorized capital formed through:		8 710 844	0	8 710 844
1.1.1.1	Ordinary shares		8 710 844	0	8 710 844
1.1.1.2	Preferred shares		0	0	0
1.1.2	Paid-in capital in excess of par value		228 054 226	0	228 054 226
1.1.3	Reserve fund		3 527 429	0	3 527 429
1.1.4	Retained earnings:		1 344 099 714	294 685 453	1 638 785 167
1.1.4.1	of previous years		1 207 311 262	280 141 863	1 487 453 125
1.1.4.2	of the reporting year		136 788 452	14 543 590	151 332 042
1.2	Items decreasing the sources of core capital:		0	x	251 514 673
1.2.1	Intangible assets		0	x	3 284 168
1.2.2	Deferred tax assets		0	0	0
1.2.3	Treasury shares (interests) redeemed from shareholders (members)		0	0	0
1.2.4	Losses:		0	0	0
1.2.4.1	of previous years		0	0	0
1.2.4.2	of the reporting year		0	0	0
1.2.5	Investment in capital of financial institutions:		0	x	24 866 198
1.2.5.1	Non-material		0	0	0
1.2.5.2	Material		0	x	24 866 198
1.2.5.3	aggregate amount of essential investments and aggregate amount of deferred tax assets		0	0	0
1.2.6	Negative value of additional paid-in capital		0	x	223 364 307
1.2.7	Obligations on acquisition of core capital sources		0	0	0
1.2.8	Funds received against payment of shares (interests), included into the core capital structure		0	0	0
1.3	Core capital		1 584 392 213	43 170 780	1 627 562 993
1.4	Sources of additional paid-in capital:	8.1	0	0	0
1.4.1	Authorized capital formed through preferred shares, total, including:		0	0	0
1.4.1.1	those issued in accordance with Federal Law No.181-FZ "On the use of government securities of the Russian Federation for increasing the banks' capitalization" of July 18, 2009<1>		0	0	0
1.4.2	Paid-in capital in excess of par value		0	0	0
1.4.3	Subordinated loan with additional terms		0	0	0
1.4.4	Subordinated loan (deposit, loan, bond loan) without limitation of maturity period		0	0	0
1.5	Items decreasing the sources of additional paid-in capital		0	0	0
1.5.1	Investments in equity preferred shares		0	0	0
1.5.2	Investment in capital of financial institutions:		0	0	0
1.5.2.1	Non-material		0	0	0
1.5.2.2	Material		0	0	0
1.5.3	Subordinated loan (deposit, loan, bond loan) provided to financial institutions		0	0	0
1.5.3.1	Non-material		0	0	0
1.5.3.2	Material		0	0	0
1.5.4	Negative value of additional capital		0	0	0
1.5.5	Obligations on acquisition of additional paid-in capital sources		0	0	0
1.5.6	Funds received against payment of shares, as included into the additional paid-in capital structure		0	0	0
1.6	Additional paid-in capital		0	0	0
1.7	Fixed capital		1 264 002 738	363 560 255	1 627 562 993
1.8	Sources of additional capital:	8.1	708 888 879	9 193 825	718 082 704
1.8.1	Authorized capital formed through preferred shares, total, including:		45 000	-5 000	40 000
1.8.1.1	After March 1, 2013		0	0	0
1.8.2	Authorized capital formed through capital gains capitalization		59 000 000	0	59 000 000
1.8.3	Profit:		175 631 260	-62 008 391	113 622 869
1.8.3.1	of current year		175 631 260	-62 008 391	113 622 869
1.8.3.2	of previous years		0	0	0
1.8.4	Subordinated loan (deposit, loan, bond loan), total, including:	8.1	391 641 760	73 241 760	464 883 520
1.8.4.1	raised (placed) before March 1, 2013		58 912 560	-6 545 840	52 366 720
1.8.4.2	provided in accordance with Federal Law No.173-FZ "On additional measures to support the financial system of the Russian Federation" of October 13, 2008 <2> and Federal Law No.175-FZ "On additional measures to strengthen the stability of the banking system in the period up to December 31, 2014" of October 27, 2008. <3>		300 000 000	0	300 000 000
1.8.5	Capital gain		82 570 859	-2 034 544	80 536 315
1.9	Items decreasing the sources of additional capital:		0	x	34 115 263
1.9.1	Investments in equity preferred shares		0	0	0
1.9.2	Investment in capital of financial institutions:		0	x	1 509
1.9.2.1	Non-material		0	0	0
1.9.2.2	Material		0	x	1 509
1.9.3	Subordinated loan (deposit, loan, bond loan) provided to financial institutions		0	x	34 113 732
1.9.3.1	Non-material		0	0	0
1.9.3.2	Material		0	x	34 113 732
1.9.4	Obligations on acquisition of additional capital sources		0	0	0
1.9.5	Funds received against payment of shares, as included into the additional capital structure		0	0	0
1.10	Items reducing the amount of fixed and additional capital		0	x	28
1.10.1	Accounts receivable overdue for more than 30 calendar days		0	x	28

1.10.2	Subordinated loans with value not exceeding 1% from authorized capital value of the borrowing credit institution		0	0	0
1.10.3	Excess of the aggregate amount of loans, banking guarantees and sureties, provided to own participants (shareholders) and insiders, over its maximum size in accordance with federal laws and regulations of the Bank of Russia		0	0	0
1.10.4	Excess of investments in construction, manufacture and acquisition of fixed assets over the sum of fixed and additional capital sources		0	0	0
1.10.5	Excess of the actual value of share of the participant retired from a limited liability company over the cost at which the share was sold to another participant of a limited liability company		0	0	0
1.11	Additional capital		708 888 879	-24 921 444	683 967 435
2	Risk-weighted assets (RUB'000), total <5>, including:		x	x	x
2.1	those necessary for defining the core capital adequacy	8,2	15 735 858 495	4 006 646 897	19 742 505 392
2.2	those necessary for defining the fixed capital adequacy	8,2	15 735 858 495	4 006 646 897	19 742 505 392
3	Capital adequacy (percent) <5>:		x	x	x
3.1	Core capital adequacy	8,3	10,1	x	8,2
3.2	Fixed capital adequacy	8,3	8,0	x	8,2
3.3	Equity (capital) adequacy	8,3	12,5	x	11,6

<1> Federal Law No. 181-FZ "On the use of government securities of the Russian Federation for increasing the banks' capitalization" of July 18, 2009 (Compendium of Legislation of the Russian Federation, 2009, No. 29, item 3618; 2012, No. 31, item 4334, No. 52, item 6961).

<2> Federal Law No. 173-FZ "On additional measures to support the financial system of the Russian Federation" of October 13, 2008 (Compendium of Legislation of the Russian Federation, 2008, No. 42, item 4698; 2009, No. 29, item 3605; No. 48, item 5729; No. 52, item 6437; 2010, No. 8, item 776; No. 21, item 2539; No. 31, item 4175).

<3> Federal Law No. 175-FZ "On additional measures to strengthen the stability of the banking system in the period up to December 31, 2014" of October 27, 2008 (Compendium of Legislation of the Russian Federation, 2008, No. 44, item 4981; 2009, No. 29, item 3630; 2011, No. 49, item 7059; 2013, No. 19, item 2308).

<4> Data as of the beginning of the year corresponds to the data in the reporting forms 0409123 and 0409124 as of January 1, 2014, prepared in accordance with the requirements of the Bank of Russia Regulations No. 395-P of December 28, 2012 and the Bank of Russia Ordinance No. 3054-U of September 4, 2013. In this case, line 1.7 includes the items in the amount of RUB 320 billion that reduce fixed capital sources.

<5> The values of capital adequacy ratios are calculated based on the principles set out in the Bank of Russia Letter No. 211-T of December 18, 2014.

Section 2. Information on the amount of credit, operational and market risks covered by capital

Subsection 2.1 Credit Risk

RUB'000

Line number	Item	Explanation number	Figures as of the reporting date <5>			Figures as of the relevant reporting date of the previous year		
			Cost of assets (instruments)	Assets (instruments) before provisions for possible losses	Cost of risk-weighted assets (instruments)	Cost of assets (instruments)	Assets (instruments) before provisions for possible losses	Cost of risk-weighted assets (instruments)
1	2	3	4	5	6	7	8	9
1	Credit risk on assets recorded in the balance sheet accounts	8,2	16 057 509 949	15 387 999 786	11 082 326 791	14 120 583 377	13 569 345 018	9 863 374 563
1.1	Assets with risk coefficient of <1> 0 percent, total, including:		3 152 063 633	3 150 863 829	0	2 845 239 376	2 842 264 557	0
1.1.1	cash and required reserves deposited with the Bank of Russia		1 286 024 434	1 286 024 434	0	828 287 589	828 287 589	0
1.1.2	credit claims and other claims secured by guarantees of the Russian Federation, the Russian Ministry of Finance and the Bank of Russia and the pledge of government debt securities of the Russian Federation, the Russian Ministry of Finance and the Bank of Russia		383 638 011	383 193 259	0	275 076 514	272 332 033	0
1.1.3	credit claims and other claims to the central banks and governments of countries with a country risk assessment of "0", "1" <2>, including those secured by the guarantees of these countries, etc.		0	0	0	152 751	152 751	0
1.2	Assets with risk coefficient of 20 percent, total, including:		1 255 138 076	1 244 766 120	248 953 224	894 017 072	826 781 249	165 356 250
1.2.1	credit claims and other claims to the subjects of the Russian Federation, municipal entities, and to other entities secured by guarantees and pledge of securities of the subjects of the Russian Federation and municipal entities		767 683 185	765 339 885	153 067 977	662 096 102	594 891 611	118 978 322
1.2.2	credit claims and other claims to the central banks and governments of countries with a country risk assessment of "2", including those secured by their guarantees (pledge of securities)		0	0	0	0	0	0
1.2.3	credit claims and other claims to credit institutions that are residents of countries with a country risk assessment of "0", "1" that have long-term credit ratings <3>, including those secured by their guarantees		447 999 132	439 968 504	87 993 701	143 795 146	143 795 146	28 759 029
1.3	Assets with a risk coefficient of 50 percent, total, including:		325 231 830	321 894 745	160 947 373	408 056 797	407 485 149	203 742 575
1.3.1	credit claims and other foreign currency-denominated claims secured by guarantees of the Russian Federation, the Russian Ministry of Finance and the Bank of Russia and the pledge of government debt securities of the Russian Federation, the Russian Ministry of Finance and the Bank of Russia denominated in foreign currency		46 736 621	46 625 036	23 312 518	39 342 888	38 796 852	19 398 426
1.3.1	credit claims and other claims to the central banks and governments of countries with a country risk assessment of "3", including those secured by their guarantees (pledge of securities)		348 886	348 886	174 443	0	0	0
1.3.3	credit claims and other claims to credit institutions that are residents of countries with a country risk assessment of "0", "1", not having long-term credit ratings, and to credit institutions that are residents of countries with a country risk assessment of "2", including those secured by their guarantees		113 056 262	113 056 262	56 528 131	98 465 703	98 465 703	49 232 852
1.4	Assets with risk coefficient of 100 percent, total, including:		11 321 174 205	10 666 572 887	10 666 572 887	9 970 346 783	9 489 890 714	9 489 890 714
1.4.1	loan debts of legal entities <4>		6 511 018 241	6 023 805 736	6 023 805 736	x	x	x
1.5	Assets with risk coefficient of 150 percent - credit claims and other claims to the central banks and governments of countries with a country risk assessment of "7"		3 902 205	3 902 205	5 853 307	2 923 349	2 923 349	4 385 024
2	Assets with higher risk coefficients, total, including:	8,2	3 773 227 542	3 597 186 038	3 908 058 279	2 232 515 901	2 123 086 254	2 452 208 572
2.1	those with a risk coefficient of 110 percent		2 574 509 167	2 460 287 056	2 202 709 806	1 428 602 454	1 371 763 009	1 325 223 705
2.2	those with a risk coefficient of 150 percent		1 198 718 375	1 136 898 982	1 705 348 473	803 913 447	751 323 245	1 126 984 867
3	Loans for consumer purposes, total, including:	8,2	80 043 164	73 540 799	80 947 743	63 375 602	61 873 413	68 094 866
3.1	those with a risk coefficient of 110 percent		79 938 053	73 441 212	80 785 334	63 312 100	61 814 790	67 996 268
3.2	those with a risk coefficient of 140 percent		72 212	68 104	95 346	8 016	4 049	5 669
3.3	those with a risk coefficient of 170 percent		23 623	23 087	39 247	54 762	54 065	91 911
3.4	those with a risk coefficient of 200 percent		0	0	0	724	509	1 018
3.5	those with a risk coefficient of 300 percent		8 068	7 520	22 561	0	0	0
3.6	those with a risk coefficient of 600 percent		1 208	876	5 255	0	0	0
4	Credit risk on credit related commitments, total, including:	8,2	3 307 247 585	3 270 728 064	1 460 133 469	2 974 605 304	2 944 951 447	1 202 907 412
4.1	on financial instruments with high risk		1 465 318 220	1 447 736 936	1 440 261 444	1 182 356 663	1 177 147 122	1 161 827 413
4.2	on financial instruments with average risk		5 685 959	5 114 718	2 425 868	47 066 762	46 957 558	23 489 839
4.3	on financial instruments with low risk		87 190 737	87 190 737	17 446 157	87 829 575	87 781 826	17 590 160
4.4	on financial instruments without risk		1 749 052 669	1 730 685 673	0	1 657 352 304	1 633 064 941	0
5	Credit risk on derivative financial instruments		400 031 812	400 031 812	612 261 978	88 153 435	88 153 435	114 948 011

<1> Classification of assets by risk group is provided in accordance with Clause 2.3 of the Bank of Russia Instruction No. 139-I.

<2> Country risk assessments are indicated in accordance with the classification provided by Export Credit Agencies participating in the Arrangement on Officially Supported Export Credits signed by the member countries of the Organization for Economic Cooperation and Development (OECD) (the information on country risk assessments is published in the Banking Supervision section on the official website of the Bank of Russia).

<3> The long-term credit ratings of a credit institution are determined based on the ratings assigned by international rating agencies: Standard & Poor's, Fitch Rating's or Moody's Investors Service.

<4> Information as of January 1, 2014 is not included given that the reporting for 2013 has no relevant details, while the efforts required for collecting this information are too high.

<5> Information indicated as of the reporting date in Sections 1-4 is calculated based on the principles set out in the Bank of Russia Letter No. 211-T of December 18, 2014.

Subsection 2.2: Operational Risk

RUB'000 (Qty)

Line number	Item	Explanation number	Data as of the reporting date	Figures as of the relevant reporting date of the previous year
1	2	3	4	5
6	Operational risk, total including:	8,2	130 794 311	111 864 575
6.1	Income for the purpose of calculating the capital to cover the operational risk, total, including:		871 962 076	745 763 636
6.1.1	Net interest income		694 475 679	591 194 139
6.1.2	Net non-interest income		177 486 397	154 569 497
6.2	Number of years preceding the date of calculating the operational risk		3	3

Subsection 2.3: Market Risk

RUB'000				
Line number	Item	Explanation number	Data as of the reporting date	Figures as of the relevant reporting date of the previous year
1	2	3	4	5
7	Aggregate market risk, total, including:	8,2	207 334 314	261 007 112
7.1	Interest risk, total, <1>, including:		12 731 635	9 107 879
7.1.1	General		11 427 925	5 576 925
7.1.2	Special		1 303 710	3 530 954
7.2	Stock market risk, total including:		0	167 510
7.2.1	General		0	83 755
7.2.2	Special		0	83 755
7.3	Currency risk		48 188 876	145 064 749

<1> Information as of the reporting date is calculated based on the principles set out in the Bank of Russia Letter No. 211-T of December 18, 2014.

Section 3. Information on amount of reserves for covering problem loans and other assets

RUB'000					
Line number	Item	Explanation number	Figures as of the start of the reporting year	Increase (+)/reduction (-) over the reporting period	Figures as of the reporting date
1	2	3	4	5	6
1	Actual provisions for possible losses, total including:	9,2	647 111 333	225 644 473	872 755 806
1.1	loans, lending and similar receivables		592 276 942	220 884 675	813 161 617
1.2	other balance sheet assets related to risk of possible losses, and other losses		23 833 699	-770 010	23 063 689
1.3	credit related commitments and securities, the rights to which are certified by depositories not meeting the Bank of Russia's criteria reflected in the off-balance accounts		30 557 469	5 954 668	36 512 137
1.4	for operations with offshore residents		443 223	-424 860	18 363

Reference section

Information on the flow of provisions for loans, lending and similar receivables (explanation number: 5.3)

1	Creation (additional charge) of provisions in the reporting period (RUB'000), total, (explanation number: 5.3)	549 219 963
	including as a result of:	
1.1	loans issued	167 806 488
1.2	changes in loan quality	317 162 133
1.3	change in the official currency exchange rate against the ruble, as set by the Bank of Russia	7 035 337
1.4	other reasons	57 216 005
2	Recovery (decrease) of provisions in the reporting period (RUB'000), total, (explanation number: 5.3)	328 335 288
	including as a result of:	
2.1	loans written of as uncollectible	58 846 442
2.2	repayment of loans	205 607 839
2.3	changes in loan quality	53 447 217
2.4	change in the official currency exchange rate against the ruble, as set by the Bank of Russia	0
2.5	other reasons	10 433 790

CEO, Chairman of the Executive Board,
Sberbank of Russia

Herman O. Gref _____
(Full Name) (Signature)

Chief Accountant -
Director of the Accounting and Reporting
Department, Sberbank of Russia

Marina Yu. Lukyanova _____
(Full Name) (Signature)

L.S.

Bank Reporting		
Territory code under OKATO	Code of the credit institution (branch)	
	under OKPO	registration number (reference number)
45293554000	00032537	1481

STATEMENT OF OBLIGATORY RATIOS
(published form)

as of January 1, 2015 (incl. EARD)

of the credit institution: Sberbank of Russia Open Joint-Stock Company

Sberbank of Russia

Mailing Address: 19 Vavilova St., Moscow 117997

Form code under OKUD 0409813
Quarterly (Annual)
as a percentage

Line number	Item	Explanation number	Regulatory requirement	Actual value			
				as of the reporting date <1>		as of the relevant reporting date of the previous year <2>	
1	2		3	4		5	
1	Core capital adequacy ratio (R1.1)	8.3	5,0		8,2		10,1
2	Fixed capital adequacy ratio (R1.2)	8.3	5,5		8,2		8,0
3	Equity adequacy ratio of the bank (R1.0)	8.3	10,0		11,6		12,5
4	The equity adequacy ratio of the non-banking credit organization entitled to make transfers of funds without opening bank accounts and other related bank transactions (R1.1)						
5	Instant liquidity ratio of the bank (R2)	9.3	15,0		74,3		53,6
6	Current liquidity ratio of the bank (R3)	9.3	50,0		66,4		58,5
7	Long-term liquidity ratio of the bank (R4)	9.3	120,0		111,2		102,5
8	Maximum risk limit per borrower or group of related borrowers (R6)	9.2	25,0	maximum	19,2	maximum	17,3
				minimum	0,2	minimum	0,1
9	Maximum limit of large credit risks (R7)	9.2	800,0		207,5		128,8
10	Maximum amount of loans, bank guarantees and warranties issued by the bank to its members (shareholders) (R9.1)		50,0		0,0		0,0
11	Aggregate risk ratio of the bank's insiders (R10.1)		3,0		1,0		1,1
12	Ratio of the bank's equity (capital) used for purchasing shares (interests) in other legal entities (R12)		25,0		9,5		0,9
13	Ratio of the amount of liquid assets with maturity within the next 30 calendar days against the amount of liabilities of non-bank settlement credit institutions (R15)						
14	The liquidity ratio of the non-banking credit institution entitled to make transfers of funds without opening bank accounts and other related bank transactions (R15.1)						
15	Ratio of maximum aggregate loans to customers involved in settlements for completion of settlement (R16)						
16	Ratio of loans to borrowers, other than those involved in settlements, from non-bank settlement credit institutions on their own behalf or for their own account (R16.1)						
17	Minimum ratio of mortgage cover and mortgage backed bonds in the issue (R18)						

<1> The values of capital adequacy ratios are calculated based on the principles set out in the Bank of Russia Letter No. 211-T of December 18, 2014.

<2> The values of capital adequacy ratios correspond to the data from reporting form 0409124 as of January 1, 2014, prepared in accordance with the requirements of the Bank of Russia Regulations No. 395-P of December 28, 2012.

CEO, Chairman of the Executive Board,
Sberbank of Russia

Herman O. Gref _____
(Full Name) (Signature)

Chief Accountant -
Director of the Accounting and Reporting
Department, Sberbank of Russia

L.S.
M.Yu. Lukyanova _____
(Full Name) (Signature)

Territory code under OKATO	Code of the credit institution (branch)	
	under OKPO	registration number (reference number)
45293554000	00032537	1481

STATEMENT OF CASH FLOWS
(published form)
as of January 1, 2015

of the credit institution: Sberbank of Russia Open Joint-Stock Company

Sberbank of Russia

Mailing Address: 19 Vavilova St., Moscow 117997

Form code 0409814

Quarterly (Annual)

RUB'000

No.	Item	Explanation number	Cash flow for the reporting period	Cash flow for the relevant reporting period of the previous year
1	2	3	4	5
1	Net cash obtained from (used in) operating activities			
1.1	Total cash received from (used in) operating activities before changes in the operating assets and liabilities, including:		453 577 620	475 953 990
1.1.1	Interest received		1 633 521 887	1 320 623 730
1.1.2	Interest paid		-660 681 744	-499 444 804
1.1.3	Commission fee received		237 539 905	186 587 167
1.1.4	Commission fee paid		-23 106 936	-16 574 578
1.1.5	Income less expenses for operations with financial assets at fair value through profit or loss, available for sale		-101 968 858	-1 917 150
1.1.6	Income less expenses from operations with securities held to maturity		0	0
1.1.7	Income less expenses for operations with foreign currency		-1 444 415	216 288
1.1.8	Other operating income		19 237 124	17 200 173
1.1.9	Operating expenses		-533 852 926	-405 927 906
1.1.10	Tax expenses (compensation)		-115 666 417	-124 808 930
1.2	Total increase (decrease) of net cash from operating assets and liabilities, including:		206 525 282	-78 309 388
1.2.1	Net increase (decrease) of required reserves with the Bank of Russia		-30 392 956	10 244 380
1.2.2	Net increase (decrease) of investments in securities at fair value through profit or loss		-61 517 040	-20 633 156
1.2.3	Net increase (decrease) of lending receivables		-2 495 187 378	-2 080 679 978
1.2.4	Net increase (decrease) of other assets		-72 536 711	-158 820 560
1.2.5	Net increase (decrease) of loans, deposits and other facilities of the Bank of Russia		1 525 067 615	599 061 610
1.2.6	Net increase (decrease) in deposits of other credit institutions		-95 608 358	-7 312 384
1.2.7	Net increase (decrease) in deposits of customers other than credit institutions		1 355 257 744	1 518 359 764
1.2.8	Net increase (decrease) of financial liabilities at fair value through profit or loss		0	0
1.2.9	Net increase (decrease) of issued debt instruments		97 614 546	73 136 486
1.2.10	Net increase (decrease) of other liabilities		-16 172 180	-11 665 550
1.3	Totals of section 1 (item 1.1 + item 1.2)		660 102 902	397 644 602
2	Net cash obtained from (used in) investing activities			
2.1	Acquisition of securities and other financial assets pertaining to category "available for sale"		-180 191 782	-564 794 533
2.2	Proceeds from sale and redemption of securities and other financial assets categorized as "available for sale"		193 588 128	234 929 806
2.3	Acquisition of securities categorized as "held to maturity"		-7 723 859	-28 921 380
2.4	Cash received from redemption of securities "held to maturity"		83 894 704	105 870 090
2.5	Acquisition of fixed assets, intangible assets and inventory		-61 390 190	-81 931 309
2.6	Proceeds from sale of fixed assets, intangible assets and inventory		7 316 329	4 180 609
2.7	Dividends received		5 114 565	3 950 011
2.8	Totals for section 2 (sum of lines 2.1 to 2.7)		40 607 895	-326 716 706
3	Net cash obtained from (used in) financing activities			
3.1	Shareholders' (members') contributions to the authorized capital		0	0
3.2	Acquisition of equity shares (stocks) redeemed from the shareholders (members)		0	0
3.3	Sale of equity shares (stocks) redeemed from the shareholders (members)		0	0
3.4	Paid dividends	3.4, 8.4	-72 126 514	-58 490 206
3.5	Totals of section 3 (sum of lines 3.1 to 3.7)		-72 126 514	-58 490 206
4	Impact of changes to the official currency exchange rates against the ruble set by the Bank of Russia on cash and cash equivalents		86 649 889	30 337 153
5	Increase (use) of cash and cash equivalents		715 234 172	42 774 843
5.1	Cash and cash equivalents as of the beginning of the reporting period	5.1	1 107 487 579	1 064 712 736
5.2	Cash and cash equivalents as of the end of the reporting period	5.1	1 822 721 751	1 107 487 579

CEO, Chairman of the Executive Board,
Sberbank of Russia

Herman O. Gref _____
 (Full Name) (Signature)

Chief Accountant -
Director of the Accounting and Reporting
Department, Sberbank of Russia

L.S.

Marina Yu. Lukyanova _____
 (Full Name) (Signature)

Explanatory Information to the Annual Accounting (Financial) Statements of Sberbank of Russia for 2014

**Prepared pursuant to Directive
No. 3081-U of the Bank of Russia “On
Disclosures by Lending Institutions
Related to Their Operations” dated
October 25, 2013**

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This Explanatory Information:

- is an integral part of the annual financial statements³³ of Sberbank of Russia³⁴ for the year 2014, prepared pursuant to effective Russian Federation legislation³⁵;
- provides for the disclosure of material information on Sberbank of Russia's operations that has not been presented as part of the forms of annual statements;
- is based on statutory reporting forms³⁶, as well as other forms of the Bank, prepared under Russian Accounting Standards³⁷, and does not include the information from consolidated financial statements of the Banking Group of Sberbank of Russia³⁸;
- takes into account events after the reporting date.
- is presented in RUB millions, unless otherwise specified;
- includes comparable figures for 2013 and 2014 reporting periods;

Sberbank's annual statements contain the following: Balance Sheet, Statement of Financial Performance, Statement of Capital Adequacy to Cover Risks, Allowance for Doubtful Loans and Other Assets, Statement of Obligatory Ratios, Statement of Cash Flows, and Explanatory Information. The annual statements are posted on the official website of Sberbank of Russia at www.sberbank.ru.

³³ Hereinafter referred to as annual statements.

³⁴ Hereinafter referred to as Sberbank of Russia, Sberbank or the Bank.

³⁵ The Bank of Russia's Directive No. 3054-U dated September 4, 2013, "On the Procedure for Preparing Annual Accounting (Financial) Statements by Credit Institutions"; Directive No. 3081-U of the Bank of Russia "On Disclosures by Lending Institutions Related to Their Operations" dated October 25, 2013.

³⁶ The Bank of Russia's Directive No. 2332-U dated November 12, 2009, "On the List, Forms and Procedure for Preparing and Submitting Reporting Forms by Credit Institutions to the Central Bank of the Russian Federation".

³⁷ Hereinafter referred to as RAS.

³⁸ Hereinafter referred to as the Group, Sberbank Group.

General Information

Full corporate name of the Bank: Открытое акционерное общество «Сбербанк России» (Sberbank of Russia Open Joint-Stock Company).

Short corporate name of the Bank: Sberbank of Russia.

Registered address: 19 Vavilova St., Moscow 117997, Russia.

Sberbank of Russia Banking Group

During 2014, the number of members of the banking Group changed by 17, and as of January 1, 2015, is 221 companies.

	<i>Jan 1, 15</i>	<i>Jan 1, 14</i>
Number of members of the banking Group, including	221	204
Direct control	42	36
Indirect control	176	165
Indirect control and, at the same time, direct participation	3	3

The Bank draws up its consolidated statements under RAS in accordance with the Accounting Policy of Sberbank of Russia Banking Group. The consolidated reports of Sberbank of Russia Group as of January 1, 2015, include reports of 105 entities:

<i>Company</i>	<i>Share of control by the Group</i>
<i>Direct control by the Bank</i>	
1 Sberbank Leasing Closed Joint-Stock Company	100.0000 %
2 Sberbank Capital Limited Liability Company	100.0000 %
3 Subsidiary Bank Sberbank of Russia	99.9977 %
4 Public Joint-Stock Company Subsidiary Bank of Sberbank of Russia (group of companies)*	100.0000 %
5 Sberbank Investments Limited Liability Company	100.0000 %
6 Sberbank – Automated Trading System Closed Joint-Stock Company	100.0000 %
7 BPS-Sberbank Open Joint Stock Company (group of companies)*	98.4266 %
8 Promising Investments Limited Liability Company (group of companies)*	100.0000 %
9 SB International S.a.r.l. (group of companies)*	100.0000 %
10 Sberbank Europe AG (group of companies)*	100.0000 %
11 Sberbank Finance Limited Liability Company	100.0000 %
12 Cetelem Bank Limited Liability Company	74.0000 %
13 Denizbank Anonim Sirketi (group of companies)*	99.8526 %
14 Auction Limited Liability Company	100.0000 %
15 Closed joint-stock company Sberbank Private Pension Fund	75.0007 %
16 Sberbank Life Insurance Company Ltd.	100.0000 %
<i>Indirect control by the Bank</i>	
1 Krasnaya Polyana Non-Public Joint-Stock Company	96.9140 %
2 Derways Automobile Limited Liability Company	51.0000 %
3 Kiparisiana Investment LTD	100.0000 %
4 Mosstroyvozhrozhdeniye Open Joint-Stock Company	50.0000 %
5 SVK Holding Limited Liability Company	99.9999 %
6 Manzherok Ski Resort Closed Joint-Stock Company	85.2174 %

<i>Company</i>	<i>Share of control by the Group</i>
7 Sberbank (Switzerland) AG	99.1450 %
8 Private Limited Liability Company GeoProMining Investment (CYP) Limited	25.7418 %

** Companies that submit reports by subgroups (in aggregate, the subgroups have 87 companies, including parent companies).*

The remaining 116 companies have no material impact on financial indicators of the Bank.

Through its network of subsidiary banks and finance companies, the Bank is present in the markets of other countries:

- subsidiary banks: in the Republic of Kazakhstan, Ukraine, the Republic of Belarus, Switzerland, Austria, the Czech Republic, Slovakia, Hungary, Croatia, Serbia, Slovenia, Bosnia and Herzegovina, Banja Luka within Bosnia and Herzegovina, Turkey, Germany and Bahrain.
- finance companies: in the Republic of Kazakhstan, Ukraine, Ireland, the United States, the United Kingdom and Cyprus.

Within their regions of presence, subsidiary banks offer a wide range of banking services to retail and corporate customers, and perform operations in financial markets. All operations are made under licenses obtained from national regulators. The finance companies provide services in accordance with their specialization.

In addition, the Bank performs a range of functions through two foreign representative offices located in Germany and China. These representative offices are not directly involved in banking operations, but contribute to promoting the business of the Bank and its customers in the regions of its presence.

This Explanatory Information is included in the annual financial statements of Sberbank under RAS for 2014 and does not include the consolidated statements of the Group or individual reporting data of the Group's members.

The consolidated financial statements of Sberbank of Russia prepared under the International Financial Reporting Standards (hereinafter, "IFRS") are disclosed on the official website of Sberbank at: www.sberbank.ru.

Brief Description of Activities of the Bank

1.1. Nature of Operations and Principal Areas of Activities of the Bank

Sberbank's core business is banking operations:

- Operations with corporate customers: maintaining settlement and current accounts, opening deposits, offering financing, granting guarantees, supporting export and import operations, cash collection service, conversion services, money transfers to corporate customers etc.
- Operations with retail customers: accepting funds as deposits and investments into the Bank's securities, loans, bank card services, operations with precious metals, buying and selling foreign currencies, payments, money transfers, custody of valuables etc.
- Operations on financial markets: with securities, derivative financial instruments, foreign currency; investment and raising of funds on the interbank market and capital markets, etc.

The Bank operates under General License No. 1481 for Banking Operations, issued by the Bank of Russia on August 8, 2012. Moreover, Sberbank has licenses for banking operations of attraction of deposits and placing of precious metals, other operations with precious metals, licenses to a professional participant of the securities market to act as a broker, a dealer, a depositary, and a securities manager.

Sberbank has been a member of the deposit insurance system since January 11, 2005. Pursuant to Russian laws, the Bank makes quarterly insurance payments to the Fund of Mandatory Deposit Insurance. In 2014, the Bank incurred RUB 30.5 billion of expenses for deductions to this Fund, which exceeded the 2013 figure by 14.9 % due to a higher volume of funds raised from individuals.

1.2. Key Performance Indicators for 2014

The year 2014 was completed by Sberbank with the following economic figures³⁹:

<i>RUB million</i>	<i>Jan 1, 15</i>	<i>Jan 1, 14</i>
Assets	21,746,760	16,275,097
<u>Capital</u> ⁴⁰	2,311,530	1,972,892

	<i>2014</i>	<i>2013</i>
Earnings before tax	429,206	502,789
Earnings after tax	311,213	377,649

In 2014, the Bank's assets mainly grew due to loans to legal entities and individuals: Net loans receivable contributed to 71.5 % of the growth in assets. The balance sheet items growth was significantly influenced by a positive revaluation of their currency component due to the ruble exchange rate weakening against the major foreign currencies: US dollar exchange rate increased for 2014 by 71.9 % to reach RUB 56.3/US dollar, euro exchange rate – by 52.0 % up to RUB 68.3/Euro.

³⁹ Hereinafter, figures represented in tables may differ from estimates as a result of rounded data.

⁴⁰ The capital was calculated in accordance with Regulation No. 395-P “On Methods for Defining the Value and Assessing the Adequacy of Equity (Capital) of Credit Organizations (Basel III)” approved by the Bank of Russia on December 28, 2012 (hereafter, Bank of Russia Regulation No. 395-P)

Capital calculated according to the Bank of Russia Regulation No. 395-P increased for 2014 by RUB 339 billion and amounted to RUB 2,312 billion.

Key factors increasing the capital are as follows: earned net profit in the amount of RUB 311 billion, placement of subordinated bonds in the amount of USD 1 billion, and reduction of deductions of investments in ordinary shares of companies in accordance with the requirements of the transition period under Basel III. Since January 1, 2014, investment in ordinary shares reduce the capital only in terms of investments in the capital of financial institutions in excess of 10 % of core capital, accounted for in the amount of 20 % of the corresponding amount and in full accounted for in the amount of 80 % of the corresponding amount, in accordance with the requirements of Regulation No. 395-P.

Key factors reducing the capital: payment of announced dividend for 2013 in the amount of RUB 72.3 billion and deduction of subordinated loans to subsidiary banks. Since January 1, 2014, subordinated loans to subsidiary banks reduce the capital both in terms of subordinated loans to residents and in terms of subordinated loans to non-residents. In this case, granted subordinated loans reduce capital in terms of subordinated loans to non-resident subsidiary banks, accounted for in the amount of 20 % of the corresponding amount, and in terms of subordinated loans to resident subsidiary banks deducted in full appropriate amount, in accordance with the requirements of Regulation No. 395-P.

The capital dynamics was also influenced by the Bank's gradual transition to the Basel III requirements. The transition to the new requirements on accounting for investments in financial stocks, accounting for revaluation of securities and accounting for granted subordinated loans shall be carried out gradually over a period of 5 years, in accordance with the requirements of the Bank of Russia, beginning from 2014. These factors affect the capital in different directions.

In June 2014, the Bank raised a subordinated loan from the Bank of Russia in the amount of RUB 200 billion under Federal Law No. 173-FZ⁴¹ to finance its active operations. This loan is not considered for calculation of regulatory capital of Sberbank in accordance with the requirements of Regulation of the Bank of Russia No. 395-P, but at the same time it increases the total capital adequacy of the Group's consolidated financial statements under IFRS⁴².

In the fourth quarter of 2014, risk-weighted assets of the Bank increased materially due to the revaluation of foreign-exchange holdings as a result of ruble depreciation. The growth of these assets had a negative impact on **capital adequacy ratios**, but Sberbank did not violate the limits set by the Bank of Russia, including as of dates within the month. In December 2014, the Bank of Russia published Letter¹¹, which allows the banks to use the exchange rate as of October 1, 2014, for the calculation of capital adequacy up to July 1, 2015, for transactions in foreign currencies recorded by December 31, 2014. When using this measure, the total capital adequacy ratio of Sberbank (R1.0) as of January 1, 2015 was 11.6 %, down for the year by 0.9 percentage point.

The main part of the Bank's income falls to interest and commission income. The volume of interest income increased by 24.1 %, as compared with 2013, to reach RUB 1,661.9 billion, mainly due to lending to customers. Income from commission operations increased by 27.6 % to reach RUB 241.1 billion, due to various business areas, but most of all due to operations with bank cards.

In 2014, the Bank's expenses for creation of loan provisions amounted to RUB 279.6 billion, seven times more than the figure for 2013 (RUB 39.7 billion). The growth of expenses on loan provisions is caused by the following factors:

⁴¹ Federal Law No. 173-FZ “On Additional Measures to Support the Financial System of the Russian Federation”, dated October 13, 2008.

⁴² IFRS – International Financial Reporting Standards

¹¹ The Bank of Russia Letter No. 211-T, dated December 18, 2014, “On the Specifics of Applying the Bank of Russia Regulations”

- increase in the loan portfolio required the creation of provisions for new issues within existing approaches to provisioning;
- ruble depreciation required the creation of additional provisions for foreign currency loans without deteriorating related quality;
- general market deterioration of quality of the loan portfolio of both corporate and retail customers against the background of the current macro-economic situation;
- the one-time provisioning for several relatively heavy borrowers;
- the provisioning for Ukrainian borrowers, because of the complicated situation in Ukraine.

Large spending on provisions became the main reason for reduction of the Bank's profit. Profit before tax decreased by 14.6 %, as compared to 2013, and amounted to RUB 429.2 billion. Profit after tax decreased by 17.6 % to reach RUB 311.2 billion.

Ratings assigned to Sberbank by international agencies:

	<i>March 11, 15*</i>		<i>Jan 1, 15</i>		<i>Jan 1, 14</i>	
	<i>Fitch Ratings</i>	<i>Moody's</i>	<i>Fitch Ratings</i>	<i>Moody's</i>	<i>Fitch Ratings</i>	<i>Moody's</i>
Long-term foreign currency rating:						
Sberbank	BBB-	Ba2	BBB	Ba1	BBB	Baa1
Russian Federation	BBB-	Ba1	BBB	Baa2	BBB	Baa1
Rating of international obligations						
Loan participation notes issued as part of Sberbank's MTN program	BBB-	Ba1	BBB	Baa2	BBB	Baa1
Eurobonds of the Russian Federation	BBB-	Ba1	BBB	Baa2	BBB	Baa1

**In early 2015, Moody's and Fitch Ratings lowered the ratings of the Russian Federation, which resulted in Sberbank's downgrade.*

1.3.Factors Affecting the Bank's Financial Results in 2014

Major performance indicators of the Russian economy in 2014 were influenced by a number of negative factors: the oil price downturn (twice in the second half of the year), a significant increase in geopolitical tensions and the subsequent introduction of sectoral sanctions against Russia. However, external factors only exacerbated the slowdown in the economy, which began as early as in the second half of 2012, resulting from structural problems, and accelerated the transition from stagnation to the recession. In 2014, economic growth slowed to reach 0.6 % yoy (as compared to 1.3 % yoy in 2013) and became negative in the fourth quarter of 2014 (-0.2 % yoy, as estimated by the Ministry for Economic Development).

The first consequence of the increase in geopolitical tensions was an acceleration of capital outflows as far back as in the first half of 2014 (USD 70.6 billion). The actual closing of access to external capital markets (sanctions) and a significant deterioration in the terms of trade (the fall in average oil prices in December by 42.5 % as compared to July) contributed to further acceleration of capital outflows (up to USD 130.5 billion for 2014) and caused a sharp depreciation of the ruble. In order to limit the loss of gold and forex reserves, the Bank of Russia shifted to a flexible exchange-rate regime in October 2014, prior to the scheduled date. Also, a number of measures were proposed to the market to improve dollar liquidity, e.g. currency swaps and repurchase agreements were introduced. Nevertheless, the situation in the foreign exchange market remained complicated. The peak of the problems occurred in December 2014, and that month also saw the peak of payments on external debt (USD 32.9 billion). In

order to stabilize the foreign exchange market, the Bank of Russia sharply raised the key interest rate (from 9.5 % to 17 %) in December, introduced a number of measures of prudential supervision and achieved a regular sale of foreign currency earnings by leading exporters. The rate managed to be temporarily stabilized, although the deterioration remains significant. Over the year, the ruble has lost 41.8 % of its value against the US dollar and 34.2 % against the euro. During 2014, the gold and forex reserves decreased by 25 %, or USD 125 billion. The banks' debt on forex repo transactions reached USD 20 billion by the end of 2014.

The economic slowdown occurred simultaneously with the acceleration of inflation, largely due to the weakening of the ruble and a ban on food imports to Russia. In response to the acceleration of inflation and the risks of the financial system destabilization based on the wave of rapid deterioration of the ruble, the Bank of Russia gradually raised its key interest rate from 5.5 % to 17 % in 2014. Tightening of monetary policy by the Bank of Russia could not have a significant impact on the inflation trend in 2014. The rate growth significantly increased the cost of funding from the Bank of Russia, but did not reduce its role as the main liquidity provider. By replacing the scarcity of domestic resources (attraction of private deposits in 2014 slowed to 9.4 % yoy as compared with 19 % yoy in 2013) and the outflow of capital, by ensuring the maintenance of lending activity, the Bank of Russia increased the amount of loans to banks from RUB 4.8 trillion to RUB 9.8 trillion during the year. The main increase in lending (from RUB 1.3 trillion to RUB 4.5 trillion) accounted for the loans secured by non-marketable assets, in accordance with Regulation No. 312-P. As a result, the Bank of Russia's share in the banking sector liabilities increased during 2014 from 7.7 % to 12 %.

Key Russian borrowers were forced to turn to loans granted by Russian banks because of the unavailability of external funding and reduced opportunities for attracting funds in the ruble bond market in view of the outflow of non-resident funds and the transfer of pension savings for 2013 to the budget. In contrast to previous periods, a significant part of the demand for new loans was provided by major Russian companies.

The deterioration of the economic growth prospects and the drop in real income of the population exposed the quality problem of the banks' credit portfolio. The share of overdue loans among the loans extended to non-financial organizations remained unchanged for the year at 4.2 %, largely due to high rates of credit growth (31.3 % yoy in 2014 compared to 12.7 % yoy in 2013). However, the deterioration in the financial position of some large borrowers required restructuring of the loans provided. In addition, the events in Ukraine led to a significant deterioration in the quality of loans provided to the Ukrainian borrowers by Russian banks.

The share of overdue loans to individuals increased since the beginning of the year from 4.4 % to 5.9 %. Furthermore, the main deterioration occurred in the consumer lending segment and mostly affected the banks in the niche of high-margin consumer lending. The quality of the mortgage loan portfolio remains at a high level, with the share of debt arrears being 1.3 % at the end of 2014.

Deterioration in the credit portfolio quality, requiring additional provisions to be created, along with a sharp rise in the cost of funding from the Bank of Russia, reduced the profits of the banking sector by 40 % as compared with 2013. Financial markets also ended the year with a decrease: the dollar RTS index fell by 45.2 %, the ruble MICEX index, by 7.1 %.

The sovereign rating of the Russian Federation in 2014 was lowered to the bottom of the investment quality ratings group. And in Q1 2015, the international rating agencies already placed the rating of Russia below the investment grade with a negative outlook.

1.4. Resolutions on Distribution of Net Profits

In 2013, the Dividend Policy was in effect at the Bank, in accordance with which, Sberbank, over three years starting from 2011, consistently increased dividend payments to reach 20 % of net earnings due to shareholders and determined on the basis of IFRS annual consolidated financial statements. On June 6, 2014, the Annual General Shareholders' Meeting approved the recommendations of the Supervisory Board on the distribution of profits and payment of dividends for 2013 on the ordinary shares of the Bank in the amount of RUB 3.20 per share, and on the preferred shares in the amount of RUB 3.20 per share. Therefore, the total amount of dividends for 2013 amounted to RUB 72,278 million or 20 % of net profits of Sberbank Group for 2013 under IFRS.

The new Dividend Policy, along with the issue of the dividend payment for 2014, will be considered at a meeting of the Supervisory Board of the Bank. Then, the total amount of profit to be distributed and the amount of dividends per 1 share of each category will be recommended to the General Shareholders' Meeting for approval. Notice of this will be posted in accordance with Russian laws on Sberbank's website at www.sberbank.ru.

Overview of the Basics of Preparing Annual Statements and Main Provisions of the Bank's Accounting Policy

1.5. Principles and Methods of Valuation and Accounting of Material Operations and Events

The accounting at the Bank is performed in accordance with effective Russian legislation, Regulation of the Bank of Russia No. 385-P¹², and other normative acts of the Bank of Russia that regulate the Bank's activity.

The system for accounting at the Bank and for preparing annual statements is based on basic principles of going concern, recognition of income and expenses on accrual basis, constancy and comparability of applied accounting principles and rules, caution, timeliness of reflection of operations, separate reflection of assets and liabilities, continuity of the balance sheet, a priority of substance over form and transparency.

According to Regulation No. 385-P of the Bank of Russia, the assets and liabilities shall be accounted at their initial value as of the date of their acquisition or occurrence. The initial cost does not change until write-off, sale or repurchase thereof, unless otherwise stipulated by the laws of the Russian Federation and the regulations of the Bank of Russia. Thus:

- the assets and liabilities in foreign currency (except for the amounts of received and issued advances and advance payments for the goods, works and services delivered, which are recognized on the balance-sheet accounts of settlements with non-resident entities for business transactions) and precious metals are revalued as the exchange rate and the metal price change subject to the regulations of the Bank of Russia.

Below are the official exchange rates of foreign currencies against the ruble at the end of the reporting period, used by the Bank to prepare the annual statements:

	<i>Jan 1, 15</i>	<i>Jan 1, 14</i>
RUB / USD	56.2584	32.7292
RUB / EUR	68.3427	44.9699

- assets, claims and liabilities, the specific amount (value) of which is determined by using non-detachable embedded derivatives (NDED) are revalued (recalculated) on a daily basis with recognition of the resulting differences as respective income/expense items from the date of the transfer of ownership of the asset delivered (date of work acceptance or service provision) to the actual payment date;
- cost of fixed assets is changed in the event of further construction, additional equipment, modernization, reconstruction, revaluation or partial liquidation of the respective assets in accordance with the regulatory documents of the Bank of Russia. In particular, according to Bank of Russia Regulation No. 385-P, the Bank shall revalue the group of homogeneous fixed asset items at their current (replacement) cost. Moreover, fixed assets are regularly revaluated, so that the cost under which they appear in the accounting records and financial statements would not differ materially from the current (replacement) cost.
- the immovable property temporarily unused in core activities, after its initial recognition, shall be valued at its current (fair) value.

¹² Regulation of the Bank of Russia No. 385-P "On the Rules of Accounting by Credit Organizations Located within the Russian Federation", dated July 16, 2012 (hereafter, "Bank of Russia Regulation No. 385-P").

The items of the immovable property temporarily unused in core activities are revaluated at their current (fair) value on a quarterly basis;

- securities are accounted according to the actual costs for their acquisition. The actual acquisition costs for the interest bearing (coupon) securities include, besides the cost of the security at the acquisition price determined under the contract (deal), the interest (coupon) income paid upon its acquisition. If securities are acquired under a contract that is a derivative financial instrument (hereinafter, DFI), the cost of securities is determined by taking into account the DFI cost.

After the initial recognition, the cost of debt obligations changes by taking into account the interest income charged and received from the time of initial recognition of the debt obligations. Interest (coupon) income is accrued and reflected in the accounting records on a daily basis. Securities are reflected on the respective balance-sheet accounts of security investments, depending on the purpose of their acquisition.

The securities “at fair value through profit or loss” and the securities “available for sale” shall be subject to daily revaluation at the current (fair) value of securities;

- the debt securities may be reclassified from “held to maturity” to “available for sale” if either of the following conditions is met:
 - as a result of an event that has occurred due to no fault of the Bank (an extraordinary event that could not have been reasonably predicted by the Bank);
 - for the purpose of disposal in less than 3 months to maturity;
 - for the purpose of disposal in an amount not exceeding 10 % of the total value of the “held to maturity” portfolio.

When transferring the securities from the “held to maturity” portfolio to the “available for sale” portfolio without meeting one of the conditions mentioned above, all the securities in the “held to maturity” portfolio are subject to transfer to the “available for sale” portfolio. In this case, the Bank is not permitted to create a “held to maturity” portfolio for a period of two years following the year of such transfer;

- derivative financial instruments are estimated at their fair value from the initial recognition date. The derivative financial instruments are revalued on a daily basis, including on the date of derecognition of a derivative financial instrument;
- non-credit contingencies are recognized in the accounting records based on the materiality criterion: the amounts of non-credit contingencies exceeding RUB 30 million or USD 1 million or EUR 1 million shall be recognized as material to reflect them on the off-balance sheet account for non-credit contingencies;
- according to Regulation of the Bank of Russia No. 385-P, the income and expenses are recognized in the accounting records by using the “accrual” method, that is, the financial results of transactions (income and expenses) are reflected in the accounting system when they actually occur, and not when the funds (or their equivalents) are received or paid. The income and expenses shall be reflected in the accounting in the period to which they relate.

Income from loans, assets (claims) referred to quality categories I and II shall be considered well-defined (the probability of obtaining this income is absolute and/or high). There is no ambiguity in obtaining income from loans and assets (claims) referred to quality category III. This principle shall apply to all loans, assets (claims) attributed to the quality category III with no exception.

For loans, assets (claims) referred to quality categories I, II and III the acknowledged income is reflected in the balance sheet accounts.

- in the event of retirement (sale) of securities from the same issue or securities with the same international securities identification number (ISIN), the write-off from second-level accounts of

the balance sheet is based on the FIFO method. In accordance with the FIFO method, the investments in the security that was acquired the first with regard to the date of its sale shall be written off during retirement. The FIFO method shall be applied within each portfolio of securities.

- The Bank performs a monthly accrual of amortization for fixed asset items and intangible assets. For items of fixed assets accepted to accounting after January 1, 2003, the amortization rates are calculated based on their useful lives established by Decree No. 1 of the Government of the Russian Federation “On classification of fixed assets included in amortization groups”, dated January 1, 2002, and subject to provisions of the Accounting policy of Sberbank of Russia for tax purposes as it pertains to defining the useful life of amortized property.

The useful life of intangible assets accepted for accounting after January 1, 2009, is determined based on expected useful life of the asset with assumed economic benefits. No amortization is accrued for intangible assets accepted for accounting after January 1, 2009, where it is impossible to reliably determine the useful life.

1.6. Nature of Assumptions and Main Sources of Valuation Uncertainty at the End of the Reporting Period

The Bank applies a number of assumptions that impact upon the amounts of assets and liabilities as reflected in the annual statements and upon the value of the assets and liabilities in the next reporting period. The estimates and assumptions are continually analyzed based on experience of the Bank's management and other factors, including expectations of future events that, in the opinion of the management, are believed to be reasonable to expect under the circumstances. The assumptions that have the most material effect on the figures in the annual statements and the estimates, that can cause material adjustments to the current value of assets and liabilities in the next reporting period, include the following.

Loan and Equivalent Loan Debt Loss Provisions

The Bank forms provisions for possible losses on loans, loan debt and its equivalents in accordance with the requirements of Regulation of the Bank of Russia No. 254-P¹³.

The Bank applies a loan assessment on a portfolio and an individual basis.

The assessment of the loan that is assessed on individual basis and determination of the amount of the estimated provision shall be implemented based on professional judgment for a specific loan, formed based on the results of comprehensive analysis of the borrower's activity, allowing for its financial position, quality of debt servicing and other material factors. In order to ensure the timely nature of the classification (reclassification) of loans and the formation (or adjustment of the size) of the provision, monitoring of credit risk factors that influence the size of the formed provision shall be regularly performed for individual loans. Revaluation shall be performed quarterly or if credit risk factors are revealed.

For loans that are included in the portfolio of similar loans, the provision shall be formed based on professional judgment according to the portfolio of similar loans, without pronouncement of professional judgment on the level of credit risk for each loan individually. The portfolio of similar loans shall include loans with similar credit risk characteristics — loans that are extended to individuals and small businesses on standard terms and conditions, as specified by the Bank's normative documents, and also as part of individual lending arrangements, approved by separate decisions of collegial bodies of the Bank. The

¹³ Regulation of the Bank of Russia No. 254-P “On Procedure of Establishing Provisions for Possible Losses on Loans, Loan Debt and its Equivalents by Credit Institutions”, dated March 26, 2004.

Bank does not monitor individually the credit risk factors for each loan included in the portfolio of homogeneous loans. Each of the loans included in the portfolio of similar loans shall be subjected to individual revaluation if the Bank receives documents or information that evidence a change in material factors that influence the affiliation of a loan with a portfolio or specific subportfolio. Analysis of the level of credit risk of portfolios/subportfolios of similar loans/groups of standard and depreciated loans shall be performed at least once every three months.

Provision for Possible Losses

The Bank establishes provisions for possible losses in accordance with the requirements of Regulation No. 283-P of the Bank of Russia¹⁴. As part of performance of the regulator's requirements, the Bank's internal normative document stipulates an individual classification and assignment into the portfolio of similar claims/contingencies of elements of the estimate basis of the provision for possible losses.

Individual classification of an element assumes the preparation of an individual, professional judgment about the level of risk, based on an evaluation of the probability of an element's total loss, allowing for factors (circumstances), specified under Bank of Russia Regulation No. 283-P.

Elements of the basis of the provision for possible losses are included in the portfolio of similar claims/contingencies proceeding from the principle of the immateriality of the amount of the element without a pronouncement being made in relation to each element of the professional judgment separately. The provision shall be formed on the basis of a professional judgment in terms of the portfolio of similar claims/contingencies.

The size of the provision shall be determined according to one of five quality categories and the standard for provisioning with a range that is set for it under the Bank of Russia Regulation No. 283-P.

Tax Legislation

Effective tax, currency and customs legislation of the Russian Federation allow for the possibility of different interpretations and are subject to frequent amendments. In view of this, the interpretation by the Bank's management of such laws as applied to transactions and activities of the Bank may be challenged by relevant government authorities. As a consequence, the tax authorities may place claims in relation to the transactions and operations of the Bank that have not been contested in the past. As a result, the relevant authorities may charge additional taxes, penalties and fines.

According to the Bank's management, as of January 1, 2015, the corresponding provisions of the relevant laws had been correctly interpreted, and the possibility of preserving the status of the Bank is high, because of tax, foreign currency and customs laws.

In 2012, the Bank approved and brought into force the methodology of preserving the laws on transfer pricing that was applied to the related-party transactions completed by the Bank in 2014. In some related-party transactions the deviation of actual price from market level for tax purposes may result in the occurrence of extra tax liabilities, because of the Bank's independent adjustments of the tax base, provided that the sum of such liabilities related to 2014 shall not have a material influence (in accordance with the materiality level established by effective Accounting Policy of the Bank for 2014) to the figures in the annual statements of the Bank.

Fair Value of Financial Instruments

The fair value is seen as the value for which the financial instrument may be exchanged in the course of a transaction between interested parties, which differs from forced sale or liquidation. The best

¹⁴ Regulation of the Bank of Russia No. 283-P dated March 20, 2006, "On Procedure of Creating Provisions for Possible Losses by Credit Institutions" (hereafter, "the Bank of Russia Regulation No. 283-P").

indicator of fair value is the market price. The Bank calculates the fair value of financial instruments on the basis of available market information, if available, and the proper evaluation techniques. The fair value of financial instruments that are not quoted in an active market is determined by using the evaluation techniques. The management uses all available market information to estimate the fair value of financial instruments.

1.7.Changes in Accounting Policy. Adjustments, Associated with a Change in Accounting Policy and Estimate Assessments, which Influence the Comparability of the Indicators of Activity

The Accounting Policy used by the Bank during 2014 is generally comparable to the Accounting Policy used in 2013. The changes introduced to Accounting Policy in 2014 have been caused by amendments to the applicable laws of the Russian Federation and did not have a material impact on the comparability of selected indicators in the annual statements, except for the impact on the amount of earnings after tax.

In connection with the entry into force of Regulation of the Bank of Russia No. 409-P “On the procedure for accounting for deferred tax liabilities and deferred tax assets” dated November 25, 2013, in the first half of 2014, the Accounting Policy of the Bank was amended with changes related to the procedure used for reflecting in the accounting records the deferred tax liabilities and deferred tax assets, according to which the Bank shall initially calculate and report the deferred tax liabilities and deferred tax assets no later than 45 calendar days following the end of Q1 2014 and later on a quarterly basis.

In connection with this, in its balance sheet for 2014, the Bank recognized a deferred tax liability in the amount of RUB 42.9 billion, reflecting the increase of profit tax subject to payment in the budget system of the Russian Federation in future reporting periods:

- in the amount of RUB 67.2 bln on account of the Bank's expenses, which had an effect on earnings after tax;
- in the amount of RUB 1.4 bln on account of undistributed profit, which had a one-time effect on the Bank's equity (capital);
- in the amount of RUB 25.9 bln on account of increase in additional capital, which also had an effect on the Bank's equity (capital).

The comparative data for the previous year cannot be provided because there were no regulatory requirements to account for deferred tax assets and liabilities prior to January 1, 2014.

1.8.Material Errors in the Annual Statements

According to the Bank's Accounting Policy, an error is recognized as material if, either individually or in totality with other errors, committed in one and the same reporting period, it influences the financial result of the Bank's activity in an amount that is equivalent to at least 1 % of the Bank's capital on the reporting date.

In 2014, no material error that would require adjustment to comparative data has been identified.

1.9.Information on Adjusting Events after the Reporting Date

The Bank draws up its annual statements subject to events after the reporting date¹⁵ which occur between the reporting date and the date of signing the annual statements and affect or might affect the Bank's financial standing.

Adjusting EARD are recognized in the accounting records. Adjusting EARD are events confirming, as of the reporting date, the existence of the conditions in which the Bank has operated.

The total volume and members of EARD for 2014 are reflected in the consolidated turnover statement in the form of Appendix 13 to Bank of Russia Regulation No. 385-P.

According to Bank of Russia Directive No. 3054-U and the Bank's Accounting Policy, the accounting records contain, in particular, the following adjusting EARD:

- carryover of the balances from the profit and loss accounts of the accounting year to the profit and loss accounts of the previous year, namely:
 - RUB 44,841,808.4 million from the income accounts;
 - RUB 44,536,105.2 million from the expense accounts;
- adjustments for taxes and duties payable by the Bank in the amount of RUB 66,508.5 million (increase by RUB 515.0 million, decrease by RUB 67,023.5 million);
- adjustment of loss provisions (including for contingent credit-related liabilities) created as of the reporting date, subject to information on the conditions prevailing as of the reporting date, received when drawing up the annual reports, in the amount of RUB 357.8 million (increase by RUB 725.8 million, decrease by RUB 368.0 million);
- receipt after the reporting date of source documents confirming the transactions performed before the reporting date and/or determining (specifying) the cost of the work, services and assets for such transactions and specifying the income and expenditure reflected in the accounting records for the amount of RUB 5,528.3 million (increase in income by RUB 2,489.9 million, increase in expenses by RUB 8,018.2 million);
- increase in income tax for deferred income tax for the amount of RUB 55,112.7 million;
- increase in additional capital for deferred income tax for the amount of RUB 30,922.9 million.

1.10. Non-Adjusting Events after the Reporting Date

Since the beginning of 2015 and up to the date of signing these financial statements, the Bank of Russia has lowered the key rate twice: since February 2 — from 17.0% to 15.0%, and since March 16 — from 15.0% to 14.0%. That interest rate is the main instrument in the field of monetary policy and the basis against which the Bank of Russia determines the cost of loans to commercial banks, and the rate at which it is willing to accept cash deposits from banks.

1.11.Changes of the Bank's Accounting Policies for 2015

For the purpose of accounting, the Accounting Policies for 2015 include the following main changes:

Amendments were made to the methods of evaluation of individual balance sheet items:

- In terms of the valuation of fixed assets — the following text is deleted: “In accordance with Bank of Russia Regulation No. 215-P ‘On the methods for establishing the equity (capital) of credit institutions’, the revaluation of property may be included in the calculation of capital no more than once every 3 years based on the accounting statements confirmed by the auditor”;

¹⁵ Hereinafter, “EARD”.

- In terms of the initial recognition of DFIs, it is determined that the initial recognition of DFIs in the accounting is carried out when concluding a contract being a DFI, as well as when concluding a contract containing an embedded instrument classified as a DFI in accordance with Bank of Russia Regulation No. 372-P.

The section on Accounting for Transactions in Securities contains a reference to IFRS¹⁶ 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures”, under which the control and significant influence on the activity of joint stock companies and/or mutual funds is determined.

In connection with the entry into force on January 1, 2015, of Letter of the Bank of Russia No. 215-T “On Methodological Recommendations ‘On Accounting of Repurchase Agreements’”, dated December 22, 2014, the procedure of accounting for securities repurchase transactions (repo transactions) was clarified. In particular, the procedure was identified for accounting the revaluation of securities received in reverse repo and transferred to classic repo, until they are returned under the second part of the classic repo on off-balance account 91419; such revaluation is carried out daily.

Accounting for transactions with issued securities was complemented with the procedure of accounting yield of the issued bonds; the amounts accrued during the yield circulation period of the issued interest (coupon) bonds are recorded on the books monthly, on the last business day of the reporting month. The interest for the last calendar days of the reporting month that fall on weekends or holidays shall be reflected in the corresponding accounts on the last business day of the reporting month.

Adjustments were made to accrual of depreciation for acquired goodwill: since January 1, 2015, no depreciation is accrued to the acquired goodwill, nor to the land plots.

The procedure of accounting for additional costs of DFIs — the costs associated with the conclusion of a contract being an DFI and the disposal of PFI (except for the amounts paid under the contract to the other party) are recognized as operating expenses and accounted for in the Statement of Financial Performance under “Other operating expenses”.

The list of adjusting events after the reporting date when drawing up the annual statements is updated — now it includes determination of amounts of deferred tax liabilities and deferred tax assets on income tax at the end of the reporting year.

¹⁶ International Financial Reporting Standard

2. Accompanying Information to the Balance Sheet

2.1. Cash and Cash Equivalents

<i>RUB million</i>	<i>Jan 1, 15</i>	<i>Jan 1, 14</i>
Cash	1,240,712	717,320
Cash on accounts of the Bank of Russia	227,154	296,674
Funds on correspondent accounts with credit institutions of the Russian Federation	35,826	2,062
Funds on correspondent accounts in foreign banks	320,661	92,239
Total cash and cash equivalents	1,824,353	1,108,295
Less funds in credit institutions with risk of loss	-1,631	-807
Total cash and cash equivalents net of funds in credit institutions with risk of loss	1,822,722	1,107,488

2.2. Financial Assets Carried at Fair Value Through Profit or Loss

The tables below present the structure of financial assets, estimated at fair value through profit or loss, broken down by types of financial assets:

<i>RUB million</i>	<i>Jan 1, 15</i>	<i>Jan 1, 14</i>
Total debt and equity securities, including:	165,835	96,381
Russian Government Bonds	4,816	34,820
<i>Eurobonds of the Russian Federation</i>	4,355	3,601
<i>Federal Loan Bonds (OFZ)</i>	461	31,219
Bonds of subjects of the Russian Federation	458	2,386
Bonds and Eurobonds of banks	62,388	15,091
<i>Russian credit institutions</i>	62,388	14,875
<i>Foreign credit institutions</i>	-	216
Corporate bonds	41,490	38,836
<i>Russian entities</i>	41,478	35,285
<i>Foreign companies</i>	12	3,551
Eurobonds of foreign governments	124	877
Shares	56,559	4,371
<i>Oil and gas industry</i>	55,518	1,039
<i>Metallurgy</i>	991	-
<i>Financial services</i>	50	3,324
<i>Chemical industry</i>	-	8
Total derivative financial instruments, including:	659,853	48,282
Forward contracts	92,688	1,571
<i>Foreign currency</i>	92,368	1,411
<i>Precious metals</i>	62	160
<i>Other</i>	258	-
Options	269,717	20,516
<i>Foreign currency</i>	220,158	18,502
<i>Precious metals</i>	3,941	288
<i>Derivative financial instruments</i>	293	321
<i>Securities</i>	5	-
<i>Other</i>	45,320	1,405
Swaps	297,448	26,195
<i>Foreign currency</i>	65,073	3,914
<i>Interest rates</i>	25,895	3,395
<i>Precious metals</i>	1,358	264
<i>Foreign currency and interest rate (currency and interest)</i>	191,856	18,622

<i>Securities</i>	13,266	-
Total investments in financial assets carried at fair value through profit or loss	825,688	144,663

Jan 1, 15

<i>RUB million</i>	<i>Investments</i>	<i>Redemption period</i>	<i>Coupon rate</i>
Russian Government Bonds	4,816		
<i>Eurobonds of the Russian Federation</i>	4,355	April 4, 2022 - April 4, 2042	4.50 % - 7.50 %
<i>Federal Loan Bonds (OFZ)</i>	461	April 19, 2017	7.40 %
Bonds of subjects of the Russian Federation	458	June 1, 2016 - September 24, 2019	7.00 % - 10.75 %
Bonds and Eurobonds of banks	62,388		
<i>Russian credit institutions</i>	62,388	March 4, 2015 - August 30, 2029	3.35 % - 13.50 %
Corporate bonds	41,490		
<i>Russian entities</i>	41,478		
<i>Telecommunications</i>	10,139	October 13, 2015 - May 7, 2024	5.00 % - 12.00 %
<i>Oil and gas industry</i>	7,737	November 22, 2016 - September 19, 2022	3.15 % - 9.25 %
<i>Banking</i>	7,481	July 15, 2016 - February 17, 2032	4.22 % - 12.00 %
<i>Services</i>	7,083	October 1, 2015 - May 13, 2031	5.13 % - 10.75 %
<i>Transport, aviation and space industry</i>	4,470	November 18, 2015 - March 25, 2031	5.74 % - 7.80 %
<i>Metallurgy</i>	2,535	June 18, 2015 - July 20, 2023	4.38 % - 8.95 %
<i>Trade</i>	1,315	February 3, 2016 - December 13, 2022	4.42 % - 7.00 %
<i>Power industry</i>	455	March 13, 2019 - January 7, 2028	7.75 % - 8.75 %
<i>Chemical industry</i>	205	April 30, 2018	3.72 %
<i>Machine building</i>	58	September 26, 2018	7.63 %
<i>Foreign companies</i>	12		
<i>Other</i>	12	August 11, 2023	10.25 %
Eurobonds of foreign governments	124	September 26, 2016	7.00 %
Total investments in debt obligations carried at fair value through profit or loss	109,276		
Including those transferred without derecognition under sale and repurchase agreements:	149	March 7, 2022 - April 4, 2022	4.50 % - 6.51 %

Jan 1, 14

<i>RUB million</i>	<i>Investments</i>	<i>Redemption period</i>	<i>Coupon rate</i>
Russian Government Bonds	34,820		
<i>Eurobonds of the Russian Federation</i>	3,601	July 24, 2018 – March 31, 2030	3.63 % - 11.00 %
<i>Federal Loan Bonds (OFZ)</i>	31,219	August 16, 2023 - January 19, 2028	7.00 % - 8.16 %
Bonds of subjects of the Russian Federation	2,386	April 16, 2014 - September 18, 2020	5.06 % - 9.74 %
Bonds and Eurobonds of banks	15,091		
<i>Russian credit institutions</i>	14,875	January 14, 2014 - June 30, 2035	3.10 % - 13.50 %
<i>Foreign credit institutions</i>	216	December 20, 2015 - May 11, 2018	5.50 % - 8.50 %
Corporate bonds	38,836		
<i>Russian entities</i>	35,285		
<i>Services</i>	9,819	July 1, 2014 - May 13, 2031	6.38 % - 13.50 %
<i>Telecommunications</i>	7,725	May 13, 2014 – February 13, 2023	5.95 % - 9.13 %
<i>Metallurgy</i>	5,945	April 19, 2014 - October 2, 2023	4.38 % - 9.25 %
<i>Oil and gas industry</i>	4,596	February 12, 2014 - September 19, 2022	2.93 % - 10.50 %
<i>Banking</i>	2,601	July 15, 2016 - September 23, 2032	4.03 % - 8.55 %

<i>Power industry</i>	2,138	March 11, 2014 - September 14, 2027	3.91 % - 8.60 %
<i>Transport, aviation and space industry</i>	1,329	April 7, 2015 - January 16, 2025	5.70 % - 9.00 %
<i>Trade</i>	650	April 22, 2014 - October 27, 2017	5.33 % - 9.88 %
<i>Chemical industry</i>	399	February 13, 2018 - May 18, 2021	4.20 % - 7.95 %
<i>Machine building</i>	83	February 4, 2014 - September 26, 2018	7.63 % - 8.60 %
Foreign companies	3,551		
<i>Oil and gas industry</i>	2,333	January 23, 2015 - May 5, 2020	5.45 % - 11.75 %
<i>Services</i>	1,076	March 26, 2018	10.88 %
<i>Banking</i>	142	February 21, 2019 - October 7, 2020	7.65 % - 8.50 %
Eurobonds of foreign governments	877	January 5, 2015 - January 26, 2024	2.75 % - 8.25 %
<hr/>			
Total investments in debt obligations carried at fair value through profit or loss	92,010		
Including those transferred without derecognition under sale and repurchase agreements:	51	February 25, 2016	7.90 %

As of January 1, 2015, the value of shares transferred without derecognition under sale and repurchase agreements amounted to RUB 1,066 million (there were no such securities as of January 1, 2014).

Below are the methods and assumptions used in determining the fair value of financial instruments.

Derivative Financial Instruments

Derivative financial instruments, valued using the valuation techniques based on observable market data of the information systems that are widely known in the market, include interest rate swaps, currency swaps, forex forward and option contracts. In order to assess the value of forwards and swaps, methods for assessing the present value of future flows are mainly used. Options are generally valued using the Black-Scholes model. The model data include a variety of parameters, such as: credit quality of counterparties, foreign exchange spot and forward rates, interest rate and volatility curves.

Securities at fair value through profit or loss

Securities valued at fair value through profit or loss, using valuation techniques or pricing models, include unquoted equity and debt securities. Those securities are valued at the models containing only observable market data, and also at the models containing both observable and unobservable market data. Unobservable market parameters include assumptions about the future financial position of the issuer, its level of risk, and economic evaluations of the industry and geographical jurisdiction in which it operates.

2.3. Net Loans Receivable

Net loan debt includes loans extended to credit organizations, other legal entities and individuals, and other debt that is classed as the equivalent of loan debt. The Bank mainly grants loans to residents of the Russian Federation and to non-residents operating within the Russian Federation:

<i>RUB million</i>	<i>Jan 1, 15</i>	<i>share, %</i>	<i>Jan 1, 14</i>	<i>share, %</i>
Deposits with the Bank of Russia	0	0.0 %	50,000	0.4 %
Interbank loans and other equivalent debt of banks	972,436	5.8 %	630,035	5.0 %
Corporate loans receivable and their equivalent	11,648,210	69.8 %	8,546,719	68.1 %
Retail loans receivable and their equivalent	4,069,937	24.4 %	3,333,191	26.5 %

Loan debt before provisions for possible losses	16,690,583	100 %	12,559,945	100 %
Provisions for possible loss	-801,204		-581,938	
Net loans receivable	15,889,379		11,978,007	

Analysis of loans (without taking into account loans to banks), broken down by types of economic activity, is presented in the table below:

<i>RUB million</i>	<i>Jan 1, 15</i>	<i>share, %</i>	<i>Jan 1, 14</i>	<i>share, %</i>
Individuals	4,069,937	25.9 %	3,333,191	28.1 %
Services	3,392,872	21.6 %	2,318,355	19.5 %
Trade	1,632,122	10.4 %	1,145,240	9.6 %
Power industry	803,968	5.1 %	571,104	4.8 %
Machine building	803,478	5.1 %	572,885	4.8 %
State and municipal agencies of the Russian Federation	797,689	5.1 %	640,177	5.4 %
Food industry and agriculture	786,592	5.0 %	758,687	6.4 %
Metallurgy	671,533	4.3 %	426,425	3.6 %
Construction	496,602	3.2 %	401,125	3.4 %
Telecommunications	470,860	3.0 %	544,940	4.6 %
Chemical industry	453,652	2.9 %	347,598	2.9 %
Transport, aviation and space industry	393,398	2.5 %	321,257	2.7 %
Oil and gas industry	307,121	1.9 %	160,247	1.3 %
Woodworking industry	53,861	0.3 %	54,941	0.5 %
Other	584,462	3.7 %	283,738	2.4 %
Total loans to individuals and legal entities before deduction of provisions for possible losses	15,718,147	100.0 %	11,879,910	100.0 %

Analysis of loans to legal entities (without into account loans to banks), broken down by the purposes of the loans, is presented in the table below:

<i>RUB million</i>	<i>Jan 1, 15</i>	<i>share, %</i>	<i>Jan 1, 14</i>	<i>share, %</i>
Financing of operating activities	7,107,485	61.0 %	5,014,895	58.7 %
Investment lending and project finance	4,402,373	37.8 %	3,405,893	39.8 %
Receivables under transactions involving alienation (acquisition) by the Bank of financial assets with simultaneous granting to the counterparty of a grace period (supply of financial assets)	9,014	0.1 %	13,045	0.2 %
Lending within REPO transactions	129,338	1.1 %	112,886	1.3 %
Total loans to legal entities before deduction of provisions for possible losses	11,648,210	100 %	8,546,719	100 %

Analysis of loans to individuals, broken down by the purposes of the loans, is presented in the table below:

<i>RUB million</i>	<i>Jan 1, 15</i>	<i>share, %</i>	<i>Jan 1, 14</i>	<i>share, %</i>
For consumer purposes	2,088,936	51.3 %	1,843,451	55.3 %
Mortgage Loans	1,918,240	47.1 %	1,384,278	41.5 %
Car Loans	62,748	1.6 %	105,424	3.2 %
Claims for the debts incurred as a result of the Bank's execution of cession agreements with deferred payment	13	0.0 %	38	0.0 %
Total loans to individuals before deduction of provisions for possible losses	4,069,937	100.0 %	3,333,191	100 %

Movement of the provision for possible losses on loan and equivalent debt, including provisions for possible losses on claims pertaining to the receipt of interest income:

<i>RUB million</i>	<i>2014</i>	<i>2013</i>
Creation (additional charge) of provisions in the reporting period, total	549,220	283,888
including as a result of:		
loans issued	167,806	113,651
changes in loan quality	317,162	149,440
change in the official currency exchange rate against the ruble, as set by the Bank of Russia	7,035	1,242
other reasons	57,217	19,555
Recovery (decrease) of provisions in the reporting period, total	328,335	297,729
including as a result of:		
loans written off as uncollectible	58,846	53,396
repayment of loans	205,608	188,543
changes in loan quality	53,447	46,259

change in the official currency exchange rate against the ruble,
as set by the Bank of Russia
other reasons

0 0
10,434 9,531

2.4. Financial Investment into Securities Available for Sale

Structure of net investments in securities and other financial assets available for sale:

<i>RUB million</i>	<i>Jan 1, 15</i>	<i>Jan 1, 14</i>
Russian Government Bonds	796,023	852,500
<i>Eurobonds of the Russian Federation</i>	166,624	116,789
<i>Federal Loan Bonds (OFZ)</i>	629,399	735,711
Bonds of subjects of the Russian Federation	45,878	56,325
Bonds and Eurobonds of banks	43,638	48,967
<i>Russian credit institutions</i>	33,348	38,706
<i>Foreign credit institutions</i>	10,290	10,261
Corporate bonds	442,729	440,531
<i>Russian entities</i>	421,251	418,804
<i>Provision</i>	-28	-107
<i>Foreign companies</i>	21,506	21,834
Eurobonds of foreign governments	349	-
Shares	30,989	34,983
<i>Services</i>	17,452	18,352
<i>Provision</i>	-1,532	-1,531
<i>Oil and gas industry</i>	7,082	9,920
<i>Power industry</i>	1,728	4,321
<i>Banking</i>	16	12
<i>Metallurgy</i>	5	4
<i>Food industry and agriculture</i>	-	300
<i>Other</i>	6,238	3,605
Investments in subsidiaries and affiliates	386,383	310,871
<i>Provision</i>	-543	-
Operations of other interest	85	94
<i>9494Provision</i>	-41	-43
Total securities available for sale	1,745,490	1,744,228

<i>Jan 1, 15</i>			
<i>RUB million</i>	<i>Amount of investments</i>	<i>Redemption period</i>	<i>Coupon rate</i>
Russian Government Bonds	796,023		
<i>Eurobonds of the Russian Federation</i>	166,624	April 29, 2015 - September 43	3.25 % - 12.75 %
<i>Federal Loan Bonds (OFZ)</i>	629,399	June 03, 2015 - February 6, 2036	2.01 % - 10.00 %
Bonds of subjects of the Russian Federation	45,878	18 June 15 - 11 June 22	5.06 % - 12.00 %
Bonds and Eurobonds of banks	43,638		
<i>Russian credit institutions</i>	33,348	01 February 15 - 13 November 29	4.25 % - 13.25 %
<i>Foreign credit institutions</i>	10,290	02 November 15	8.50 %
Corporate bonds	442,729		
<i>Russian entities</i>	421,223		
<i>Oil and gas industry</i>	111,107	02 February 15 - 20 September 44	3.15 % - 11.25 %
<i>Telecommunications</i>	61,952	13 October 15 - 07 May 24	5.00 % - 9.45 %
<i>Banking</i>	58,078	15 July 16 - 23 September 32	3.04 % - 8.55 %
<i>Transport, aviation and space industry</i>	54,951	03 March 15 - 07 November 28	3.37 % - 10.00 %
<i>Services</i>	53,230	24 July 13 - 01 March 33	3.42 % - 11.50 %

Jan 1, 15

<i>RUB million</i>	<i>Amount of investments</i>	<i>Redemption period</i>	<i>Coupon rate</i>
<i>Provision</i>	-28		
<i>Metallurgy</i>	34,864	18 June 15 - 25 November 22	4.38 % - 8.95 %
<i>Power industry</i>	25,522	21 October 15 - 06 October 27	7.88 % - 8.75 %
<i>Trade</i>	14,388	12 October 15 - 13 December 22	4.42 % - 8.85 %
<i>Chemical industry</i>	6,040	13 October 15 - 18 May 21	3.72 % - 10.25 %
<i>Machine building</i>	1,119	28 September 23	8.10 %
Foreign companies	21,506		
<i>Services</i>	14,876	23 September 15	8.00 %
<i>Banking</i>	6,630	12 February 16 - 24 May 21	7.65 % - 11.09 %
<i>Eurobonds of foreign governments</i>	349	01 January 15 - 02 April 15	8.20 % - 8.92 %
Total debt securities available for sale	1,328,617		
Including those transferred without derecognition under sale and repurchase agreements:	736,949	01 February 15 - 16 September 43	3.04 % - 12.75 %

As of January 1, 2015, the value of shares transferred without derecognition under sale and repurchase agreements amounted to RUB 105 million (there were no such securities as of January 1, 2014).

Jan 1, 14

<i>RUB million</i>	<i>Amount of investments</i>	<i>Redemption period</i>	<i>Coupon rate</i>
Russian Government Bonds	852,500		
<i>Eurobonds of the Russian Federation</i>	116,789	29 April 15 - 16 September 43	3.25 % - 12.75 %
<i>Federal Loan Bonds (OFZ)</i>	735,711	13 March 14 - 06 February 36	1.70 % - 12.00 %
Bonds of subjects of the Russian Federation	56,325	15 April 14 - 11 June 22	5.06 % - 12.50 %
Bonds and Eurobonds of banks	48,967		
<i>Russian credit institutions</i>	38,706	27 April 14 - 13 October 22	4.25 % - 9.00 %
<i>Foreign credit institutions</i>	10,261	02 November 15	8.50 %
Corporate bonds	440,531		
<i>Russian entities</i>	418,697		
<i>Oil and gas industry</i>	106,894	12 February 14 - 30 May 23	3.15 % - 13.75 %
<i>Telecommunications</i>	64,175	13 May 14 - 30 May 23	5.00 % - 9.13 %
<i>Services</i>	57,778	24 July 13 - 06 February 32	3.42 % - 10.00 %
<i>Provision</i>	-28		
<i>Transport, aviation and space industry</i>	50,652	03 March 15 - 07 November 28	3.37 % - 10.75 %
<i>Banking</i>	45,063	15 July 16 - 23 September 32	3.04 % - 8.55 %
<i>Metallurgy</i>	37,459	27 February 14 - 25 November 22	4.38 % - 9.25 %
<i>Power industry</i>	36,017	02 September 09 - 06 October 27	7.10 % - 8.75 %
<i>Provision</i>	-79		
<i>Trade</i>	14,794	23 January 14 - 13 December 22	4.42 % - 9.25 %
<i>Chemical industry</i>	4,781	13 February 18 - 18 May 21	3.72 % - 7.95 %
<i>Machine building</i>	1,191	28 September 23	8.10 %

Jan 1, 14

<i>RUB million</i>	<i>Amount of investments</i>	<i>Redemption period</i>	<i>Coupon rate</i>
<i>Foreign companies</i>	21,834		
<i>Services</i>	15,397	23 September 15	8.00 %
<i>Banking</i>	6,437	12 February 16 - 07 October 20	6.39 % - 8.50 %
Total debt securities available for sale	1,398,323		
Including those transferred without derecognition under sale and repurchase agreements:	1,076,801	04 February 14 - 16 September 43	2.01 % - 13.75 %

Information on the change in the provision for possible losses on securities available for sale:

<i>RUB million</i>	<i>2014</i>	<i>2013</i>
Provision for possible losses on securities available for sale, as of January 1	- 1,638	- 1,636
Change in the provision for possible losses on securities available for sale	78	-2
Provision for possible losses on securities available for sale, as of December 31	- 1,560	- 1,638

<i>RUB million</i>	<i>2014</i>	<i>2013</i>
Provision for possible losses on investments in subsidiaries and affiliates and operations of other equity participation, as of January 1	- 43	- 19
Change in the provision for possible losses on investments in subsidiaries and affiliates and operations of other interest	-541	- 24
Provision for possible losses on investments in subsidiaries and affiliates and operations of other interest, as of December 31	- 584	- 43

2.5. Financial Investments in Subsidiaries and Dependent entities

<i>RUB million</i>	<i>Jan 1, 15</i>		<i>Jan 1, 14</i>	
	<i>Amount of investments</i>	<i>Proportion of the Bank in capital, %</i>	<i>Amount of investments</i>	<i>Proportion of the Bank in capital, %</i>
Subsidiaries				
<i>Denizbank Anonim Sirketi</i>	119,544	99.9	105,244	99.9
<i>Sberbank Europe AG</i>	62,440	100.0	51,041	100.0
<i>Sberbank Capital LLC</i>	57,459	100.0	39,672	100.0
<i>Promising Investments LLC</i>	33,000	100.0	33,000	100.0
<i>Public Joint-Stock Company Subsidiary Bank of Sberbank of Russia</i>	17,793	100.0	17,039	100.0
<i>SB International S.a.r.l.</i>	16,739	100.0	17,205	100.0
<i>Auktsion LLC</i>	15,829	100.0	3,335	100.0
<i>SB of Sberbank JSC</i>	13,917	100.0	12,281	100.0
<i>BPS-Sberbank OJSC</i>	10,475	98.4	3,856	98.4
<i>Setelem Bank LLC</i>	9,171	74.0	7,693	74.0
<i>SB Luxembourg S.a.r.l.</i>	8,509	100.0	3,782	100.0
<i>Provision</i>	-237		-	
<i>Sberbank Investments LLC</i>	7,057	100.0	7,057	100.0
<i>Universal Electronic Card OJSC</i>	2,488	72.3	1,188	45.1
<i>Provision</i>	-25		-	
<i>Bylinnye Bogatyri LLC</i>	2,038	100.0	-	-
<i>PS Yandex.Money LLC</i>	1,964	75.0	1,964	75.0
<i>Closed joint-stock company Sberbank Private Pension Fund</i>	690	75.0	-	-
<i>Sberbank Life Insurance IC LLC</i>	1,031	100.0	-	-
<i>Sberbank Insurance IC LLC</i>	170	100.0	760	100.0
<i>Sberbank Leasing CJSC</i>	23	100.0	23	100.0
<i>Other subsidiaries</i>	5,007	50.0–100.0	4,585	50.0–100.0
<i>Provision</i>	-133		-	
Dependent entities				
<i>Nitol Solar Limited</i>	742	25.0	850	25.0
<i>Provision</i>	-148		-	
<i>Other dependent entities</i>	132	49.9–50.0	132	49.9–50.0
Other interest	164	50.0	164	50.0
Total investments in subsidiaries, dependent entities and other participation	385,839		310,871	

2.6. Net Investments in Securities Held to Maturity

Structure of net investments in securities held to maturity:

RUB million	Jan 1, 15	Jan 1, 14
Russian Government Bonds	187,906	203,945
<i>Eurobonds of the Russian Federation</i>	25,073	-
<i>Federal Loan Bonds (OFZ)</i>	162,833	203,945
Bonds of subjects of the Russian Federation	39,883	60,833
Corporate bonds	138,685	139,209
<i>Russian entities</i>	115,051	122,164
<i>Provision</i>	-442	-2,227
<i>Foreign companies</i>	25,655	19,305
<i>Provision</i>	-1,579	-33
Total securities held to maturity	366,474	403,988

Jan 1, 15				
RUB million	Investment s	Redemption period	Coupon rate	Coupon income
Russian Government Bonds	187,906			11,410
<i>Eurobonds of the Russian Federation</i>	25,073	24 July 18 - 24 June 28	11.00 % - 12.75 %	559
<i>Federal Loan Bonds (OFZ)</i>	162,833	03 August 16 - 09 January 19	5.50 % - 8.94 %	10,851
Bonds of subjects of the Russian Federation	39,883	24 June 15 - 08 April 20	7.00 % - 13.06 %	2,938
Corporate bonds	138,685			9,829
<i>Russian entities</i>	114,608			8,296
<i>Services</i>	29,215	02 June 16 - 28 December 46	5.70 % - 11.50 %	1,981
<i>Machine building</i>	27,352	26 September 18 - 09 July 20	7.63 % - 9.00 %	2,098
<i>Power industry</i>	23,552	28 October 15 - 22 June 21	7.50 % - 8.70 %	1,786
<i>Provision</i>	-47			
<i>Metallurgy</i>	14,374	19 March 18 - 05 April 21	4.45 % - 8.50 %	656
<i>Provision</i>	-356			
<i>Oil and gas industry</i>	10,332	02 February 16 - 26 January 21	8.40 % - 8.90 %	862
<i>Telecommunications</i>	7,585	07 November 17 - 03 November 20	8.15 % - 8.70 %	628
<i>Transport, aviation and space industry</i>	2,138	20 December 16 - 13 January 17	11.00 % - 12.50 %	241
<i>Provision</i>	-9			
<i>Trade</i>	503	01 June 21	8.85 %	44
<i>Provision</i>	-30			
<i>Foreign companies</i>	24,076			1,533
<i>Services</i>	7,895	28 November 17 - 14 February 18	8.75 % - 10.50 %	275
<i>Provision</i>	-1,579			
<i>Metallurgy</i>	5,679	07 May 18	6.38%	245
<i>Other</i>	12,081	13 December 18 - 11 August 23	6.25 % - 10.25 %	1,014
Total debt securities held to maturity	366,474			24,177
Including those transferred without derecognition under sale and repurchase	326,301	24 June 15 - 24 June 28	4.45 % - 12.75 %	21,306

agreements:

January 1, 2014

<i>RUB million</i>	<i>Investment s</i>	<i>Redemption period</i>	<i>Coupon rate</i>	<i>Coupon income</i>
Russian Government Bonds	203,945			5,855
<i>Federal Loan Bonds (OFZ)</i>	203,945	20 August 14 - 09 January 19	5.50 % - 12.00 %	5,855
Bonds of subjects of the Russian Federation	60,833	16 April 14 - 18 December 18	7.00 % - 12.00 %	4,059
Corporate bonds	139,209			10,040
<i>Russian entities</i>	119,938			9,095
<i>Services</i>	29,041	20 March 14 - 13 May 31	5.63 % - 10.50 %	2,222
<i>Provision</i>	-2,015			
<i>Power industry</i>	27,939	28 May 14 - 12 October 23	7.10 % - 8.75 %	2,183
<i>Provision</i>	-92			
<i>Machine building</i>	26,812	24 February 14 - 09 July 20	7.63 % - 10.00 %	1,998
<i>Metallurgy</i>	12,319	22 February 18 - 05 April 21	4.45 % - 8.50 %	644
<i>Provision</i>	-121			
<i>Oil and gas industry</i>	13,330	02 December 14 - 26 January 21	0.10 % - 8.90 %	1,046
<i>Telecommunications</i>	7,583	07 November 17 - 03 November 20	8.15 % - 8.70 %	628
<i>Trade</i>	3,003	28 February 14 - 01 June 21	7.75 % - 8.85 %	237
<i>Transport, aviation and space industry</i>	2,138	20 December 16 - 13 January 17	11.00 % - 12.50 %	137
<i>Foreign companies</i>	19,272			945
<i>Services</i>	5,334	20 May 15 - 14 February 18	8.75 % - 10.25 %	500
<i>Metallurgy</i>	3,304	07 May 18	6.38 %	135
<i>Provision</i>	-33			
<i>Other</i>	10,666	13 December 18 - 11 August 23	6.25 % - 10.25 %	311
Total debt securities held to maturity	403,988			19,954
Including those transferred without derecognition under sale and repurchase agreements:	246,607	28 February 14 - 13 May 31	0.10 % - 11.20 %	9,953

Information on change in the provision for possible losses on securities held to maturity:

<i>RUB million</i>	<i>2014</i>	<i>2013</i>
Provision for possible losses on securities held to maturity, as of January 1	- 2,260	- 462
Change in the provision for possible losses on securities held to maturity	238	- 1,798
Provision for possible losses on securities held to maturity, as of December 31	- 2,021	- 2,260

On June 11, 2014, the Eurobonds of the Russian Federation have been reclassified from the portfolio of securities available for sale to portfolio of securities held to maturity in the amount of:

- Eurobonds of the Russian Federation 2018 (ISIN XS0089375249) – 97,000 units,
- Eurobonds of the Russian Federation 2028 (ISIN XS0088543193) – 185,000 units,

with the total value of RUB 15,916.6 million. As of January 1, 2015, the value of securities was RUB 25,073.0 million. This reclassification was carried out in connection with the change of investment intentions, as the Executive Board of the Bank had resolved to hold these bonds in the portfolio until their redemption.

2.7. Fixed Assets, Intangible Assets, and Immovable Property Temporarily Unused in Core Activities

<i>RUB million</i>	<i>Immovable property of bank purpose</i>	<i>Other buildings</i>	<i>Office and computer equipment</i>	<i>Cars and other facilities</i>	<i>Construction in progress</i>	<i>Inventories</i>	<i>Immovable property and land temporarily unused in core activities</i>	<i>Intangible assets</i>	<i>Total</i>
Initial or revalued cost as of January 1, 2013	311,292	418	190,477	14,495	37,512	20,828	3,123	5,674	583,819
Accrued depreciation	-38,771	-52	-99,854	-6,364	-	-	-	-749	-145,790
Residual value at January 1, 2013	272,521	366	90,623	8,131	37,512	20,828	3,123	4,925	438,029
Acquisitions	120,464	139	89,666	7,443	49,874	33,470	1,289	5,269	307,614
Transfers	23,606	17	10,484	327	-33,937	-872	375	-	-
Disposals - under initial or revaluation value	-113,295	-220	-70,212	-6,328	-20,579	-30,398	-1,502	-207	-242,741
Disposals – accumulated depreciation	6,810	35	1,287	634	-	-	-	-	8,766
Depreciation deductions	-11,459	-15	-29,512	-1,881	-	-	-	-731	-43,598
Residual value at January 1, 2014	298,647	322	92,336	8,326	32,870	23,028	3,285	9,256	468,070
Initial or revalued cost as of January 1, 2014	342,067	354	220,415	15,937	32,870	23,028	3,285	10,736	648,692
Accrued depreciation	-43,420	-32	-128,079	-7,611	-	-	-	-1,480	-180,622
Initial or revalued cost as of January 1, 2014	342,067	354	220,415	15,937	32,870	23,028	3,285	10,736	648,692
Accrued depreciation	-43,420	-32	-128,079	-7,611	-	-	-	-1,480	-180,622
Residual value at January 1, 2014	298,647	322	92,336	8,326	32,870	23,028	3,285	9,256	468,070
Acquisitions	63,224	1,333	66,484	4,268	29,552	40,314	686	9,470	215,331
Transfers	17,891	2	7,208	525	-24,700	-705	-221	-	-
Disposals - under initial or revaluation value	-65,055	-229	-54,362	-3,670	-15,895	-31,720	-755	-918	-172,604
Disposals – accumulated depreciation	5,703	5	8,302	536	-	-	-	-	14,546
Depreciation deductions	-11,020	-8	-32,507	-1,932	-	-	-	-1,263	-46,730

Residual value at January 1, 2015	309,390	1,425	87,461	8,053	21,827	30,917	2,995	16,545	478,613
Initial or revalued cost as of January 1, 2015	358,127	1,460	239,745	17,060	21,827	30,917	2,995	19,288	691,419
Accrued depreciation	-48,737	-35	-152,284	-9,007	-	-	-	-2,743	-212,806

The Bank revalues its fixed assets pertaining to the category of buildings at the current (replacement) value on a regular basis so that the balance sheet value of such items does not substantially differ from their current (replacement) value. The fixed assets of the above category were revalued at the current (replacement) value as of January 1, 2012. The revaluation was made based on the opinions of independent appraisers having the appropriate professional qualification and experienced in evaluating assets of such category. To evaluate the current (replacement) value, the items were classified into special and non-special. Special items were evaluated using primarily the cost approach, while in evaluating non-special items, the comparative approach was used. The evaluation was performed by PricewaterhouseCoopers Russia B.V.

2.8. Other Assets

<i>(RUB million)</i>	<i>Jan. 1, 15</i>	<i>Jan. 1, 14</i>
Other financial assets		
Settlements on conversion operations	124,399	14,975
Loan interest receivables	90,450	68,998
	34,176	-
Settlements with commercial banks on banknote transactions		
Settlements with other debtors	27,945	22,420
Settlements on derivative financial instruments	26,322	9,304
Incomplete plastic card settlements	26,450	83,122
Settlements on compensation payout operations on deposits of commercial banks	17,128	53,960
Settlements on forfeits	10,759	10,679
Accrued fee receivables	5,276	4,228
Other settlements	5,939	1,243
Other	2,543	1,358
Total other financial assets	371,387	270,287
Other non-financial assets		
Expenditure of future periods	17,981	12,124
Non-current assets held for sale and assets of the disposal group	15,116	12,104
Advances issued	12,141	23,804
Prepayment on other taxes	8,112	9,437
Payment receivables for commemorative coins, bought and sold	3,796	7,133
Precious Metals	2,113	2,094
Other	5,228	6,681
Total other non-financial assets	64,487	73,376
Provision for impairment of other assets	-28,690	-28,205
Total other assets	407,184	315,457

Information on the change in the provision for possible losses on other assets:

<i>RUB million</i>	<i>2014</i>	<i>2013</i>
Provision for possible losses on other assets, as of January 1	- 19,935	- 17,183
Change in the provision for possible losses on other assets	- 5,616	- 5,662
Written off from the provision	6,067	2,910
Provision for possible losses on other assets, as of December 31	- 19,484	- 19,935

2.9. Due to Credit Institutions

<i>in RUB million</i>	<i>Jan. 1, 15</i>	<i>Jan. 1, 14</i>
Direct repo contracts with banks	38,403	15,741
Correspondent accounts	142,529	90,409
Loans and deposits received from banks	537,075	493,893
incl. syndicated loans	118,559	110,889
Overnight deposits	1,018	-
Obligations on repayment to creditor (to bank) of the borrowed securities	75,831	30,417
Total funds of banks	794,856	630,459

The cost of the securities pledged as collateral under direct repo as of January 1, 2015, amounted to RUB 42,390 million, as of January 1, 2014 – RUB 23,363 million.

Information about the conditions and timeframes for received syndicated loans is presented in the table below:

<i>Issue</i>	<i>Drawdown date</i>	<i>Repayment date</i>	<i>Currency</i>	<i>Nominal value (in millions of currency units)</i>	<i>Contractual interest rate, %</i>	<i>Book value, RUB million</i>	
						<i>Jan. 1, 15</i>	<i>Jan. 1, 14</i>
Issue 2	25 November 2011	25 November 2014	USD	1,059	3m LIBOR+1.50 %	-	34,660
Issue 3	25 November 2011	25 November 2014	EUR	103	3m EURIBOR+1.10 %	-	4,650
Issue 4	15 February 2012	15 February 2017	EUR	500	3m EURIBOR+1.50 %	34,171	22,485
Issue 5	30 October 2012	30 October 2015	USD	1,500	3m LIBOR+1.50 %	84,388	49,094
Total syndicated loans:						118,559	110,889

2.10. Deposits of Customers Other than Credit Institutions

<i>in RUB million</i>	<i>Jan. 1, 15</i>	<i>Jan. 1, 14</i>
Individuals and individual entrepreneurs	7,999,052	7,655,695
current accounts / demand accounts	1,561,367	1,589,127
fixed-term deposits	6,437,685	6,066,568
Corporate customers	5,893,843	3,376,244
current accounts / demand accounts	1,737,317	1,411,780
fixed-term deposits	4,153,400	1,962,268
Obligations on repayment to creditor (non-bank) of the borrowed securities	3,126	2,196
Deposits in precious metals and other deposits	133,829	96,097
funds of individuals and individual entrepreneurs	128,855	90,148

funds of legal entities	4,974	5,949
Total deposits of customers	14,026,724	11,128,035

Analysis of customer deposits, broken down by types of economic activity, is presented in the table below:

<i>(RUB million)</i>	<i>Jan. 1, 15</i>	<i>share, %</i>	<i>Jan. 1, 14</i>	<i>share, %</i>
Individuals	7,932,046	56.6 %	7,586,126	68.2 %
Services	994,562	7.1 %	675,892	6.1 %
Oil and gas industry	934,919	6.7 %	492,123	4.4 %
Issued bonds	856,382	6.1 %	417,607	3.8 %
State and municipal agencies of the Russian Federation	736,274	5.2 %	68,355	0.6 %
Trade	522,210	3.7 %	421,299	3.8 %
Machine building	281,523	2.0 %	193,995	1.8 %
Construction	266,559	1.9 %	325,904	2.9 %
Metallurgy	201,161	1.4 %	115,048	1.0 %
Transport, aviation and space industry	174,918	1.2 %	86,505	0.8 %
Power industry	164,114	1.2 %	116,185	1.0 %
Food industry and agriculture	111,665	0.8 %	78,511	0.7 %
Chemical industry	105,529	0.8 %	77,022	0.7 %
Telecommunications	93,159	0.7 %	67,347	0.6 %
Woodworking industry	34,100	0.2 %	25,112	0.2 %
Other	617,603	4.4 %	381,004	3.4 %
Total deposits of customers	14,026,724	100.0 %	11,128,035	100.0 %

The information on other borrowed funds reflected in the term deposits of corporate customers is presented in the following table:

<i>RUB million</i>	<i>Jan 1, 15</i>	<i>Jan 1, 14</i>
Loan participation notes issued as part of MTN program:	856,382	417,607
Subordinated loans	225,034	98,188
Non-subordinated loans	631,348	319,420
Notes issued under the ECP program	15,720	46,669
Total other borrowings	872,102	464,276

Description of loan participation notes issued under the MTN program is provided in the table below:

<i>Issue</i>	<i>Subord.</i>	<i>Drawdown date</i>	<i>Repayment date</i>	<i>Currency</i>	<i>Nominal value (in millions of currency units)</i>	<i>Contractual interest rate, %</i>	<i>Book value, RUB million</i>	
							<i>Jan. 1, 15</i>	<i>Jan. 1, 14</i>
Series 4 ⁱ		07 July 2010	07 July 2015	USD	1,500	5.50 %	84,388	49,094
Series 5 ⁱⁱ		24 September 2010	24 March 2017	USD	1,250	5.40 %	70,323	40,912
Series 6		12 November 2010	12 November 2014	CHF	400	3.50 %	-	14,678
Series 7		16 June 2011	16 June 2021	USD	1,000	5.72 %	56,258	32,729

Issue	Subord.	Drawdown date	Repayment date	Currency	Nominal value (in millions of currency units)	Contractual interest rate, %	Book value, RUB million	
							Jan. 1, 15	Jan. 1, 14
Series 8 ⁱⁱⁱ		07 February 2012	07 February 2017	USD	1,300	4.95 %	73,136	42,548
Series 9 ^{iv}		07 February 2012	07 February 2022	USD	1,500	6.13 %	84,388	49,094
Series 10		14 March 2012	14 September 2015	CHF	410	3.10 %	23,360	15,045
Series 11		28 June 2012	28 June 2019	USD	1,000	5.18 %	56,258	32,729
Series 12	subord.	29 October 2012	29 October 2022	USD	2,000	5.13 %	112,517	65,458
Series 13		31 January 2013	31 January 2016	RUB	25,000	7.00 %	25,000	25,000
Series 14		28 February 2013	28 February 2017	CHF	250	2.07 %	14,244	9,174
Series 15		04 March 2013	04 March 2018	TRY	550	7.40 %	13,350	8,416
Series 16	subord.	23 May 2013	23 May 2023	USD	1,000	5.25 %	56,258	32,729
Series 17	subord.	26 February 2014	26 February 2024	USD	1,000	5.50 %	56,258	-
Series 18 ^v		06 March 2014	06 March 2019	USD	500	4.15 %	28,129	-
Series 19 ^v		07 March 2014	07 March 2019	EUR	500	3.08 %	34,171	-
Series 20		26 June 2014	15 November 2019	EUR	1,000	3.35 %	68,343	-
Total							856,382	417,607

ⁱ Taking into account the additional issue dated August 8, 2010 (USD 500 million)

ⁱⁱ Taking into account the additional issue dated October 19, 2010 (USD 250 million)

ⁱⁱⁱ Taking into account the additional issue dated August 17, 2012 (USD 300 million)

^{iv} Taking into account the additional issue dated July 30, 2012 (USD 750 million)

^v As part of non-public offering

2.11. Debt Securities in Issue

(RUB million)	Jan. 1, 15		
	Balance sheet value	Redemption period	Interest rate
Savings certificates	439,382	on demand - 30 December 17	0.1 % - 18.0 %
Bills	72,216	on demand - 13 May 20	0.1 % - 29.7 %
Certificates of deposit	1,804	on demand - 18 November 16	9.03 % - 12.5 %
Total debt securities in issue	513,402		

	<i>Jan. 1, 14</i>		
<i>(RUB million)</i>	<i>Balance sheet value</i>	<i>Redemption period</i>	<i>Interest rate</i>
Savings certificates	329,768	on demand - 30 December 16	0.1 % - 18.0 %
Bills	73,152	on demand - 13 May 20	0.1 % - 26.7 %
Certificates of deposit	1,599	on demand - 18 November 16	4.05 % - 7.04 %
Total debt securities in issue	404,519		

As of January 1, 2015 and January 1, 2014, the Bank had no overdue or restructured debt securities in issue.

Compliance with Special Terms

In its normal course of business, the Bank enters into agreements to raise funds through interbank loans. These transactions may include terms for the early performance by the Bank of obligations to repay the funds in certain circumstances, such as the deterioration of the financial and operating performance of the Bank, changes in the ratings by international agencies, or other terms specified in the agreement. As of January 1, 2015, there was no violation of the terms of the Bank's significant transactions, which could lead to the necessity to perform these obligations before contractual maturity.

2.12. Other Liabilities

<i>in RUB million</i>	<i>Jan. 1, 15</i>	<i>Jan. 1, 14</i>
Other financial liabilities		
Interest payment liabilities	118,466	80,937
Settlements on operations with securities	17,400	15,109
Outstanding contributions to the deposit insurance agency	8,411	8,025
Amounts received on correspondent accounts before clarification	5,065	5,889
Settlements with currency and stock exchanges	29,766	5,770
Settlements on conversion operations, derivatives and forward transactions	8,655	5,137
Funds in settlements	306	940
Accrued staff costs	2,714	597
Payables	971	848
Securities supply liabilities	848	809
Plastic card settlements	447	303
Other settlements	2,766	1,270
Other financial	4,556	2,251
Total other financial obligations	200,371	127,884
Other non-financial obligations		
Operating taxes payable	7,856	8,627
Settlements for expenses of a non-capital nature	4,902	4,122
Settlements for expenses of a capital nature	1,130	2,653
Provisions for future expenses	1,634	1,247
Other non-financial	360	263
Total other non-financial obligations	15,882	16,912
Total other obligations	216,253	144,796

2.13. Authorized Capital

The table below provides the structure of Sberbank Share Capital as of January 1, 2015:

	<i>Declared, placed and paid-up shares</i>	
	<i>quantity (thousand pcs)</i>	<i>nominal value, RUB million</i>
Ordinary shares	21,586,948	64,761
Preferred shares	1,000,000	3,000
Total:	22,586,948	67,761

The structure of the Bank's share capital has not changed since July 2007. During 2013 and 2014, the Bank made no repurchases of its own shares from the shareholders. As of January 1, 2015, the Bank has no equity shares redeemed from its shareholders on its balance sheet.

All ordinary shares have a par value of 3 rubles per share and are attached with equal rights. Each ordinary share carries the right to one vote. All issued ordinary shares are fully paid up.

Preferred shares have a par value of 3 rubles per share, and carry no right of vote (unless the federal law provides otherwise). All preferred shares have equal rights and are fully paid up. The procedure for the payment of dividends on shares is determined by effective laws. A decision (announcement) on payment of dividends and the size of the dividends shall be made by the General Meeting of Shareholders upon the recommendation of the Bank's Supervisory Board. The minimum amount of dividends on preferred shares shall be at least 15 % of their par value. If preferred dividends are not paid, the holders of

preferred shares are entitled to vote similarly to the holders of ordinary shares up to the moment when the dividend is paid out.

3. Accompanying Information to the Statement of Financial Performance

3.1. Interest Income by Type of Assets

<i>RUB million</i>	<i>2014</i>	<i>2013</i>
Nostro accounts	71	42
Funds with the Bank of Russia	218	51
Loans to banks	31,546	18,501
Loans to legal entities	886,788	723,477
Loans to individuals	576,708	449,856
Income for previous years, fines, penalties and others	14,161	9,147
Proceeds from sales of insurance products to individuals	23,139	22,455
Securities assessed through profit or loss	2,988	2,271
Securities available for sale	98,377	90,439
Securities held to maturity	27,889	22,766
Total interest income:	1,661,885	1,339,005

3.2. Interest Costs by Types of Funds Raised

<i>RUB million</i>	<i>2014</i>	<i>2013</i>
Loro correspondent accounts	2,601	2,223
Deposits of the Bank of Russia	145,864	48,210
Term deposits of banks	14,167	15,141
Current accounts of legal entities	35,498	21,180
Term deposits of legal entities	126,463	84,170
On call accounts of individuals	12,985	10,122
Term deposits of individuals	279,605	276,785
Prior period expenses, fines and penalties	1,056	1,275
Bonds	31,442	22,166
Subordinated loan	26,481	19,500
Promissory notes, savings and deposit certificates	25,999	25,555
Total interest expenses:	702,161	526,327

3.3. Fee and Commission Income and Expenses

<i>RUB million</i>	<i>2014</i>	<i>2013</i>
Fee and commission income		
Bank card transactions	126,455	95,085
Payment transactions	38,942	34,379
Cash transactions	31,186	27,403
Account management	11,740	8,852
Bank Guarantees	9,396	7,516
Currency control	4,138	3,495
Foreign currency transactions	5,185	3,082
Trade funding and documentary operations	2,662	1,812
Budget funds service	1,705	1,688
Safe deposit box rental services	1,342	1,175
Securities trading	921	834
Agency and other services	386	479
Other	7,056	3,107
Total commission income	241,114	188,907
Fee and commission expenses		

<i>RUB million</i>	<i>2014</i>	<i>2013</i>
Bank card transactions	18,537	13,045
Settlement operations - expenditure	2,483	1,799
Cash Collection Service	392	363
Other	2,527	2,475
Total commission expenses	23,939	17,682
Net commission income	217,175	171,225

3.4. Operating Expenses

<i>RUB million</i>	<i>2014</i>	<i>2013</i>
Personnel upkeep expenditure	254,346	225,717
Administrative expenses	126,380	110,251
Amortization	46,733	43,598
Expenses from sales of own receivables	107,396	48,252
Contributions to the Mandatory Deposit Insurance Fund	30,544	26,580
Expenses of previous years from revaluation of investments in subsidiaries and affiliates	7,715	-
Other operating expenses	25,552	11,985
Operating expenses	598,666	466,383

3.5. Tax Expenses

The main components of tax expenses are presented below:

<i>Expenses per taxes, duties and dues, RUB mln</i>	<i>2014</i>	<i>2013</i>
VAT	26,588	27,354
Property tax	7,322	7,582
Land tax	265	221
Transport tax	51	40
Other taxes and duties	1,404	679
Income taxes	82,363	89,264
<i>Income tax to the federal budget</i>	451	8,035
<i>Income tax to the budgets of the subjects of the Russian Federation</i>	3,749	71,495
<i>Income tax on operations with government securities</i>	10,953	9,734
<i>Increase in income tax for deferred income tax</i>	67,210	-
Total tax compensation (expenses)	117,993	125,140

4. Accompanying Information to the Statement of Cash Flows

Loan funds not used by the Bank, as of January 1, 2015, amounted to RUB 14,080.4 million, a year earlier – RUB 12,128.1 million. These amounts are the undrawn balance under trade finance transactions. Funds under such transactions are selected by Sberbank after fulfilling a number of conditions associated with the transactions, for whose financing these funds were raised.

Sberbank effects standard operations in the financial markets, including with the Bank of Russia, within the limits established by the counterparties for each other for each type of operation.

5. Information about the Capital

Information about equity (capital) in accordance with Bank of Russia Regulation No. 395-P:

<i>RUB million</i>	<i>Jan 1, 15</i>	<i>Jan. 1, 14</i>
Share capital (ordinary shares)	8,711	8,711
Paid-in capital in excess of par value	228,054	228,054
Reserve fund	3,527	3,527
Profit for the year (audited)	151,332	136,788
Profit for previous years (audited)	1,487,453	1,207,311
Intangible assets	-16,421	x
Investments in ordinary shares of subsidiary financial companies / banks	-235,094	x
Core capital	1,627,563	1,584,392
Additional paid-in capital	-	-
Fixed capital	1,627,563	1,264,003
Increase in value of assets due to revaluation	80,536	82,571
Profit for the year (not audited)	113,623	175,631
Subordinated loan	464,884	391,642
Share capital (due to the revaluation of fixed assets)	59,000	59,000
Share capital (preference shares)	40	45
Investments in preferred shares of subsidiary financial companies / banks	-2	-
Provided subordinated loans	-34,114	-
Additional capital	683,967	708,889
Equity (capital)	2,311,530	1,972,892

The data as of January 1, 2014, correspond to the reports pursuant to Form 0409123 as of January 1, 2014, prepared in accordance with the requirements of Bank of Russia Regulation No. 395-P that are in force as of January 1, 2014, and Bank of Russia Instruction No. 3054-U.⁴³ The calculation of equity as of January 1, 2014, comprises the indicators that reduce the sources of equity, in the amount of RUB 320,389 million.

The value of regulatory capital, as required by Basel III, is calculated by Sberbank based on Bank of Russia Regulation No. 395-P.

The requirements of Basel III establish three tiers of capital: core, fixed and total. Fixed capital is the sum of the core capital and the additional paid-in capital. Total capital is the sum of the fixed capital and the additional capital.

The main sources of the Bank's core capital are the share capital derived from ordinary shares (RUB 236.8 billion), retained earnings from previous years (RUB 1,487.5 billion), and retained earnings of the current year, audited (RUB 151.3 billion). Intangible assets and investment in ordinary shares of financial companies reduce the core capital in the amount of RUB 251.5 billion.

Currently, Sberbank does not have at its disposal any sources of additional paid-in capital (perpetual subordinated loans or perpetual subordinated bonds).

The additional capital of Sberbank is formed at the expense of the share capital built from the capitalization of asset revaluation (RUB 59.0 billion), current year earned surplus (RUB 113.6 billion), increase in value of assets due to revaluation (RUB 80.5 billion), and subordinated loans (RUB 464.9

billion). The preference shares of Sberbank of Russia included in the sources of additional capital do not satisfy the requirements of Basel III as regards preference shares and, for this reason, shall be written off on a phased basis, beginning from 2013, pursuant to Clauses 3.1.1 and 8.2 of Regulation of the Bank of Russia No. 395-P. As of January 1, 2015, the amount of the preference stock recorded in the additional capital of the Banking Group, was RUB 40 million.

5.1. Information about Capital Instruments

Shares:

<i>RUB million</i>	<i>Jan 1, 15</i>	<i>Jan 1, 14</i>
Ordinary shares		
par value in terms of funds received in payment of shares	8,711	8,711
par value in terms of capitalization of fixed asset revaluation	56,050	56,050
paid-in capital	228,054	228,054
Preferred shares		
par value in terms of funds received in payment of shares	50	50
par value in terms of capitalization of fixed asset revaluation	2,950	2,950
paid-in capital	-	-

Subordinated loans as of January 1, 2015:

	<i>Currency</i>	<i>Par value, million currency units</i>	<i>Date:</i>	<i>Repayment date</i>	<i>Rate</i>	<i>Note</i>
Subordinated loan from the Bank of Russia	RUB	150,000	20 October 08	31 December 19	6.5 %	Provided in accordance with Federal Law No. 173-FZ. Subject to gradual exclusion from the capital calculation from January 1, 2018, pursuant to Regulation No. 395-P
Subordinated loan from the Bank of Russia	RUB	150,000	06 November 08	31 December 19	6.5 %	Provided in accordance with Federal Law No. 173-FZ. Subject to gradual exclusion from the capital calculation, beginning from January 1, 2018, pursuant to Regulation No. 395-P.
Subordinated bonds	USD	2,000	29 October 12	29 October 22	5.125 %	Subject to gradual exclusion from the capital calculation beginning from January 1, 2018, pursuant to Regulation No. 395-P.
Subordinated bonds	USD	1,000	23 May 13	23 May 23	5.25 %	Meets all the requirements of Regulation No. 395-P
Subordinated bonds	USD	1,000	26 February 14	26 February 24	5.50 %	Meets all the requirements of Regulation No. 395-P

	<i>Currency</i>	<i>Par value, million currency units</i>	<i>Date:</i>	<i>Repayment date</i>	<i>Rate</i>	<i>Note</i>
Subordinated loan from the Bank of Russia	RUB	200,000	18 June 14	31 December 19	6.5 %	Is not accounted for in the capital calculation.

The subordinated bonds of Sberbank in the amount of USD 1 billion contain a condition to absorb losses. They are written off to income or converted into ordinary shares, if:

- the ratio of the core capital of Sberbank is reduced by 2 percent, as of the reporting date, or
- the Deposit Insurance Agency implements measures to prevent Sberbank's bankruptcy in accordance with the Federal Law "On Additional Measures to Strengthen the Stability of the Banking System during the Period up to December 31, 2014" dated October 27, 2008.

5.2. Information about the Risk-Weighted Assets

Information about the risk-weighted assets for calculating the R1.0, R1.1, R1.2 ratios, as of January 1, 2015:

<i>RUB million</i>	<i>R1.0</i>	<i>R1.1</i>	<i>R1.2</i>
Credit risk ¹⁷	18,013,704	17,900,242	17,900,242
Market risk	207,334	207,334	207,334
Operational risk	1,634,929	1,634,929	1,634,929
Total indicators for the calculation of ratios	19,855,967	19,742,505	19,742,505

Information about the risk-weighted assets for calculating the R1.0, R1.1, R1.2 ratios, as of January 1, 2014:

<i>RUB million</i>	<i>R1.0</i>	<i>R1.1</i>	<i>R1.2</i>
Credit risk	14,076,544	14,076,544	14,076,544
Market risk	261,007	261,007	261,007
Operational risk	1,398,307	1,398,307	1,398,307
Total indicators for the calculation of ratios	15,735,858	15,735,858	15,735,858

The data as of January 1, 2014, correspond to the reports pursuant to Form 0409124 as of January 1, 2014, prepared in accordance with the requirements of the Bank of Russia Regulation No. 395-P that are in force as of January 1, 2014, and the Bank of Russia Directive No. 3054-U.

The risk-weighted assets are calculated in accordance with Bank of Russia Instruction No. 139-I¹⁸ as of January 1, 2015, Bank of Russia Regulation No. 395-P as of January 1, 2014, in accordance with Bank of Russia Regulation No. 387-P "On the Procedure for Market Risk Calculation by Credit Institutions", and Bank of Russia Regulation No. 346-P "On the Procedure for Operating Risk Calculation". Risk-weighted assets are calculated using the approach provided for by Clause 2.3 of Bank of Russia Instruction No. 139-I.

¹⁷ Calculation of the credit and market risk was made according to the Bank of Russia Letter No. 211-T dated December 18, 2014.

¹⁸ The Bank of Russia Instruction No. 139-I "On Statutory Ratios of Banks" dated December 3, 2012

The growth of risk-weighted assets is conditioned by the reassessment of operating risk after the approval of the annual report for 2013 by the general shareholders' meeting and the increase in Sberbank's assets.

5.3. Information about Capital Adequacy Ratios

Information about capital adequacy ratios:

%	<i>Regulatory requirement</i>	<i>Jan 1, 15</i>	<i>Jan 1, 14</i>
		<i>Actual value</i>	<i>Actual value</i>
Core capital adequacy ratio (R1.1)	5.0 %	8.2 %	10.1 %
Fixed capital adequacy ratio (R1.2)	5.5 % ¹⁹	8.2 %	8.0 %
Total capital adequacy ratio (R1.0)	10.0 %	11.6 %	12.5 %

The data as of January 1, 2014, correspond to the reports pursuant to Form 0409124 as of January 1, 2014, prepared in accordance with the requirements of Bank of Russia Regulation No. 395-P that are in force as of January 1, 2014, and Bank of Russia Directive No. 3054-U.

In accordance with the Bank's policy to manage capital adequacy of the Banking Group, the aim of capital adequacy management is to ensure the Group's ability to fulfill the goals of the strategic asset growth in strict compliance with capital adequacy requirements.

In order to conform to the capital adequacy standards for the Banking Group, the following assessment methods are used:

- forecasting capital adequacy standards,
- stress-testing of the capital adequacy;
- a system of early warning indicators of the capital adequacy reduction.

Forecasting capital adequacy standards is the primary method of preventive identification of violations of capital adequacy and the basis for making administrative decisions in good time.

Additionally, from time to time, stress testing of capital adequacy is performed to analyze the capital adequacy when implementing potential crisis scenarios.

In 2014, a system of early warning indicators was implemented to reveal potential violations in a timely manner. The early warning indicators and threshold values have been developed with regard to the local market specifics.

The main tools of capital adequacy management are as follows:

- business planning and the plan for capital adequacy management;
- planning of dividends and capitalization of subsidiaries;
- the system of limits for capital adequacy standards;
- the contingency plan for capital adequacy management.

The calculation of target capital adequacy standards is an integral part of setting the target business development indicators in the process of business planning and strategic planning. Fulfillment of limits of capital adequacy standards at the planning horizon is mandatory. A capital adequacy management plan is developed annually based on the business plan, including a list of capital management activities, target values of dividends and subsidiary capitalization. In 2014, there were no changes to the tools of capital adequacy management.

During the period from January 1, 2014 to January 1, 2015, Sberbank of Russia complied with the regulatory requirements for capital adequacy ratios.

5.4. Earnings per Share and Dividends

¹⁹ After January 1, 2015, the regulatory requirement of R1.2 is 6.0 %.

Diluted and basic earnings per share are calculated in accordance with the methodology used by the Bank in its reporting according to the International Financial Reporting Standards (IFRS 33. Earnings per share).²⁰

As of January 1, 2015, the Bank has no shares that may potentially dilute the earnings per ordinary share of the Bank. Accordingly, the diluted earnings per share equal the basic earnings per share.

The basic earnings per share are calculated by dividing the net profit owned by the Bank's shareholders by the average weighted number of ordinary shares outstanding during the period less own shares repurchased from shareholders.

	2014	2013
Net profit of the Bank owned by shareholders, RUB million	311,213	377,649
Dividends on preferred shares of the Bank declared in the said year, RUB million	3,200	3,200
Net profit of the Bank owned by shareholders holding ordinary shares, RUB million	308,013	374,449
Weighted average number of ordinary shares of the Bank outstanding during the said year, million units	21,587	21,587
Basic and diluted earnings per share, rubles per share	14.3	17.4

Information on Dividends Paid Out:

<i>RUB million</i>	<i>Ordinary shares</i>	<i>Preferred shares</i>
Dividends payable as of January 1, 2013	233	81
Dividends accrued for 2012	55,479	3,200
Dividends paid in 2013	55,327	3,164
Dividends payable as of January 1, 2014	385	117
Dividends accrued for 2013	69,078	3,200
Dividends paid in 2014	68,957	3,169
Dividends payable as of January 1, 2015	506	148

All dividends are declared and paid out in Russian rubles.

5.5. Change of Unrealized Revaluation of Securities Available for Sale Recognized as a Part of Capital

During 2014, the changes of unrealized revaluation of securities recognized as a part of capital amounted to:

<i>RUB million</i>	2014	2013
Revaluation of securities available for sale at fair value as of January 1	-7,888	26,397
Unrealized revaluation of securities available for sale at fair value	-202,224	-26,573
(Incomes) expenses charged to the account of profits and losses arising from the outflow of the securities available for sale	12,662	-7,712
Revaluation of securities available for sale at fair value less deferred tax liability, as of December 31	-197,450	-7,888

²⁰ Letter of the Bank of Russia No. 129-T, dated October 26, 2009, On Methodological Recommendations "On the procedure for calculating earnings per share during preparation by credit institutions of their financial statements in accordance with International Financial Reporting Standards".

6. Information about the Risks Taken by the Credit Institution, Procedures for their Assessment and Management

Since Sberbank of Russia is a parent company of the Banking Group, whereby the risk management is mostly carried out on the Group level, some information about the risk management is presented in relation to the Group.

6.1. Integrated Group Risk Management

The list of significant risks of the Group is updated annually. The Group recognizes the need for a risk management system, consistent with the the Bank's Policy of Integrated Risk Management, the Bank of Russia recommendations, the requirements of the Basel Committee in the field of risk management. All identified significant risks of the Group are classified by the decision of the Group's Board Risk Committee²¹ into selected groups of risk, the management functions for which are distributed among the committees of the Bank's Board. Risk management on an integrated level is performed by the GRC, the Board and the Supervisory Board of the Bank.

The "Risks" block units of the Bank are responsible for the formation of an integrated risk management system and also deal with the management of the Group's key risks: credit risk (including country risk), market risks of the trading book, operational risks, model risk. In order to avoid conflicts of interest between the control of risk level and the Bank's yield increase, the units generating the Bank's income are not directly subordinated to the Deputy Chairman of the Management Board of the Bank, who coordinates the "Risks" block. Management of the currency and interest rate risks of the bank book and liquidity risks is attributed to the competence of the Bank's Treasury (the "Risks" block monitors the level of these risks). The Bank's departments outside the "Risks" block are responsible for the control of all other material risks. The "Risks" block provides methodological support to these units and aggregates data on these risks in order to calculate the consolidated risk factors.

With a view to inform the Bank's management and governance boards involved in the risk management processes, a system of reports is applied subject to the following principles:

- when preparing the reports, the main focus is put on active decision making (i.e. the prospects), rather than a statement of the facts;
- reports are formed in terms of structural units, thus allowing to consider the main risk positions cumulatively for the whole financial institution, with the necessary level of detail;
- operational management reports are formed weekly/monthly and contain basic operational metrics that characterize the quality of the pre-loan process and loan portfolio;
- reports on the most important issues of risk management are formed on a quarterly basis. It is an overview of the accepted risks in comparison with the Risk Appetite and cascaded limits, containing, inter alia, the current risk profile, forecasts and results of stress testing, concentration risks and actual risks, monitoring of actions, etc.;
- other reports are also issued on a regular basis, but less frequently, including on the results of the identification and assessment of risks, on the adequacy of economic capital, on the adequacy of regulatory capital under Basel II, on the earnings-at-risk (EaR), on the results of stress testing, etc.).

The following describes the management of the selected groups of the Group's significant risks.

²¹ Hereinafter, the GRC.

6.2. Credit Risk

Types of credit risks:

Credit Migration Risk is the downside risk associated with the loss of value of a financial asset (loan, debt securities held to maturity) due to the default or deterioration in the credit quality of the counterparty/issuer.

Counterparty Risk in Financial Market Operations is the risk due to the counterparty's default on the transaction.

Concentration Risk (in terms of the Credit Risk) is associated with the provision of large loans to a single borrower/group of related borrowers; concentration of debt by individual sectors of the economy, segments, portfolios, geographic regions; and similarly, by investments in securities.

Residual risk is the risk that the risk reduction measures may not produce the desired effect in connection with the implementation concerning the legal risk, liquidity risk.

General Description of Credit Risk Management

The *purpose* of credit risk management is to identify and ensure the level of risk required to ensure sustainable development of the Group, as determined by the Banking Group development strategy and the macroeconomic parameters.

Objectives of the Group in credit risk management are as follows:

- to implement a systematic approach, to optimize the sectoral, regional and product portfolio structure in order to reduce the level of credit risk;
- to increase the competitive advantages of the Group due to more accurate assessment of the accepted risks and the implementation of risk management measures, including a decrease in realized credit risks;
- to maintain the stability in the event of the introduction of new products, including more complex ones.

The Group applies the following methods of credit risk management:

- risk prevention by means of assessment of potential risks before the operation;
- planning of the credit risk level by means of evaluation of the level of expected losses;
- limiting credit risk by setting limits;
- structuring of transactions;
- managing the collateral for transactions;
- using the system of decision-making authority;
- monitoring and controlling the level of credit risk.

Credit risk assessment is carried out at the Bank as a whole and by individual portfolios of assets, as well as broken down by individual counterparties, countries, regions and industries. The assessment is based on statistical models of credit risk quantification.

The Group has created a unified *system of internal ratings*. It is based on the economic and mathematical models of estimated probability of default of counterparties and transactions. Models are reviewed periodically based on historical data. At the same time, mandatory evaluation shall be provided of the risk factors related to the contractor's financial standing and tendencies of its change, structure of property, business reputation, credit history, cash flow and financial risk management system, information transparency, customer's position in the industry and region, support provided on the part of

bodies of state power and holding companies, and also on the part of the borrower's group. Based on analysis of these risk factors, the probability of counterparty/transaction default is estimated, and the rating is assigned.

Assessment of individual counterparty risks of the transactions is held for:

- corporate clients, banks, small businesses, countries, subjects of the Russian Federation, municipalities, insurance and leasing companies: based on the credit rating system, along with building models of projected cash flows or other important indicators;
- individuals and microbusinesses based on assessing the solvency of the counterparty in accordance with the internal regulatory documents of the Bank and express evaluation.

Risk limitation and control of expected losses due to default of the borrower is made through a system of limits available for each line of business. The scope of the limit is determined by the level of the borrower's risk that is estimated based on the valuation of the financial status of the borrower and other factors, like: external influences, management quality, assessment of goodwill, etc. The country limits are separately shown, their aim being to limit the risks accepted by the Group in respect of certain countries. These limits restrict the geographic concentration of risks. In 2014, the Bank implemented an automated control system for credit risk limits. It is planned to replicate it at the Group's subsidiary banks.

The Group controls the *concentration of large credit risks*, compliance with prudential requirements, and predicts the level of credit risks. For this purpose, a list of related borrowers' groups is maintained at the Group member level, limits on borrowers are set, the portfolio is analyzed broken down by client segments and products.

The main tool for reducing credit risk is the availability of collateral. The volume of the accepted collateral depends on the risk of the borrower/transaction and is fixed in the terms of loan products. The Bank uses the Collateral Policy as one of the approaches to credit risk hedging, aiming at improving the quality of the loan portfolio. The quality of collateral is determined by the probability of obtaining funds in the amount of the estimated collateral value upon sale. The quality of collateral is determined by several factors: liquidity, accuracy of determining the value, risk of impairment, exposure to the risks of loss/damage, and legal risks. Evaluation of the collateral value is made based on the internal expert evaluation of the Group's specialists, evaluation of independent evaluators or based on the cost of the collateral subject in the borrower's bookkeeping using the discount. The surety by solvent legal entities as collateral security also requires assessment of risks of both the surety and the borrower. The Bank performs regular monitoring of pledged assets to ensure control over quantitative, qualitative and cost parameters of the pledged assets, their legal affiliation, and conditions of storage and upkeep. Frequency of monitoring is defined by: requirements of the Bank of Russia regulations; the terms of the loan product; characteristics of the collateral (the type and the quality category of the collateral). Standard frequency of monitoring provides for the following: confirmation of the value of collateral and insurance supervision — quarterly; frequency of site inspections, control of title and encumbrances, depending on the type and quality category of the asset — quarterly/semi-annual/annually.

The existing systems of limits and authorities allow to optimize the credit process and to manage credit risk. A risk profile determining authorities for decision making depending on the risk category of the application is assigned to each territorial subdivision/ Group bank.

Classification of assets assessed for creating provisions by quality categories as of January 1, 2015²²

RUB million	Quality categories					Total
	I	II	III	IV	V	
Assets for which a provision for possible losses is created						
Assets assessed for creating provisions for possible losses from loans	8,406,453	6,704,643	788,255	204,906	586,326	16,690,583
Loans to banks	940,552	29,000	1,374	1,511	-	972,436
Loans to legal entities	7,462,868	2,795,965	767,749	177,822	443,806	11,648,210
Loans to individuals	3,034	3,879,678	19,132	25,573	142,520	4,069,937
Investments in securities assessed for creating provisions for possible losses	34,636	14,388	3,062	-	28	52,114
Securities available for sale	6,830	-	3,062	-	28	9,921
Securities held to maturity	27,805	14,388	-	-	-	42,194
Other assets assessed for creating provisions for possible losses	784,682	54,134	19,824	1,966	24,236	884,842
Other receivables from credit institutions	588,805	657	2,364	92	132	592,051
Other receivables from legal entities	195,865	21,057	17,010	1,104	12,744	247,780
Other receivables from individuals	13	32,420	449	770	11,360	45,011
Non-core assets	-	3,303	2,754	-	-	6,057
Total assets for which a provision for possible losses is created	9,225,772	6,776,469	813,894	206,872	610,590	17,633,597
Provision for possible losses						
Provisions for possible losses from loans	73	81,945	110,349	80,110	528,727	801,204
Loans to banks	-	391	496	906	-	1,793
Loans to legal entities	73	41,543	108,109	70,136	400,812	620,673
Loans to individuals	-	40,011	1,744	9,068	127,915	178,738
Provisions for possible losses from securities	-	2,021	1,531	-	28	3,580
Other provisions for possible losses	-	1,465	3,885	801	23,697	29,848
Other receivables from credit institutions	-	32	612	47	132	823
Other receivables from legal entities	-	952	3,237	460	12,588	17,237
Other receivables from individuals	-	481	36	294	10,977	11,788
Non-core assets	-	603	991	-	-	1,594
Total provisions for possible losses	73	86,033	116,756	80,911	552,452	836,225

Classification of assets assessed for creating provisions by quality categories as of January 1, 2014

RUB million	Quality categories					Total
	I	II	III	IV	V	
Assets for which a provision for possible losses is created						
Assets assessed for creating provisions for possible losses from loans	5,870,431	5,411,109	648,059	168,682	411,664	12,509,945
Loans to banks	626,221	3,597	217	-	-	630,035
Loans to legal entities	5,242,014	2,202,145	625,094	154,088	323,378	8,546,719
Loans to individuals	2,196	3,205,367	22,748	14,594	88,286	3,333,191
Investments in securities assessed for creating provisions for possible losses	143,943	13,914	8,818	-	108	166,783
Securities available for sale	3,973	-	3,062	-	108	7,143
Securities held to maturity	139,970	13,914	5,756	-	-	159,640
Other assets assessed for creating provisions for possible losses	362,696	39,074	15,228	1,906	23,618	442,522
Other receivables from credit institutions	250,825	469	1,561	180	402	253,437
Other receivables from legal entities	111,771	14,012	13,162	1,350	14,654	154,949
Other receivables from individuals	100	24,592	506	376	8,563	34,137

²² According to the reporting form 0409115.

Non-core assets	-	8,571	-	-	-	8,571
Total assets for which a provision for possible losses is created	6,377,071	5,472,668	672,105	170,588	435,390	13,127,822
	<i>Quality categories</i>					
<i>RUB million</i>	<i>I</i>	<i>II</i>	<i>III</i>	<i>IV</i>	<i>V</i>	<i>Total</i>
Provision for possible losses						
Provisions for possible losses from loans	92	65,342	78,510	63,742	374,252	581,938
Loans to banks	-	13	24	-	-	37
Loans to legal entities	92	32,045	76,828	58,733	294,739	462,438
Loans to individuals	-	33,284	1,658	5,009	79,513	119,463
Provisions for possible losses from securities	-	245	3,546	-	108	3,899
Other provisions for possible losses	-	709	3,090	1,384	23,483	28,666
Other receivables from credit institutions	-	40	489	92	524	1,145
Other receivables from legal entities	-	352	2,565	1,158	14,568	18,644
Other receivables from individuals	-	317	36	133	8,392	8,878
Non-core assets	-	1,625	-	-	-	1,625
Total provisions for possible losses	92	67,921	85,146	65,126	397,843	616,128

As of January 1, 2015, the fair value of the securities assessed for creating provisions for possible losses amounted to RUB 41,485 million (RUB 164,399 million, as of January 1, 2014).

Information about Classification of Assets According to Risk Groups²³

Below are the risk-weighted assets used to calculate Sberbank's mandatory ratios:

	<i>Jan. 1, 15</i>	<i>Jan. 1, 14</i>
ApAr11	3,150,864	2,869,649
Ar12	3,150,864	2,869,649
Ar10	3,150,864	2,869,649
Ar21	250,559	165,356
Ar22	250,559	165,356
Ar20	248,953	165,356
Ar31	162,556	203,743
Ar32	162,556	203,743
Ar30	160,947	203,743
Ar41	10,549,896	9,498,700
Ar42	10,549,896	9,498,700
Ar40	10,666,573	9,498,700
Ar51	5,853	4,385
Ar52	5,853	4,385
Ar50	5,853	4,385

The data as of January 1, 2014, correspond to the reports pursuant to Form 0409124 as of January 1, 2014, prepared in accordance with the requirements of the Bank of Russia Regulation No. 395-P that are in force as of January 1, 2014, and the Bank of Russia Directive No. 3054-U.

²³ According to Clause 2.3 of the Bank of Russia Instruction No. 139-I "On Statutory Ratios of Banks", dated December 3, 2012

Overdue Receivables

Jan 1, 15

RUB million	inclusive of overdue debt						Provision for possible losses	
	Amount	Total	including by delay				Est.	Actual
			up to 30 days	from 31 to 90 days	from 91 to 180 days	Over 180 days		
Loan debts	16,690,583	700,540	254,358	97,747	52,507	295,929	986,107	801,203
Credit facilities (loans) granted, deposits made	16,319,930	672,090	246,257	89,246	52,158	284,429	952,846	774,880
Claims for rights (claims) acquired under transaction (assignment of claim)	95,996	13,318	486	8,439	144	4,250	9,862	8,278
Receivables under transactions involving alienation (acquisition) of financial assets with simultaneous granting to the counterparty of a grace period (supply of financial assets)	15,395	9,004	6,429	-	199	2,376	9,295	9,585
Claims for return of cash funds provided for transactions conducted with securities repayable without recognition of the securities received	211,524	-	-	-	-	-	5,851	248
Receivables (including return) of debt securities, shares, bills of exchange, promissory notes and precious metals made available under a loan contract	24,550	-	-	-	-	-	-	-
Amounts paid out by the lender to the beneficiary under bank guarantees, but not recovered from the principal	8,708	5,096	154	62	5	4,875	8,119	8,079
Claims against payers under paid letters of credit	1,558	1,031	1,031	-	-	-	52	52
Discounted bills	6,826	-	-	-	-	-	81	81
Other claims	6,097	-	-	-	-	-	-	-
Securities	52,114	28	-	-	-	28	3,580	3,580
Other claims	884,842	26,522	4,054	4,153	3,068	15,248	30,923	29,848
Non-core assets	6,057	-	-	-	-	-	1,594	1,594

For loans classified into quality categories II-V, the Bank creates provision by taking into account the amount of collateral of I and II quality categories, the list of which is determined by Clauses 6.2 and 6.3 of

Bank of Russia Regulation No. 254-P. The security is accounted for provisions purposes only in the absence of restrictions established by Clause 6.5 of the said document.

As of January 1, 2015, the amount of collateral is RUB 13,060 billion; in particular, the collateral of quality categories I and II is RUB 427 billion and RUB 4,384 billion, respectively. As of January 1, 2014, the amount of collateral was RUB 11,597 billion; in particular, the collateral of quality categories I and II was RUB 401 billion and RUB 4,168 billion, respectively.

Assets with overdue repayment periods are presented below, broken down by clients:

<i>Jan 1, 15</i>					
<i>RUB million</i>	<i>Total</i>	<i>up to 30 days</i>	<i>31-90 days</i>	<i>91-180 days</i>	<i>above 180 days</i>
Credit institutions	5,315	5,315	-	-	-
Legal entities	442,218	161,815	60,619	23,867	195,917
Individuals	253,007	87,228	37,128	28,640	100,011
Total overdue debt	700,540	254,358	97,747	52,507	295,929

<i>Jan 1, 14</i>								
<i>RUB million</i>	<i>Amount</i>	<i>Total</i>	<i>inclusive of overdue debt</i>				<i>Provision for possible losses</i>	
			<i>including by delay</i>				<i>Est.</i>	<i>Actual</i>
			<i>up to 30 days</i>	<i>from 31 to 90 days</i>	<i>from 91 to 180 days</i>	<i>Over 180 days</i>		
Loan debts	12,559,945	450,794	103,187	60,851	39,305	247,450	739,295	581,938
Funds with the Bank of Russia	50,000	-	-	-	-	-	-	-
Credit facilities (loans) granted, deposits made	12,153,308	445,828	101,557	60,756	38,531	244,984	716,971	564,867
Claims for rights (claims) acquired under transaction (assignment of claim)	66,786	990	857	-	-	133	5,433	4,471
Receivables under transactions involving alienation (acquisition) of financial assets with simultaneous granting to the counterparty of a grace period (supply of financial assets)	21,432	3,753	588	95	775	2,296	12,221	11,858
Claims for return of cash funds provided for transactions conducted with securities repayable without recognition of the securities received	224,602	-	-	-	-	-	4,026	99
Receivables (including return) of debt securities, shares, bills of exchange, promissory notes and precious metals made available under a loan contract	18,706	-	-	-	-	-	-	-

	inclusive of overdue debt						Provision for possible losses	
			including by delay					
RUB million	Amount	Total	up to 30 days	from 31 to 90 days	from 91 to 180 days	Over 180 days	Est.	Actual
Amounts paid out by the lender to the beneficiary under bank guarantees, but not recovered from the principal	1,440	221	186	-	-	35	569	569
Discounted bills	64	2	-	-	-	2	64	64
Other claims	23,607	-	-	-	-	-	11	11
Securities	166,783	107	-	-	28	79	3,899	3,899
Other claims	442,522	30,709	2,598	5,769	1,854	20,488	29,000	28,666
Non-core assets	8,571	-	-	-	-	-	1,625	1,625

Assets with overdue repayment periods are presented below, broken down by clients:

<i>Jan 1, 14</i>					
<i>RUB million</i>	<i>Total</i>	<i>up to 30 days</i>	<i>31-90 days</i>	<i>91-180 days</i>	<i>above 180 days</i>
Legal entities	284,040	38,282	36,692	22,166	186,900
Individuals	166,754	64,905	24,159	17,139	60,551
Total overdue debt	450,794	103,187	60,851	39,305	247,450

Restructured Loans

As of January 1, 2015, the amount of *restructured corporate loans* amounted to RUB 2,212.0 billion, and their share in the corporate credit portfolio is 19.0 %. Restructuring means such alteration of the original material terms and conditions of the credit contract made with the debtor for his benefit, as is not provided for by the original material terms and conditions of the credit contract.

As of January 1, 2015, the amount of *restructured loans to individuals* in the credit portfolio amounted to RUB 72.5 billion, and their share in the credit portfolio of individuals is 1.8 %. Standard restructuring options provide for loan term extension, change of loan repayment arrangements, waiver of liquidated damages in whole or in part, and change of loan currency.

Level of Concentration of Major Credit Risks

The Bank pays close attention to control the level of concentration of large credit risks. Pursuant to its bylaws, the Bank conducts daily monitoring of major credit risks and projection of compliance with the requirements imposed by the Bank of Russia for the standards²⁴ R6 (maximum exposure per Borrower or group of affiliated borrowers) and R7 (limit on major credit risks). For these purposes, the List of Major and Related Borrowers of the Bank is being kept and monitored.

*The share of loans of the 20 largest borrowers (groups of borrowers)*²⁵ for 2014 changed from 22.0 % to 24.5 % of the customer loan portfolio. Among the Bank's major borrowers are representatives from various sectors of the economy; therefore, the credit risk is adequately diversified.

About fair Value of the Sold or Repledged Collateral, and on the Liability of Credit Institutions to Return it

During the settlement of the bad debts and overdue indebtedness of legal entities and individuals, the Bank sells the property, previously put on the Bank's books. In 2014, property was sold amounting to RUB 1,431 million, in 2013 — amounting to RUB 421 million. The vast majority of the property sold is real estate (apartments, land, commercial spaces).

About the Assets Used by the Bank as a Security for Fund Raising

The volume of liquid assets accepted as collateral by the Bank of Russia²⁶, which were used by the Bank as a collateral to raise funds, as of January 1, 2015, amounted to RUB 3.8 trillion, as of January 1,

²⁴ The Bank of Russia Instruction No. 139-I “On Statutory Ratios of Banks”, dated December 3, 2012 (revised on October 25, 2013).

²⁵ When calculating the figure, the Form 0409118 source data is used: loan debt of 20 largest borrowing companies (groups of companies) refers to the remainder of the loan portfolio of legal entities and natural persons; both the numerator and denominator include fixed-term, overdue debt and cession agreements; the 20 largest companies debt takes into account the debt of Sberbank's subsidiaries, while the debt of banks is ignored.

²⁶ In this text, the liquid assets shall be understood to mean the securities included in the Lombard List of the Bank of Russia, including those received by the Bank under reverse repurchase agreements, as well as the Bank's loans included in the list of assets accepted by the Bank of Russia as a collateral for lending, under the provisions of the Bank of Russia No. 312-P “On the Order of Granting Asset-Back or Surety-Secured Loans by the Bank of Russia to Credit Institutions” dated November 12, 2007.

2014 – to RUB 1.8 trillion. These assets have been used to raise funds of the Bank of Russia and other counterparties under repo transactions in rubles and foreign currency for up to 29 days, in order to raise funds in the Bank of Russia under Provisions of the Bank of Russia No. 312-P for up to 18 months, as well as to raise funds of the Bank of Russia under security of bonds issued to finance investment projects for a period exceeding one year.

6.3. Liquidity Risk

Liquidity risk management helps to secure the Bank's capability to perform its obligations to customers and counterparties unconditionally and in due time, in compliance with the regulations of the Bank of Russia concerning liquidity risk management, either in normal business conditions, or in crisis situations. Sberbank's Regulation on Liquidity Risk Management is the main document regulating the assessment, control and management of liquidity risk. In the matter of liquidity risk management, the Bank differentiates the risks of normative, physical and structural liquidity.

Regulatory liquidity risk includes violation of the regulatory limits in terms of statutory liquidity ratios set by the Bank of Russia (R2, R3 or R4). In order to manage the regulatory liquidity risk, the Bank carries out weekly monitoring and short-term, medium-term and long-term forecasting of the statutory ratios. In addition, Sberbank has established a system of warning and critical limits for the values of the statutory liquidity ratios, which ensures compliance with the restrictions set by the Bank of Russia on the intramonth reporting data, taking into account possible fluctuations of certain balance sheet items.

Physical liquidity risk means the Bank's failure to discharge its obligations to a counterparty in any currency due to a lack of funds: inability to pay, to grant a loan, etc. The instruments of physical liquidity risk management in the *short-term* run include a cash flow prediction model broken down by principal currencies and control over accessible bank liquidity reserves. In order to cover the possible liquidity deficit exceeding the available funds, the Bank has at its disposal the liquidity reserves, which include: repo operations with banks against securities, FX SWAP market operations, and attraction of funds from the Bank of Russia as secured by non-market assets.

Structural liquidity risk (the risk of concentration) means the probability of significant deterioration of physical or normative liquidity due to an imbalance in the asset and liability structure, including a strong dependence of the Bank's liability base on one or more clients or funding sources in a certain currency for a certain period.

Liquidity management in 2014 was largely determined by conditions in the financial markets in connection with the current macroeconomic situation: complications in Ukraine, the imposition of sanctions against Russia by the EU and the US, the depreciation of the ruble and other factors. Despite the instability of financial markets, Sberbank made the most of the opportunities available to manage currency borrowings in the debt and capital markets:

- In February, the Bank placed subordinated bonds under the updated Regulation No. 395-P, redeemable in 5 years, with the consent of the Bank of Russia. The amount of issue was USD 1 billion. That bond placement made it possible not only to attract long-term funding, but also to improve the capital adequacy ratio.
- In March, there was private placement within the MTN program of USD 500 million and EUR 500 million.
- In June, there was the debut Eurobond issue worth EUR 1 billion.

Due to the flexible interest rate policy, a highly diversified liabilities base and low dependence on external borrowings, Sberbank has retained sufficient ruble and foreign currency liquidity throughout the

year. The Bank managed to reduce the amount of short-term borrowings from the Bank of Russia, replacing them with medium- and long-term drawings, and thus to improve the existing liquidity profile.

Compliance with liquidity requirements:

<i>Liquidity requirements</i>	<i>Limit imposed by Bank of Russia</i>	<i>The cap by Sberbank</i>	<i>Limit as of the reporting date, %</i>	
			<i>Jan. 1, 15</i>	<i>Jan. 1, 14</i>
R2	over 15 %	15 %	74.3	53.6
R3	over 50 %	55 %	66.4	58.5
R4	under 120 %	115 %	111.2	102.5

As of January 1, 2015, Sberbank overcomplies with the limits of statutory liquidity ratios set by the Bank of Russia. During the year, the Bank has improved the values of instant and current liquidity. The growth of the R4 ratio is associated with the revaluation of long-term customer debt portfolio in connection with the rising rates of major currencies, and growth of the portfolio in real terms in the second half of 2014. On January 1, 2015, amendments to the methods for calculating the statutory liquidity ratios become effective (in accordance with Bank of Russia Directive No. 3490-U, dated December 16, 2014, “On Amendments to the Bank of Russia Instruction No. 139-I, dated December 3, 2012, ‘On Statutory Ratios of Banks’”), which resulted in a significant improvement of all liquidity ratios of Sberbank (R2, R3, R4).

Analysis of the Bank's Assets and Liabilities Broken Down by Maturity

Securities assessed at fair value through profit or loss, as well as the most liquid share of securities available for sale, are considered liquid assets as they can easily be converted into cash within a short period of time. Such assets are placed in the table below in the category “On demand and below 1 month”.

The level of liquidity for assets and liabilities of the Bank as of January 1, 2015 is presented below:

<i>RUB million</i>	<i>on demand and less than 1 month</i>	<i>from 1 to 6 months</i>	<i>from 6 months to 1 year</i>	<i>from 1 year to 3 years</i>	<i>over 3 years</i>	<i>no stated maturity</i>	<i>Total</i>
ASSETS							
Cash and cash equivalents	1,240,712	-	-	-	-	-	1,240,712
Funds of credit institutions held with the Central Bank of the Russian Federation	278,834	31,697	24,510	23,773	10,862	-	369,676
Required reserves	51,680	31,697	24,510	23,773	10,862	-	142,522
Funds held with the credit institutions	356,487	-	-	-	-	-	356,487
Financial assets carried at fair value through profit or loss	190,623	125,670	248,291	202,254	58,850	-	825,688
Loans receivable prior to deduction of provision for possible losses	1,271,259	1,614,720	2,209,632	4,768,733	6,507,410	318,829	16,690,583
Net investments in securities and other financial assets available for sale	1,359,651	-	-	-	-	385,839	1,745,490
Investments in subsidiaries and affiliates	-	-	-	-	-	385,839	385,839
Net investments in securities held to maturity	-	13,881	5,968	124,935	221,690	-	366,474
Current tax claims	-	-	-	67,058	-	-	67,058
Deferred tax asset	-	-	-	-	-	-	-
Fixed assets, intangible assets and inventories	-	-	-	-	-	478,612	478,612
Other assets	274,724	14,914	31,194	26,654	31,916	27,782	407,184
Total assets	4,972,290	1,800,882	2,519,595	5,213,407	6,830,728	1,211,062	22,547,964
LIABILITIES							
Loans, deposits and other funds of the Central Bank of the Russian Federation	1,495,736	1,278,229	237,300	4,553	500,000	-	3,515,818
Due to credit institutions	345,757	124,756	172,397	131,793	20,153	-	794,856
Due to customers other than credit institutions	5,203,047	3,059,655	2,322,268	2,359,620	1,082,134	-	14,026,724
Deposits of individuals	2,139,953	2,023,850	1,964,300	1,653,677	217,272	-	7,999,052
Financial liabilities carried at fair value through profit or loss	51,702	190,454	239,642	93,628	42,518	-	617,944
Debt securities in issue	69,407	174,063	178,257	65,685	25,990	-	513,402
Current tax liabilities	-	2	-	-	-	-	2
Deferred tax liability	-	-	-	-	-	42,891	42,891
Other liabilities	194,506	15,028	4,213	2,499	7	-	216,253
Total liabilities	7,360,155	4,842,187	3,154,077	2,657,778	1,670,802	42,891	19,727,890
Net liquidity gap	-2,387,865	-3,041,305	-634,482	2,555,629	5,159,926	1,168,171	2,820,074
Aggregate liquidity gap	-2,387,865	-5,429,170	-6,063,652	-3,508,023	1,651,903	2,820,074	

The level of liquidity for assets and liabilities of the Bank as of January 1, 2014, is presented below:

<i>RUB million</i>	<i>on demand and less than 1 month</i>	<i>from 1 to 6 months</i>	<i>from 6 months to 1 year</i>	<i>from 1 year to 3 years</i>	<i>over 3 years</i>	<i>no stated maturity</i>	<i>Total</i>
ASSETS							
Cash and cash equivalents	717,320	-	-	-	-	-	717,320
Funds of credit institutions held with the Central Bank of the Russian Federation	336,094	24,752	19,330	22,754	5,873	-	408,803
Required reserves	39,420	24,752	19,330	22,754	5,873	-	112,129
Funds held with the credit institutions	94,301	-	-	-	-	-	94,301
Financial assets carried at fair value through profit or loss	97,820	3,826	6,377	26,191	10,449	-	144,663
Loans receivable prior to deduction of provision for possible losses	807,123	1,330,615	1,816,425	4,055,336	4,280,707	269,739	12,559,945
Net investments in securities and other financial assets available for sale	1,433,357	-	-	-	-	310,871	1,744,228
Investments in subsidiaries and affiliates	-	-	-	-	-	310,871	310,871
Net investments in securities held to maturity	-	21,725	51,483	56,814	273,966	-	403,988
Fixed assets, intangible assets and inventories	-	-	-	-	-	468,070	468,070
Current profit tax claims	-	16	-	246	-	-	261
Other assets	211,697	38,259	13,690	27,095	22,165	2,551	315,457
Total assets	3,697,711	1,419,193	1,907,305	4,188,436	4,593,160	1,051,231	16,857,036
LIABILITIES							
Loans, deposits and other funds of the Central Bank of the Russian Federation	1,477,036	90,000	100,000	-	300,000	-	1,967,036
Due to credit institutions	186,104	133,235	135,838	139,106	36,176	-	630,459
Due to customers other than credit institutions	3,981,551	2,406,064	1,866,229	2,271,920	602,271	-	11,128,035
Deposits of individuals	2,174,049	1,878,813	1,516,367	1,828,974	257,492	-	7,655,695
Financial liabilities carried at fair value through profit or loss	1,876	3,592	2,438	17,603	8,542	-	34,051
Debt securities in issue	72,810	139,693	121,916	68,309	1,791	-	404,519
Other liabilities	136,838	3,862	319	3,704	73	-	144,796
Total liabilities	5,856,215	2,776,446	2,226,740	2,500,642	948,853	-	14,308,896
Net liquidity gap	-2,158,504	-1,357,253	-319,435	1,687,794	3,644,307	1,051,231	2,548,140
Aggregate liquidity gap	-2,158,504	-3,515,757	-3,835,192	-2,147,398	1,496,909	2,548,140	

The term structure of customer funds in 2014 did not practically change, but the share of the funds attracted from the Bank of Russia increased. However, the Bank managed to reduce the amount of short-term borrowings from the Bank of Russia under repo transactions, replacing them with medium- and long-term drawings. It should be noted that the structure of the Bank of Russia refinancing facilities allows to increase the maturity of the funds drawn from the Bank of Russia, at any time. Thus, Sberbank's liquidity gap increase is of a technical nature and does not specify actual liquidity risk increase.

6.4. Country Risk

Transfer risk is a risk of losses because of the inability of the counterparties of a specific country (except sovereign counterparties) to satisfy their obligations in a currency that differs from the currency of the counterparty's country, for reasons other than standard risks, for reasons that depend on the government of the country, not the counterparty.

Risk of national economies is a loss risk concerning the inability or unwillingness of a sovereign counterparty of a specific country, and the impossibility of other counterparties of this country to satisfy their obligations in the national currency for reasons that differ from standard risks, for reasons that depend on the government of the country, not the counterparty.

In order to limit and manage the risks accepted by the Group in respect of certain countries, the Bank has developed a system of country risk limits²⁶. These limits restrict the total concentration of transactions with counterparties from a certain country, including sovereign borrowers/issuers and public authorities.

Transfer risk is assessed and capitalized within the Bank's Internal Capital Adequacy Assessment Process, thus ensuring that sufficient financial resources are available to the Bank to cover possible losses in the realization of this risk.²⁷

Country concentration of the Bank's assets and liabilities:

<i>RUB million</i>	<i>Jan 1, 15</i>				
	Russia	CIS countries	Countries of the Developed Countries group ²⁸	Other countries	Total
Assets					
1 Cash and cash equivalents	1,240,712	-	-	-	1,240,712
2 Funds of credit institutions held with the Central Bank of the Russian Federation	369,676	-	-	-	369,676
3 Funds held with the credit institutions	35,826	866	192,524	127,271	356,487
4 Financial assets carried at fair value through profit or loss	508,589	107	48,740	268,252	825,688
5 Net loans receivable	13,505,010	322,150	910,970	1,151,249	15,889,379
6 Net investments in securities and other financial assets available for sale	1,456,626	46,883	115,211	126,770	1,745,490
7 Net investments in securities held to maturity	342,398	6,316	17,760	-	366,474
8 Current profit tax claims	67,058	-	-	-	67,058
9 Fixed assets, intangible assets and inventories	478,598	-	-	14	478,612
10 Other assets	310,005	2,716	67,819	26,644	407,184
11 Total assets	18,314,498	379,038	1,353,024	1,700,200	21,746,760

²⁶ Policy for setting the country risk limits No. 2224-3, dated October 15, 2013.

²⁷ Policy for calculation of economic capital to cover losses on transfer risk No. 2563, dated June 29, 2012.

²⁸ The Developed Countries group includes: Australia, the Republic of Austria, the Grand Duchy of Luxembourg, the Hellenic Republic, Ireland, the Italian Republic, Canada, the Kingdom of Belgium, the Kingdom of Denmark, the Kingdom of Spain, the Kingdom of the Netherlands, the Kingdom of Norway, the Kingdom of Sweden, New Zealand, the Portuguese Republic, the United Kingdom of Great Britain and Northern Ireland, the United States of America, the Federal Republic of Germany, the Republic of Finland, the French Republic, the Swiss Confederation and Japan.

Liabilities

12 Loans, deposits and other funds of the Central Bank of the Russian Federation	3,515,818	-	-	-	3,515,818
13 Due to credit institutions	299,725	52,206	343,563	99,362	794,856
14 Due to customers other than credit institutions	12,869,762	31,196	925,475	200,291	14,026,724
15 Financial liabilities carried at fair value through profit or loss	210,912	10	113,428	293,595	617,945
16 Debt securities in issue	513,402	-	-	-	513,402
17 Other liabilities	182,665	262	25,766	7,560	216,253
18 Current profit tax liability	2	-	-	-	2
19 Deferred tax liability	42,891	-	-	-	42,891
20 Provisions for possible losses from credit contingencies, other possible losses and transactions with offshore residents	35,325	43	-	1,163	36,531
21 Total liabilities	17,670,502	83,717	1,408,232	601,971	19,764,422
Net balance item	643,996	295,321	-55,208	1,098,229	1,982,338

*RUB million**Jan 1, 14*

	Russia	CIS countries	Countries of the Developed Countries group	Other countries	Total
Assets					
1 Cash and cash equivalents	717,320	-	-	-	717,320
2 Funds of credit institutions held with the Central Bank of the Russian Federation	408,803	-	-	-	408,803
3 Funds held with the credit institutions	1,975	280	90,495	1,551	94,301
4 Financial assets carried at fair value through profit or loss	116,120	3,787	8,926	15,830	144,663
5 Net loans receivable	10,641,455	164,697	633,459	538,395	11,978,007
6 Net investments in securities and other financial assets available for sale	1,512,118	37,677	85,534	108,899	1,744,228
7 Net investments in securities held to maturity	384,716	10,633	8,639	-	403,988
8 Current profit tax claims	261	-	-	-	261
9 Fixed assets, intangible assets and inventories	468,051	-	-	19	468,070
10 Other assets	257,839	5,538	21,077	31,264	315,718
11 Total assets	14,508,397	222,612	848,131	695,958	16,275,097
Liabilities					
12 Loans, deposits and other funds of the Central Bank of the Russian Federation	1,967,036	-	-	-	1,967,036
13 Due to credit institutions	167,007	22,872	356,498	84,082	630,459
14 Due to customers other than credit institutions	10,513,477	23,496	496,566	94,496	11,128,035
15 Financial liabilities carried at fair value through profit or loss	9,662	-	10,597	13,791	34,051
16 Debt securities in issue	404,519	-	-	-	404,519
17 Other liabilities	129,389	1,394	7,483	6,531	144,796
18 Provisions for possible losses from credit contingencies, other possible	27,494	1	206	3,299	31,001

losses and transactions with offshore residents

19 Total liabilities	13,218,583	47,763	871,350	202,199	14,339,896
Net balance item	1,289,813	174,849	-23,219	493,758	1,935,201

6.5. Financial Market Risks

This category includes the following types of risks:

- Interest risk for the debt securities portfolio of the trade book is the risk arising as a result of adverse changes in market rates.
- Stock risk of the trade book is the risk arising as a result of adverse changes in equity security quotations.
- Currency risk of the trade book is the risk arising as a result of adverse changes in foreign exchange rates and precious metals prices.
- Market credit spread risk is a risk of losses due to unfavorable changes in the market prices of financial instruments, the current fair value of which depends on the market appraisal of credit quality of a debt security issuer/transaction party (related name) (of an instrument profitability component reflecting the level of the issuer/contractor's credit risk), with deterioration of credit quality of the issuer/contractor, including their default.
- Volatility risk is a risk of losses or reduction of profit associated with changes of financial instrument base asset price volatility.

Estimation of the level of trading position risks *is made by the Bank based on the VaR (Value-at-Risk) model using the historical simulation method with a confidence probability of 99 % at a 10-day horizon, with mark-ups factored in for the inherent risk related to change in the prices for individual instruments due other than to a change in the overall market situation.*

Market risk²⁹:

<i>Type of risk</i>	<i>Risk level RUB billion</i>		<i>Risk level % of capital</i>	
	<i>January 1, 2015</i>	<i>January 1, 2014</i>	<i>January 1, 2015</i>	<i>January 1, 2014</i>
Market Risk	47.6	18.8	2.11 %	0.94 %
debt securities portfolio	46.7	17.2	2.07 %	0.86 %
Stock risk	1.0	2.2	0.04 %	0.11 %
Currency risk	2.8	5.7	0.12 %	0.29 %
investment diversification effect	-3.0	-6.4	-0.13 %	-0.32 %

6.6. Market risk as of January 1, 2015, increased considerably as compared to the value as of January 1, 2014, due to the increased volatility of the currency exchange rates and interest rate level. Reduced currency risk can be explained by cancellation of the CBR requirement to consider strategic investments in subsidiaries when calculating an open currency position. Reduction of the stock

²⁹ Calculated based on the Bank's total position on financial instruments, including the Bank Book position, as well as on the Bank's total open currency position.

market risk is determined by reduction of the share portfolio volume. In 2014, transaction portfolios on the financial markets were divided according to the risk types and business units' specialization. This enabled an increase in the manageability of VaR with respect to all commercial operations.
Interest Rate and Currency Risks in the Bank Book

Interest and currency risks of the bank book are the risks of the Bank incurring financial losses under the bank book positions due to a negative change of interest rates, currency exchange rates and prices for precious metals.

The main objectives of management over these types of risk are:

- minimization of potential losses due to the realization of interest rate and currency risks;
- compliance with regulators' requirements;
- risk-return optimization.

Interest Rate Risk in the Banking Book

The Bank assumes the interest rate risk associated with the effects of fluctuations in the market interest rates on the cash flows. Interest rate risk in the banking book includes:

- the interest rate risk arising due to maturity mismatches (repricing of interest rates) of assets and liabilities that are sensitive to changes in interest rates, when shifting in parallel, changing the slope and shape of the yield curve;
- the basis risk arising from a mismatch in the degree of change in interest rates of assets and liabilities that are sensitive to changes in the interest rates with similar maturity (interest rate repricing period);
- advanced repayment (interest rate revision) risk regarding the assets and liabilities sensitive to interest rate changes.

In order to measure the interest rate risk, a standardized shock, in accordance with the recommendations of the Basel Committee, is used. Forecasting of possible changes in interest rates is carried out separately with respect to the ruble position and is aggregated by foreign currency. Interest rate shock is calculated as 1 % and 99 % percentile of the distribution of the average interest rate change obtained by the method of historical simulations according to data at least for the last 5 years. As a basic interest rate for the assessment of ruble interest rate shock, an indicative rate of ruble interest rate swaps for a period of 1 year (RUB IRS 1Y) is used, as well as the LIBOR 3M – for the currency position.

The table below shows impact of growth and fall of the profit before tax interest rates³⁰ at a 1-year horizon as of two dates:

	<i>Decline in interest rates</i>		<i>Growth of interest rates</i>	
	<i>January 1, 2015</i>	<i>January 1, 2014</i>	<i>January 1, 2015</i>	<i>January 1, 2014</i>
RUB				
Change in interest rates, b.p.	-626	-292	1,130	570
Change in profit before tax, RUB billion	261,170	65,865	-471,794	-120,361
Foreign currency				
Change in interest rates, b.p.	-15	-19	56	66
Change in profit before tax, RUB billion	-518	80	1,886	-323

³⁰ Impact is calculated per all positions of the bank book which include the same investments in securities and other financial assets available for sale and investments in securities held to maturity

The growth of interest rate of the bank book in *Russian rubles* as of January 1, 2015, as compared to January 1, 2014, was mainly attributable to:

- the growth of short-term raisings from the Bank of Russia and funds of legal entities;
- the growth of the currency balance volume;
- increase in volatility of interest rates in Russian rubles.

The change of interest rate of the bank book in *foreign currency* as of January 1, 2015, as compared to January 1, 2014, was mainly attributable to:

- the increase in volume of investment of funds of the Bank in foreign currency in the banks;
- the increase in volume of loans to the legal entities at floating rates.

Currency Risk in the Bank Book

The Bank is exposed to currency risk due to the open currency positions (OCP) availability.³¹ The main sources of the bank book OCP are: operations of financing and attracting in foreign currency and income earned in foreign currencies. Currency risk is realized due to unfavorable changes in exchange rates.

The Bank undertakes daily aggregation of OCP and manages the open currency position in the banking book in order to reduce the currency risk. The Bank uses spot settlement exchange transactions, forward contracts, as well as the U.S. dollar futures contracts traded on the Moscow Stock Exchange, as the main instruments for risk management.

In 2014, the Bank was closing currency positions of the bank book, and, consequently, the Bank did not suffer any losses due to a considerable weakening of the exchange rate of the Russian ruble against the foreign currencies in accordance with the bank book's positions.

³¹ “OCP”

6.7. Assets and Liabilities Broken Down by Currencies

Analysis of the Bank's assets and liabilities broken down by currencies as of January 1, 2015, is provided below:

<i>RUB million</i>	<i>RUB</i>	<i>USD</i>	<i>EURO</i>	<i>Other currencies</i>	<i>Total</i>
Cash and cash equivalents	882,041	208,251	118,461	31,959	1,240,712
Funds of credit institutions held with the Central Bank of the Russian Federation	301,209	56	68,411	-	369,676
Funds with credit institutions before provisions	22,099	286,643	10,342	37,977	357,061
<i>Provisions for possible losses</i>					-574
Investments in securities carried at fair value through profit or loss	102,001	61,522	1,518	794	165,835
Loans receivable before provisions for possible losses	12,143,444	4,025,994	416,998	104,146	16,690,582
<i>Provisions for possible losses</i>					-801,203
Investments in securities and other financial assets available for sale before provisions for possible losses	1,366,906	298,971	81,408	349	1,747,634
<i>Provisions for possible losses</i>					-2,144
Investments in securities held to maturity before provisions for possible losses	299,347	69,148	-	-	368,495
<i>Provisions for possible losses</i>					-2,021
Current income tax claims	67,058	-	-	-	67,058
Fixed assets, intangible assets and inventories	480,205	-	-	-	480,205
<i>Provisions for possible losses</i>					-1,594
Other assets before provisions for possible losses	267,915	127,689	37,597	2,672	435,873
<i>Provisions for possible losses</i>					-28,690
Total assets before provisions for possible losses	15,932,225	5,078,274	734,735	177,897	21,923,131
<i>Provisions for possible loss</i>					-836,225
Loans, deposits and other funds of the Central Bank of the Russian Federation	3,149,504	366,314	-	-	3,515,818
Due to credit institutions	209,583	465,248	104,524	15,501	794,856
Due to customers other than credit institutions	9,400,626	3,561,175	829,695	235,228	14,026,724
Debt securities in issue	496,946	12,047	4,409	-	513,402
Current profit tax liabilities	2	-	-	-	2
Other liabilities	133,152	79,943	1,829	1,329	216,253
Deferred tax liability	42,891	-	-	-	42,891
Total liabilities	13,432,704	4,484,727	940,457	252,058	19,109,946
<i>Provisions for possible losses from credit contingencies, other possible losses and transactions with offshore residents</i>					36,530
Net position as to DFI carried at fair value	408,778	-636,240	168,385	100,986	41,909

Analysis of the Bank's assets and liabilities broken down by currencies as of January 1, 2014, is provided below:

<i>RUB million</i>	<i>RUB</i>	<i>USD</i>	<i>EURO</i>	<i>Other currencies</i>	<i>Total</i>
Cash and cash equivalents	650,041	15,602	16,788	34,889	717,320
Funds of credit institutions held with the Central Bank of the Russian Federation	408,803	-	-	-	408,803
Funds held with credit institutions before provisions	1,986	24,508	26,336	41,873	94,703
<i>Provisions for possible losses</i>					-401
Investments in securities carried at fair value through profit or loss	67,758	22,787	4,966	870	96,381
Loans receivable before provisions for possible losses	10,169,019	2,062,615	235,222	93,089	12,559,945
<i>Provisions for possible losses</i>					-581,938
Investments in securities and other financial assets available for sale before provisions for possible losses	1,268,416	230,083	104,359	143,051	1,745,909
<i>Provisions for possible losses</i>					-1,681
Investments in securities held to maturity before provisions for possible losses	379,871	26,377	-	-	406,248
<i>Provisions for possible losses</i>					-2,260
Current income tax claims	261	-	-	-	261
Fixed assets, intangible assets and inventories	469,695	-	-	-	469,695
<i>Provisions for possible losses</i>					-1,625
Other assets before provisions for possible losses	295,115	33,151	8,334	7,063	343,663
<i>Provisions for possible losses</i>					-28,205
Total assets before provisions for possible losses	13,710,965	2,415,124	396,004	320,835	16,842,928
<i>Provisions for possible losses</i>	-				-616,110
Loans, deposits and other funds of the Central Bank of the Russian Federation	1,967,036	-	-	-	1,967,036
Due to credit institutions	141,124	422,657	64,073	2,605	630,459
Due to customers other than credit institutions	8,836,059	1,737,179	384,611	170,186	11,128,035
Debt securities in issue	383,632	19,325	1,562	-	404,519
Other liabilities	92,749	50,424	813	810	144,796
Total liabilities	11,420,599	2,229,585	451,059	173,602	14,274,844
<i>Provisions for possible losses from credit contingencies, other possible losses and transactions with offshore residents</i>					31,001
Net position as to DFI carried at fair value	127,301	-106,466	-6,676	73	14,231

6.8. Risk of Losses due to the Change of the Property Value

Risk of losses due to a change of immovable property cost is a risk of losses due to unfavorable change of the cost of property owned by the Bank (for instance, own buildings or buildings obtained as a part of bankruptcy proceedings).

The key risk metrics characterizing the risk of loss due to a change of cost of the immovable property is economic capital. The main purpose of calculating the economic capital is to assess the potential amount of unexpected losses in the event of realization of a risk to define the proper level of available financial resources of the Bank providing coverage with a defined reliability level (confidence coefficient) at a 1-year horizon.

<i>RUB billion</i>	<i>Jan 1, 15</i>	<i>Jan 1, 14</i>
Real estate portfolio volume	350.0	334.3
<i>Growth rate of the real estate portfolio volume</i>	<i>4.7 %</i>	
Non-diversified economic capital:	53.3	48.6
Diversified economic capital:	30.6	27.5
<i>Growth rate of the diversified economic capital:</i>	<i>11.2 %</i>	
<i>Share in the diversified economic capital:</i>	<i>1.8 %</i>	<i>2.3 %</i>

Weight of this type of risk in the general structure of the Bank's economic capital remains stably low. Procedures and policies of managing this risk are in progress.

6.9. Legal Risk

Legal risk is the possibility of the Bank suffering financial losses, unplanned expenses or reducing projected revenues as a result of:

- inconsistency of internal regulatory documents, organizational and administrative documents of the Bank/Group member, with the requirements of legislation, legal acts and law enforcement practice;
- failure to take into account/ignore the judicial and law enforcement practice;
- imperfection of the legal system: inconsistency of legislation, absence of the provisions of law on regulating the issues arising in the course of business;
- committed legal errors in the course of business: wrong legal advice or wrong execution of the internal documents of the Bank, and agreements.

To make decisions and respond in a timely manner to a change of the risk level, the Bank prepares reports on losses associated with implementation of a legal risk, current risk level, and status of measures taken to minimize risk.

Assessment and forecast on the risk level is performed subject to the database of facts concerning implemented legal risks in the Bank and other financial institutions, based on the results of scenario analysis. Modern mathematical and statistical methods are used to analyze the information.

In 2014, Legal Risk Management Policy of Sberbank of Russia Group was approved, according to which identification, assessment and managing the legal risk procedures adopted in the Bank are duplicated for the Group's participating organizations. The start of the collection of data concerning legal risks for all Group members was on January 1, 2015.

6.10. Compliance Risk

Compliance risk means the risk of application of legal sanctions or sanctions of regulators, significant financial loss or loss of reputation of the Bank or other Group member as a result of their non-compliance with laws, regulations, rules, standards of self-regulatory organizations, or codes of conduct and ethical norms of business.

The main directions of the activities of the Bank and the Group members in compliance risk management are:

- prevention of misuse of authority and corruption actions of employees of the Bank and Group members;
- prevention and settlement of conflicts of interest arising in the course of performance by the Bank and Group members of their activities;
- counteraction of money laundering and financing of terrorism;
- compliance with license requirements and other regulatory requirements related to financial markets;
- ensuring of market conduct and fair competition when performing transactions on financial markets, prevention of unscrupulous business practices on financial markets (use of insider information, price manipulation, etc.);
- compliance with economic sanctions and restrictions established by the Russian Federation, as well as international organizations and certain countries;
- protection of the rights of clients, including as regards investment activities.

In elaboration of the aforesaid trends the Bank has developed and approved by-laws and introduced review procedures. Compliance control is organized consistently, with all employees of the Bank and participants of the Group involved and is performed continuously.

2014 witnessed effective steps aimed at adjustment of the best international practices of compliance control and bringing methodology as regards compliance of the Bank and Group into line with legislative novations.

6.11. Regulatory Risk

Regulatory risk shall mean the risk of the occurrence of negative financial and other consequences for the Bank and Group if a competent authority exercises its right to develop a statutory regulation³² and there is a possibility of its adoption.

In order to create an effective process of regulating the regulatory risk, in 2014, the Bank has adopted the by-laws regulating this process, and provided for minimization of the regulatory risk with respect to the key draft regulations, and conducted regulatory risk management training.

In 2014, as a part of the process of managing the regulatory risk, the Bank has particularly regulated the activity of its officials and subdivisions with respect to prevention and reduction of the possibility of a regulatory risk. The Bank has organized a process of internal interaction at the time of preparing the proposals to create a comfortable legal environment for conducting business with the Bank, and to minimize consequences of the regulatory risk found.

The Bank has a collegial advisory body - a Working Group on improvement of the legislative control and creation of a favorable legal environment to provide implementation of the Development

³² This means a federal constitutional law, federal law, by-law.

Strategy. A consolidated position of the Bank with respect to the regulatory initiatives and draft laws bearing regulatory risks is elaborated for the Working Group.

Training for the mid-level executives of the Central Administrative Office was conducted under Modern GR: Regulatory Risk Management program.

At the end of 2014, the Bank adopted an up-to-date Regulatory Initiative Plan for the period until 2018, according to which work on developing the Bank's position on the key regulatory trends was conducted.

6.12. Tax Risk

Tax risk is an uncertainty as to achievement of business goals as a result of the influence of factors associated with the taxation process, which may appear as financial losses or any other adverse effects.

Appraisal of the level of potential tax risk is performed at the time of performance of the tax analysis of every transaction, operation or product the Bank is planning to introduce, and represents an appraisal of the potential financial losses: tax in default, penalty or fine. The method of tax risk management is selected based on the assessment of potential loss and tax risk acceptability.

As a part of creating a single tax risk management system of the Group processes and tax risk identification, appraisal and management procedures used in the Bank were systematized, formalized and tested. In 2014, unified principles of System functioning were introduced in the regional banks. The principles are distributed for the Group's members step by step. Unified approaches to appraisal of the tax risks will help to systematize information on actual implemented tax risks, to evaluate appropriateness of qualifying the tax risk as risks with regard to which risk appetite and demand for the capital on an individual basis will be defined.

6.13. Operational Risk

Operational risk is the risk of the Bank's losses arising as a result of errors in the organization of processes of the Bank, employee error or misuse by third parties, failures in operation of information systems, and due to external events.

As a part of managing operational risks, the Bank has introduced processes for collecting internal data on operational risk, self-assessment and scenario analysis incidents.

The users of various functional units are gradually connected to the automated operational risk management system. The system identifies and evaluates the effect of risks, and processes the information on measures taken to mitigate the risks.

Allocation of the amount of damage from serious incidents of operational risk among the Bank's subdivisions is performed regularly. Information about damage is considered a part of the key performance indicators (KPI) of the members of Executive Board, curators of the functional units of the Central Administrative Office, regional banks and branch manager. In addition, the Bank maintains a rating of the internal structural subdivisions according to the level of the operational risks for the purpose of minimization. Risk coordinators of the subdivisions are consulted with respect to operational risk management issues on an ongoing basis.

The main part of improvements to the automated operational risk management system in the Group's subsidiaries is complete. Employees of Sberbank Europe AG, Sberbank (Switzerland) AG, Denizbank AS, Sberbank of Russia JSC (Ukraine), BPS Sberbank JSC (Belarus), SB Sberbank JSC (Kazakhstan), Sberbank Leasing CJSC, and Cetelem Bank LLC have begun working in a unified

operational risk management system. The process of scenario analysis was launched for the subsidiaries of Sberbank (Switzerland) AG, Denizbank AS, Sberbank of Russia JSC (Ukraine), BPS Sberbank JSC (Belarus), Sberbank JSC (Kazakhstan), Sberbank Leasing CJSC, and Cetelem Bank LLC.

To minimize risks of the Bank associated with improper performance of agreements for the supply of goods and services by suppliers, a scoring model for assessment of such risks and determining a potential loss of the Bank was introduced.

In order to reduce operational risks the Bank introduces "Client Session" technology, which makes conducting transactions without the knowledge of the client impossible. Additional control of transactions related to the change of the clients' data at the level of ISU was realized. Suspension of Mobile Bank service subject to canceled agreements between the clients and mobile network operators was automated. The Mobile Bank service is blocked for mobile phones infected with malicious software.

To minimize risks of incorrect performance of operations by employees, the retail banking system was improved with regard to visualization of the number of digits, repeated input of sum and transaction currency, and notifying on critical transactions. All improvements were duplicated across all regional banks.

6.14. Strategic Risk

Strategic risk is the risk of the Group incurring losses in more than 1 year's time as a result of errors made at the time decisions were made that determine the development strategy. The errors may be expressed as insufficient consideration of the potential hazard for the Group's activity, wrong definition of the prospective lines of business where the Group may achieve a competitive position, or in incomplete provisioning of the resources and administrative decisions that must provide achievement of the strategic goals.

Business risk is defined as the risk of losses that may be incurred by the Group in up to 1 year's time due to changes in the external environment, including changes in the Group's earning capacity, for example, because of a drop in sales or increased operating expenses.

In November 2013, a new Sberbank Strategy was approved for the period until 2018³³. Possible scenarios of the development of a macroeconomic situation were analyzed at the time of development of the Strategy, and some forecast scenarios on development of the Russian economy were developed. Conditions of transfer between scenarios were also defined.

The Strategy landmarks are based on an in-depth study of social, economic and technological tendencies in Russia and in the world, analysis of the attractiveness of some business areas and evaluation of compliance of the Bank's system with world standards.

In the current economic situation Sberbank faced new challenges with respect to which corresponding response actions were elaborated. Among the key challenges Sberbank faces the following are noteworthy:

³³ Hereinafter the "Strategy"

<i>Challenges</i>	<i>Description</i>	<i>Responsive actions</i>
Deterioration of the quality of borrowers	<ul style="list-style-type: none"> The quality of borrowers has considerable deteriorated in some sectors. 	<ul style="list-style-type: none"> Increased monitoring of the credit portfolio Focus work with pre-troubled debt, including a proactive approach to restructuring potentially troubled loans Further improvement of the risk management system and credit process
Liquidity shortage	<ul style="list-style-type: none"> Closure of European and American capital markets and liquidity markets for Russian companies Slowdown in the growth rates of clients' funds Increase of dependence on the funds of the Bank of Russia Increase of the level of interest risk 	<ul style="list-style-type: none"> Implementation of plans to manage ruble and currency liquidity Focusing of the branch network on attracting resources Improvement of the Bank's attractiveness for depositors (including due to an increase of rates) Entry into new markets to attract currency liquidity Prioritization of the financing of customers with high RAROC
Macroeconomic uncertainty and depreciation of the ruble	<ul style="list-style-type: none"> Geopolitic risks The falling oil price Possible recession Considerable depreciation of the ruble against the dollar and the euro 	<ul style="list-style-type: none"> The Group's Risk Committee has approved a set of triggers for various macroeconomic scenarios and response plans Additional measures to control expenditures Sberbank strives to minimize the open currency position

Despite difficult external conditions, in 2014, basic measures of the Strategy implementation were successfully launched. Main quality KPI defined in the Strategy are implemented. Implementation of the Strategy is supported by the organized processes of strategic and business planning, project activities management, and executives performance efficiency management system based on the above.

In order to successfully implement the Strategy, the project activity management system was modernized and the Bank has switched from project to program management. Project activity management was delegated from the level of the Executive Board to the Project and Processes Committee, and from the level of the Project and Processes Committee to the level of units.

Despite crisis trends developing in the Russian economy, the Bank still considers the set of key programs and projects, implemented as a part of achieving the Strategy goals, to be relevant. At the same time, partial recalendarization of part of the initiatives is possible, taking into account the need to resolve the most urgent tasks related to ensuring efficiency and stability of the Bank's activity at the time of crisis. Sberbank is not yet reviewing the financial goals of the Strategy, but it is keeping a watchful eye on market development scenarios and will return to this question in 2015.

Under new economic conditions Sberbank sees new opportunities for successful implementation of the Strategy on account of the following:

- consolidation of positions on the Russian market, increase of the level of credibility and loyalty of clients,
- higher rates of restructuring of the sales system and management system with lower risks associated with scaling of transformations,
- maintenance of the potential for implementation of strategic development projects at a time when competitors face problems even with supporting the current parameters of business,
- using the temporary fall in market growth rates for deeper modernization of processes, infrastructure and IT system architecture,

- limitations on the growth of income, more strict financial control at all stages of expenditures,
- piloting of innovative ideas and developments, full-scale duplication of which may be launched at the stage of market recovery,
- development and training of the team: creation of new skills, development of competences, and introduction of a new corporate culture.

Sberbank takes into account changes of the economic situation when creating tasks of the Group's business plan for 2015 and such change is reflected in the Group's focus on implementation of strategic programs aimed, first of all, at ensuring quality servicing for clients and the reliability of the Bank's internal systems.

On a regular basis the Group and Group members continue evaluating the implementation results of the Development Strategy and the attainment of the business plan target indicators. The analysis of deviations between actual and target indicators, the forecast of the strategy and business plan fulfillment subject to newly discovered circumstances are, among other things, the basis for decisions on adjusting the strategy or business plan, making it possible to reduce the potential adverse effect from strategic and business risks.

6.15. Model Risk

Model risk appears from uncertainty/errors in models (including risk measurement, appraisal of the cost of securities and financial instruments, liquidity assessment), including the risk of model parameters changing over the course of time.

The aim of assessing the level of model risk is to define models that have to be reworked. Once they are defined, the model is reworked and validated once more.

Based on the results of 2014, 320 models were validated, of which 56 required reworking. Large-scale validation of all Sberbank models was performed. Validation of rating of retail and corporate clients was performed. Model Risk Management Policy was approved with all subsidiary banks of the Group.

Information on Transactions with the Parties Related to the Bank

Related-party transactions were carried out by the Bank on terms and conditions similar to those applied to operations (transactions) with other counterparties. Parties are considered to be related if one of them has the ability to control the other party, is under common control or may exercise significant influence over the other party in making financial or operational decisions.

Information is disclosed below about balances on significant transactions with related parties, which include transactions with the Bank of Russia (the main shareholder of Sberbank of Russia), subsidiaries and other related parties.

<i>RUB million</i>	<i>Jan 1, 15</i>		<i>Jan 1, 14</i>	
	<i>Bank of Russia</i>	<i>Other related parties*</i>	<i>Bank of Russia</i>	<i>Other related parties*</i>
Assets				
Obligatory provisions on accounts with the Bank of Russia	142,522	-	112,129	-
Funds with the Bank of Russia	227,154	-	296,673	-
Funds with other banks	-	562,518	-	283,692
Investments in securities, including:	-	385,889	-	314,195
at fair value	-	50	-	3,324
available for sale	-	386,383	-	310,871
provisions for possible losses of securities	-	543	-	-
Loans and advances to customer before impairment reserve, including:	-	532,045	-	308,972
overdue loan debt	-	841	-	492
Provision for loan debt impairment	-	19,364	-	23,894
Liabilities				
Funds of other banks	3,015,818	29,761	1,667,036	16,613
Funds of individuals	-	5,795	-	6,572
Funds from corporate clients	-	92,962	-	141,498
Subordinated loans raised	500,000	-	300,000	-
Off-balance				
Guarantees provided	-	82,270	-	57,283
Received guarantees	-	28,699	-	-

The Bank had no material settlement commitments with related parties as of January 1, 2015, and January 1, 2014.

The information concerning material incomes and expenditure over the operations with related parties is disclosed below.

<i>RUB million</i>	<i>2014</i>		<i>2013</i>	
	<i>Bank of Russia</i>	<i>Other related parties</i>	<i>Bank of Russia</i>	<i>Other related parties</i>
Interest income	218	43,464	51	29,021
Interest costs on subordinated loan	-26,481	-	-19,500	-
Interest costs, except of interest costs on subordinated loan	-145,864	-5,690	-48,210	-4,909
Other earnings, less expenditure	-1,655	-92,602	-1,443	7,438
Operating expenses	-57	-142	-56	-7,761

During 2014 and 2013, the Bank did not write off significant amounts of uncollectible receivables from transactions with related parties.

In accordance with the legislative requirements of the Russian Federation, non-arm's-length transactions³⁴, including transactions with related parties, are conducted according to a special procedure and are subject to approval before they are conducted by an authorized body of the Bank's Executive Board (the Supervisory Board and, in some cases, the General Meeting of Shareholders). In 2014, such transactions were approved by the Bank's Supervisory Board.

To reveal signs of interest, preliminary analysis is performed of interest on the part of members of executive bodies who are involved in the decision-making process. Interested parties are removed from discussing the transaction and from decision making on such transaction.

The issue of approval of a non-arm's-length transaction is subject to preliminary consideration by the collegial working bodies of the Bank (Committees) or by the Executive Board of the Bank, who preliminarily approve the main terms of transactions and take decisions on submitting the transactions for subsequent approval by the Supervisory Board and in cases, stipulated by the legislation of the Russian Federation, by the General Meeting of Shareholders.

In the normal course of business, the Bank enters into transactions with government agencies of the Russian Federation and companies controlled or significantly influenced by the government. The Bank provides government agencies and state-controlled companies with a full range of banking services, including (but not limited to) the provision of loans and acceptance of deposits, the issue of guarantees, securities sale/purchase transactions and cash management services. These transactions are performed by the Bank on market conditions, where transactions with government agencies and state-controlled companies constitute a small portion of all the Bank's transactions.

The table below provides the balances under material operations with state agencies and state-controlled companies:

<i>Jan 1, 15</i>				
<i>Client</i>	<i>Sector of the economy</i>	<i>Net loans receivable</i>	<i>Due to customers / Due to banks</i>	<i>Issued guarantees</i>
Client 1	Oil and gas industry	130,060	133,878	25,456
Client 2	Power industry	172,533	97,556	3,928
Client 3	Machine building	172,026	51,406	37,222
Client 4	Machine building	180,196	45,161	15,219
Client 5	State and municipal agencies	-	217,511	-
Client 6	Power industry	174,333	39,522	-
Client 7	Machine building	129,385	30,583	8,971
Client 8	Machine building	42,488	10,620	109,813
Client 9	Machine building	94,186	33,553	25,779
Client 10	Telecommunications	102,445	-	8,696
Client 11	Banking	-	-	100,000
Client 12	Power industry	51,287	47,597	117
Client 13	State and municipal agencies	-	89,500	-
Client 14	Oil and gas industry	-	62,766	-
Client 15	Machine building	5,806	19,420	20,694
Client 16	Transport, aviation and space industry	5,979	9,141	25,611
Client 17	Machine building	29,483	2,135	8,373

³⁴ Federal Law No. 208-FZ "On Joint-Stock Companies"

Client 18	Transport, aviation and space industry	14,052	2,665	14,379
Client 19	Machine building	15,638	568	14,359
Client 20	Transport, aviation and space industry	220	4,955	21,461

Jan 1, 14

<i>Client</i>	<i>Sector of the economy</i>	<i>Net loans receivable</i>	<i>Due to customers / Due to banks</i>	<i>Issued guarantees</i>
Client 1	Oil and gas industry	84,376	76,793	20,602
Client 2	Power industry	164,247	38,596	-
Client 3	Machine building	135,884	44,976	23,507
Client 4	Machine building	116,099	36,182	15,967
Client 5	State and municipal agencies	-	-	-
Client 6	Power industry	148,200	19,043	-
Client 7	Machine building	98,982	-	8,360
Client 8	Machine building	23,127	-	98,220
Client 9	Machine building	48,805	15,804	3,463
Client 10	Telecommunications	116,161	-	5,882
Client 11	Banking	-	150	90,000
Client 12	Power industry	48,103	61,926	148
Client 13	State and municipal agencies	-	-	-
Client 14	Oil and gas industry	-	-	-
Client 15	Machine building	4,051	-	13,492
Client 16	Transport, aviation and space industry	6,288	-	25,179
Client 17	Machine building	21,785	4,413	5,577
Client 18	Transport, aviation and space industry	7,934	-	11,586
Client 19	Machine building	9,591	-	13,134
Client 20	Transport, aviation and space industry	-	-	22,665

Additionally, the balances on operations with government offices and companies controlled by the Russian Federation as of January 1, 2015, include the requirements for the Deposit Insurance Agency of Russia in the amount of RUB 17,128 mln (as of January 1, 2014, they amounted to RUB 53,960 mln) that is represented by the sum of accounts receivable recognized according to settlements on compensation payment operations with regard to deposits in banks, the licenses of which were recalled by the Bank of Russia. These balances are included in other financial assets (see Note 5.8).

Information on Payments (Remunerations) to Management Personnel

Average staff number of the Bank for 2014 was 257,488 (for 2013: 246,024).

The rules and procedures prescribed by the Bank's internal documents on labor remuneration are observed with respect to the Bank's managers and employees.

In accordance with Sberbank's Accounting policy, the details on operations (transactions) with the key management personnel shall include information on transactions with persons, who are members of the management and controlling bodies of the Bank. The following categories of positions shall be understood as managerial staff for the purposes of this report: CEO, Chairman of the Board, Members of the Executive Board, senior vice-presidents of the Bank, chief accountant of the Bank and her deputies, members of the Audit Committee, heads of the control and internal audit service and audit, chairmen of the regional banks, and chief accountants of the regional banks.

According to the resolution of the annual General Meeting of the Shareholders held on June 6, 2014, remuneration for 2014 was paid to members of the Supervisory Board in 2014 in the amount of RUB 53.0 million for their participation in this management body of the Bank. (for 2012 in 2013: RUB 61.3 million)

The amount of payments to managerial staff for 2014 as a short-term remuneration (excluding the second part of the remuneration according to the results of work for 2013 paid in 2014) amounted to RUB 4.9 billion. (for 2013: RUB 5.6 billion).

For the purposes of this report the sum of short-term remuneration includes: wages and social security contributions, payable annual leave, monthly and quarterly premiums, payments for business trips, non-cash benefits (medical services, accident and health insurance, provision of accommodation and transport), remuneration based on the results of work during a year (with regard to the year for which performance evaluation was made, i.e., in 2014 the part for 2013 paid in 2014 is not specified).

Remuneration of the managerial staff after finishing work activities (pensions and one-time retirement payments, retirement allowances in excess of the standards of the Labor Code of the Russian Federation) for 2014 amounted to RUB 3.4 mln, in 2013 - RUB 25.5 mln.

No long-term compensations—long-service payments, long-term disability payments—were made to the above mentioned managerial categories in 2014.

Average number of managerial staff of the Bank for 2014 was 71 (for 2013: 72).

The share of the total amount of payments/remunerations to the managerial staff in the total amount of remuneration to all employees of the Bank amounted in 2014 to 1.9 %, in 2013 – 2.5 %. The total amount of remuneration to the managerial staff for 2014 decreased by 12.0 % as compared to 2013.

Information on the Bank's Business Segments

For the purpose of management, the Bank is divided into operating segments of activity — central head office, 16 regional banks (before July 1, 2014, - 17 regional banks) — which are defined on the basis of the Bank's organizational structure and geographical locations. The principal activity of all operating segments is banking operations. For the purpose of presentation in these statements, the operating segments are aggregated in the following reporting segments:

- Moscow, including:
 - Central Head Office of the Group,
 - Regional Bank of Moscow.
- Central and Northern Regions of the European part of Russia, including:
 - Severny Regional Bank — Yaroslavl,
 - Severo-Zapadny Regional Bank — St. Petersburg,
 - Tsentralno-Chernozemny Regional Bank — Voronezh,
 - Srednerussky Regional Bank — Moscow;
- Volga Region and South of European part of Russia, including
 - Volgo-Vyatsky Regional Bank — Nizhniy Novgorod;
 - Povolzhsky Regional Bank — Samara;
 - Severo-Kavkazsky Regional Bank — Stavropol;
 - Yugo-Zapadny Regional Bank — Rostov-on-Don.
- Ural, Siberia and Far East of Russia, including:
 - Zapadno-Uralsky Regional Bank — Perm;
 - Uralsky Regional Bank — Yekaterinburg;
 - Sibirsky Regional Bank — Novosibirsk,
 - Zapadno-Sibirsky Regional Bank — Tyumen;
 - Severo-Vostochny Regional Bank — Magadan (on July 1, 2014, the bank was reorganized and its divisions were included in Dalnevostochny and Baikalsky regional banks),
 - Dalnevostochny Regional Bank — Khabarovsk,
 - Vostochno-Sibirsky Regional Bank — Krasnoyarsk,
 - Baikalsky Regional Bank — Irkutsk.
- Other countries, including:
 - Branch located in India.

The Bank's Management analyzes the operating results of every segment of activity to make decisions on allocating resources and to assess their performance. The segments' reports and performance provided to the management for analysis are made in accordance with Russian accounting rules.

Intersegment operations are performed on the basis of internal transfer pricing rates which are established, approved and regularly revised by the Bank's management.

The table below contains information on allocation of the Bank's assets and liabilities broken down by segments as of January 1, 2015:

<i>RUB million</i>	<i>Moscow</i>	<i>Central and Northern regions of the European part of Russia</i>	<i>Povolzhye and South part of Russia</i>	<i>Urals, Siberia and Far East of Russia</i>	<i>Other countries</i>	<i>Total</i>
I ASSETS						
1 Cash and cash equivalents	412,632	295,834	231,570	300,675	1	1,240,712
2 Funds of credit institutions held with the Central Bank of the Russian Federation	360,411	23	284	8,958	0	369,676
2.1 Required reserves	142,522	0	0	0	0	142,522
3 Funds held with the credit institutions	356,205	1	0	244	37	356,487
4 Financial assets carried at fair value through profit or loss	825,688	0	0	0	0	825,688
5 Net loans receivable	7,108,978	2,905,150	2,402,558	3,469,672	3,021	15,889,379
6 Net investments in securities and other financial assets available for sale	1,745,141	0	0	0	349	1,745,490
6.1 Investments in subsidiaries and affiliates	385,839	0	0	0	0	385,839
7 Net investments in securities held to maturity	366,474	0	0	0	0	366,474
8 Current income tax claims	67,058	0	0	0	0	67,058
9 Deferred tax asset	0	0	0	0	0	0
10 Fixed assets, intangible assets and inventories	143,646	100,510	95,771	138,671	14	478,612
11 Other assets	290,885	50,198	22,213	43,839	49	407,184
Intra-branch settlements	2,332,840	404,290	0	87,159	0	2,824,289
12 Total assets	11,677,118	3,351,716	2,752,396	3,962,059	3,471	21,746,760
II LIABILITIES						
13 Loans, deposits and other funds of the Central Bank of the Russian Federation	2,901,889	176,400	155,600	281,929	0	3,515,818
14 Due to credit institutions	763,265	17,862	5,100	7,610	1,019	794,856
15 Due to customers other than credit institutions	6,220,444	3,007,505	2,109,086	2,689,012	677	14,026,724
15.1 Deposits of individuals	2,225,628	2,238,930	1,604,716	1,929,774	4	7,999,052
16 Financial liabilities carried at fair value through profit or loss	617,945	0	0	0	0	617,945
17 Debt securities in issue	105,664	163,810	85,462	158,466	0	513,402
18 Current income tax liabilities	2	0	0	0	0	2
19 Deferred tax liability	42,891	0	0	0	0	42,891
20 Other liabilities	160,278	21,177	15,281	19,504	13	216,253
Intra-branch settlements	2,187,277	4,712	120,473	510,065	1,762	2,824,289

21	Provisions for possible losses from credit contingencies, other possible losses and transactions with offshore residents	13,981	6,047	4,178	12,325	0	36,531
22	Total liabilities	10,826,359	3,392,801	2,374,707	3,168,846	1,709	19,764,422

The table below contains information on allocation of the Bank's assets and liabilities broken down by segments as of January 1, 2014:

<i>RUB million</i>		<i>Moscow</i>	<i>Central and Northern regions of the European part of Russia</i>	<i>Povolzhye and South part of Russia</i>	<i>Urals, Siberia and Far East of Russia</i>	<i>Other countries</i>	<i>Total</i>
I	ASSETS						
1	Cash and cash equivalents	149,416	197,525	168,687	201,688	5	717,320
2	Funds of credit institutions held with the Central Bank of the Russian Federation	406,741	66	538	1,458	-	408,803
2.1	Required reserves	112,129	-	-	-	-	112,129
3	Funds held with the credit institutions	94,075	3	-	54	168	94,301
4	Financial assets carried at fair value through profit or loss	144,663	-	-	-	-	144,663
5	Net loans receivable	4,817,679	2,292,578	1,984,464	2,882,121	1,165	11,978,007
6	Net investments in securities and other financial assets available for sale	1,744,228	-	-	-	-	1,744,228
6.1	Investments in subsidiaries and affiliates	310,871	-	-	-	-	310,871
7	Net investments in securities held to maturity	403,988	-	-	-	-	403,988
8	Current income tax claims	261	-	-	-	-	261
9	Deferred tax asset	-	-	-	-	-	-
10	Fixed assets, intangible assets and inventories	126,872	102,336	95,587	143,256	19	468,070
11	Other assets	142,945	64,910	43,805	63,783	14	315,457
457	Intra-branch settlements	2,118,544	540,659	36,044	20,673	-	2,715,920
12	Total assets	8,030,867	2,657,419	2,293,081	3,292,360	1,371	16,275,097
II	LIABILITIES						
13	Loans, deposits and other funds of the Central Bank of the Russian Federation	1,967,036	-	-	-	-	1,967,036
14	Due to credit institutions	599,104	12,690	7,407	11,259	-	630,459
15	Due to customers other than credit institutions	4,079,850	2,716,804	1,929,427	2,401,548	406	11,128,035
15.1	Deposits of individuals	2,022,557	2,155,852	1,579,696	1,897,587	2	7,655,695
16	Financial liabilities carried at fair value through profit or loss	34,051	-	-	-	-	34,051
17	Debt securities in issue	92,807	122,116	66,624	122,972	-	404,519

18	Current income tax liabilities	-	-	-	-	-	-
19	Deferred tax liability	-	-	-	-	-	-
20	Other liabilities	95,705	18,503	13,237	17,340	11	144,796
	Intra-branch settlements	2,283,060	0	79,873	351,862	1,126	2,715,920
21	Provisions for possible losses from credit contingencies, other possible losses and transactions with offshore residents	15,361	4,985	4,355	6,299	-	31,001
22	Total liabilities	6,883,913	2,875,098	2,021,050	2,559,418	418	14,339,896

The table below provides segment information regarding the allocation of the Bank's income and expenses for 2014:

		<i>Central and Northern regions of the European part of the European Povolzhye and South Urals, Siberia and Far East of Russia</i>				<i>Other countries</i>	<i>Total</i>
<i>RUB million</i>		<i>Moscow</i>	<i>of Russia</i>	<i>part of Russia</i>	<i>Russia</i>		
1	Total interest income, including:	630,877	319,414	287,842	423,458	294	1,661,885
1.1	From funds deposited with credit institutions	30,344	1,292	198	-	2	31,836
1.2	From loans granted to customers other than credit institutions	471,311	318,109	287,644	423,458	274	1,500,796
1.3	From provision of services related to financial leasing (leasing)	-	-	-	-	-	-
1.4	From investments in securities	129,222	14	-	-	18	129,254
2	Total interest expenses, including:	388,387	120,966	84,383	108,334	91	702,161
2.1	On deposits from credit institutions	163,156	7,333	6,326	12,236	61	189,112
2.2	On deposits from customers other than credit institutions	219,675	105,462	73,611	88,272	30	487,050
2.3	Debt securities in issue	5,556	8,171	4,446	7,826	-	25,999
3	Net interest income (negative interest margin)	242,490	198,448	203,459	315,124	203	959,724
4	Changes in the provisions for possible losses from loans, loan and equivalent debt, funds in:	-137,731	-21,612	-22,600	-97,578	-49	-279,570
4.1	Change in the provision for possible losses on interest income accrued	224	-473	-424	-1,727	-3	-2,403
5	Net interest income (negative interest margin) less provisions for possible losses	104,759	176,836	180,859	217,546	154	680,154
6	Net income from operations with securities carried at fair value through profit or loss	-64,381	-	-	-	-	-64,381
7	Net income from operations with securities available for sale	-12,662	-	-	-	-	-12,662

<i>RUB million</i>	<i>Moscow</i>	<i>Central and Northern regions of the European part of Russia</i>	<i>Povolzhye and South part of Russia</i>	<i>Urals, Siberia and Far East of Russia</i>	<i>Other countries</i>	<i>Total</i>
8 Net income from operations with securities held to maturity	-1	-	-	-	-	-1
9 Net income from operations with foreign currency	-12,764	9,112	5,330	-3,191	40	-1,473
10 Net income from foreign currency revaluation	162,747	-192	506	9,737	-96	172,702
11 Income from participation in the capital of other legal entities	5,332	-	-	-	-	5,332
12 Fee and commission income	72,397	55,223	45,751	67,728	15	241,114
13 Fee and commission expenses	21,751	743	548	897	-	23,939
14 Change in the provision for possible losses on securities available for sale	78	-	-	-	-	78
15 Change in the reserve for possible losses on securities held to maturity	238	-	-	-	-	238
16 Change in the provision for other losses	643	-2,257	-1,541	-8,363	-	-11,518
17 Other operating income	32,447	3,212	2,799	3,769	-	42,227
18 Net income (expenses)	267,083	241,191	233,157	286,329	113	1,027,873
19 Operating expenses	239,193	117,429	99,993	141,948	103	598,666
20 Profit (loss) before taxation	27,890	123,762	133,164	144,380	10	429,206
21 Tax compensation (expenses)	96,724	5,983	6,845	8,432	9	117,993
22 Income (loss) after taxation	-68,834	117,779	126,319	135,948	1	311,213
24 Unused profit (loss) for the reporting period	-68,834	117,779	126,319	135,948	1	311,213

The table below provides segment information regarding the allocation of the Bank's income and expenses for 2013:

<i>RUB million</i>	<i>Moscow</i>	<i>Central and Northern regions of the European part of Russia</i>	<i>Povolzhye and South part of Russia</i>	<i>Urals, Siberia and Far East of Russia</i>	<i>Other countries</i>	<i>Total</i>
1 Total interest income, including:	511,686	257,805	227,497	341,912	103	1,339,005
1.1 From funds deposited with credit institutions	18,444	59	42	-	49	18,595
1.2 From loans granted to customers other than credit institutions	377,779	257,733	227,455	341,912	54	1,204,934
1.3 From provision of services related to financial leasing (leasing)	-	-	-	-	-	-
1.4 From investments in securities	115,464	13	-	-	-	115,476
2 Total interest expenses, including:	263,826	102,863	71,591	88,032	16	526,327

<i>RUB million</i>	<i>Moscow</i>	<i>Central and Northern regions of the European part of Russia</i>	<i>Povolzhye and South part of Russia</i>	<i>Urals, Siberia and Far East of Russia</i>	<i>Other countries</i>	<i>Total</i>
2.1 On deposits from credit institutions	84,388	326	49	309	2	85,074
2.2 On deposits from customers other than credit institutions	172,865	94,442	67,310	81,066	14	415,698
2.3 Debt securities in issue	6,572	8,095	4,231	6,657	-	25,555
3 Net interest income (negative interest margin)	247,861	154,943	155,907	253,881	87	812,678
4 Changes in the provisions for possible total losses from loans, loans and similar accounts receivable, funds in correspondent accounts, as well as accrued interest income, including:	-6,676	-14,524	-2,366	-16,095	-69	-39,731
4.1 Change in the provision for possible losses on interest income accrued	-1,828	-107	-61	-496	-1	-2,494
5 Net interest income (negative interest margin) less provisions for possible losses	241,184	140,418	153,540	237,786	19	772,947
6 Net income from operations with securities carried at fair value through profit or loss	3,294	-	-	-	-	3,294
7 Net income from operations with securities available for sale	7,698	-	14	-	-	7,712
8 Net income from operations with securities held to maturity	-1	-	-	-	-	-1
9 Net income from operations with foreign currency	-5,181	2,651	1,596	1,151	-	216
10 Net income from foreign currency revaluation	7,434	199	173	1,044	-113	8,737
11 Income from participation in the capital of other legal entities	3,931	-	-	-	-	3,931
12 Fee and commission income	53,576	44,502	36,186	54,637	5	188,907
13 Fee and commission expenses	15,674	520	587	901	-	17,682
14 Change in the provision for possible losses on securities available for sale	-2	-	-	-	-	-2
15 Change in the reserve for possible losses on securities held to maturity	-1,798	-	-	-	-	-1,798
16 Change in the provision for other losses	-6,663	-3,075	-2,446	-2,977	-	-15,162
17 Other operating income	11,571	2,089	1,813	2,599	-	18,072
18 Net income (expenses)	299,370	186,264	190,290	293,340	-91	969,173
19 Operating expenses	166,938	95,261	86,232	117,871	81	466,383
20 Profit (loss) before taxation	132,432	91,004	104,058	175,469	-173	502,789
21 Tax compensation (expenses)	102,200	6,997	6,372	9,571	-	125,140
22 Income (loss) after taxation	30,231	84,006	97,686	165,898	-173	377,649

		<i>Central and Northern regions of the European part of the European part of Russia</i>	<i>Povolzhye and South part of Russia</i>	<i>Urals, Siberia and Far East of Russia</i>	<i>Other countries</i>	<i>Total</i>	
	<i>RUB million</i>	<i>Moscow</i>					
24	Unused profit (loss) for the reporting period	30,231	84,006	97,686	165,898	-173	377,649

For 2014 and 2013, there was no external customer or counterparty entering into transactions with proceeds exceeding 10 % of the Bank's gross proceeds.

During 2014, there were no significant events having an impact on the Bank's financial position or performance to be disclosed in the explanatory information to the annual statements in accordance with applicable laws of the Russian Federation.

**CEO,
Chairman of the Board, Sberbank of Russia**

Herman O. Gref

**Chief Accountant -
Director of the Accounting and Reporting
Department of Sberbank of Russia**

M.Yu. Lukyanova

Section 4
**Assessment of the Auditor's Report Prepared by the Auditing
Committee of the Supervisory Board
of Sberbank of Russia**

Assessment of the Auditor's Report on the Annual Accounting (Financial) Statements for 2014 (prepared in accordance with the Bank of Russia Ordinances No. 3054-U dated September 4, 2013, "On the Procedure for Preparing Annual Accounting (Financial) Statements by Credit Institutions" and No. 3081-U dated October 25, 2013, "On Disclosure by Credit Institutions of Information on their Activities")

Moscow, March 20, 2015

After examining the Auditor's Report on Annual Accounting (Financial) Statements for 2014 prepared by Ernst & Young Vneshaudit CJSC, an independent auditor, the Audit Committee of the Supervisory Board of Sberbank of Russia adopted the following decisions:

1. Note that:

- the audit has been conducted in accordance with the Federal Standards of Auditing and International Audit Standards;
 - the Auditor's Report has been prepared in accordance with the Federal Standard of Auditing (FSA) 1/2010 "Auditor's Report on Accounting (Financial) Statements and Formation of the Opinion on their Reliability" approved by Order No. 46n of the Ministry of Finance of the Russian Federation dated May 20, 2010, and the Article 42 of the Federal Law No. 395-1 "On Banks and Banking Activities" dated December 2, 1990;
 - the Auditor's Report contains an unqualified opinion that the Annual Accounting (Financial) Statements reliably reflect the financial position of Sberbank of Russia as of January 1, 2015, the results of its financial and business activities, and cash flows for 2014 in accordance with the rules of preparing the Annual Accounting (Financial) Statements established in the Russian Federation;
 - the Auditor's Report does not contain information on any failure by Sberbank of Russia to comply with obligatory ratios established by the Bank of Russia, as well as on non-conformity of its internal control systems and risk management systems to requirements of the Bank of Russia to such systems, following the audit conducted by the auditors on the issues listed in Article 42 of the Federal Law No. 395-1 "On Banks and Banking Activities" dated December 2, 1990.
2. Recommend to Supervisory Board of Sberbank of Russia to submit the Annual Accounting (Financial) Statements for 2014 (prepared in accordance with the Bank of Russia Ordinances No. 3054-U dated September 4, 2013, "On the Procedure for Preparing Annual Accounting (Financial) Statements by Credit Institutions" and No. 3081-U dated October 25, 2013, "On Disclosure by Credit Institutions of Information on their Activities") for approval of the annual General Shareholders' Meeting.
3. Propose to the Supervisory Board of Sberbank of Russia OJSC to include this decision of the Audit Committee of the Supervisory Board of Sberbank of Russia in the information (materials) submitted for review to persons entitled to participate in the Annual General Shareholders' Meeting as the Assessment of the Auditor's Report on the Annual Accounting (Financial) Statements for 2014.

(Adopted unanimously)

Chairman of the Audit Committee

Vladimir A. Mau

Section 5
Opinion of the Audit Commission
Following the Audit of Financial and Economic Activities
of Sberbank of Russia for 2014

OPINION

**OF THE AUDIT COMMISSION FOLLOWING THE AUDIT
OF FINANCIAL AND ECONOMIC ACTIVITIES
OF SBERBANK OF RUSSIA IN 2014**

Moscow 2015

**Attn: Shareholders,
the Supervisory Board of Sberbank of Russia**

O P I N I O N

of the Audit Commission Following the Audit of Financial and Economic Activities of Sberbank of Russia in 2014

The Audit Commission has audited the main areas of activities of Sberbank of Russia (hereinafter referred to as the "Bank") and examined the results of financial and economic activities in 2014, as reflected in the annual accounting (financial) statements of the Bank (hereinafter referred to as the "Annual Statements").

The Annual Statements for 2014 have been prepared in accordance with the laws of the Russian Federation on securities and the requirements of the Bank of Russia and are described by the following indicators:

In the reporting year, as of February 1, 2015, the assets of the Bank have increased by 33.6 percent to reach 21,747 billion rubles.

For 2014, the after tax profits amounted to 311.2 billion rubles, a decline of 17.6 percent as compared to the profits for 2013.

Over the year, the capital of the Bank increased by 17.2 percent. As of February 1, 2015, the capital of the Bank reached 2,312 billion rubles. The actual value of the Bank's equity (capital) adequacy ratio (R1) was 11.6 percent while the minimum allowed value is 10.0 percent.

The financial and economic activities of the Bank for 2014 have been audited in accordance with the work plan of the Audit Commission. In particular, the Audit Commission has examined the following issues:

Accounting Policy for 2014 and its compliance with applicable laws and requirements of the Bank of Russia

Auditing the correctness of formation and use of profits

Auditing the operations with securities issued by third parties

Auditing the condition of the loan portfolio

Auditing the work with subsidiaries and affiliates

Auditing the condition of accounts receivable

Auditing the formation and use of cost estimates, capital investments, acquisition of fixed assets

Operational risk management

Functioning of internal control system

The audits have been conducted selectively based on internal documents provided by

the Bank and used to regulate the activities on the said issues, as well as the source documents and accounting registers.

During the audits, we analyzed the internal control and risk management system of the Bank. In all of its major business areas, the Bank has built an internal control system, which is in line with the scale and nature of conducted operations. Overall, the internal control system of the Bank meets the requirements of the Bank of Russia.

In 2014, the Bank has operated in the audited areas of activities according to the requirements of the laws, regulatory acts of the Bank of Russia, and rules of the Bank.

During the audits held within the scope of its functions and powers, the Audit Commission has not identified any material violations, errors, or faults in the Bank's activities, which might pose a threat to the interests of the shareholders, creditors, and depositors.

Based on the documents and materials examined during the audits, the Audit Commission believes that the results of financial and economic activities of the Bank in 2014, reflected in the annual report of the Bank, may be accepted by the General Shareholders' Meeting for consideration and approval.

The results of the audits held by the Audit Commission are brought to the notice of Sergey M. Ignatiev, Chairman of the Supervisory Board of Sberbank of Russia – Adviser to the Governor of the Bank of Russia; the Auditing Committee of the Supervisory Board; and the management of the Bank.

Chairman of the Audit Commission – Head of the
Main Directorate of the Central Bank of the Russian
Federation in the Central Federal District

/Signature/ O. V. Polyakova

Members of the Audit Commission:
Director of Risk Methodology and Control
Department, Sberbank of Russia

/Signature/ N. V. Revina

Deputy Chief Accountant of the Bank of Russia –
Deputy Director of Accounting and Reporting
Department of the Bank of Russia

/Signature/ V. M. Volkov

Deputy Chief Accountant, Sberbank of Russia –
Deputy Director of the Accounting and Reporting
Directorate

/Signature/ A. Ye. Minenko

Head of Directorate of Internal Audit Department,

/Signature/ N. P. Borodina

the Bank of Russia

Head of Financial Control Directorate,
Sberbank of Russia

/Signature/ Yu. Yu. Isakhanova

Head of Division of Internal Audit
Directorate, the Bank of Russia

/Signature/ T. A. Domanskaya

Section 6
**Recommendations of the Supervisory Board
of Sberbank of Russia on Distribution of Profits
and Amount of Dividends Paid for 2014
and the Record Date to Determine
the Persons Entitled to Receive Dividends**

**Recommendations of the Supervisory Board
on Distribution of Profits and Amount of Dividends Paid for 2014
and the Record Date to Determine the Persons Entitled to Receive Dividends**

Recommend to the annual General Shareholders' Meeting to adopt the following resolutions:

1. Approve the distribution of profits. The profits not directed to the payment of dividends for 2014 will be held as retained earnings of Sberbank of Russia.

**Distribution of Profits of
Sberbank of Russia for 2014**
(including events after the reporting date)

	Amount (rubles)
Net After-Tax Profits	311,212,961,304.69
Distribution of after-tax profits:	
Funds designated for payment of dividends, no more than	10,164,126,600.00
Retained Earnings	301,048,834,704.69

2. Pay the dividends on ordinary shares of Sberbank of Russia in the amount of 0.45 rubles per share and, on preferred shares of Sberbank of Russia, in the amount of 0.45 rubles per share.
3. Establish June 15, 2015, as the record date to determine the persons entitled to receive the dividends.

Section 7
Information on Candidates for the Supervisory Board

Details of the candidates nominated to the Supervisory Board of Sberbank of Russia

16 candidates were proposed by shareholders for election into the Supervisory Board (as required by the Charter, the Supervisory Board shall be comprised of 14 members).

All nominated candidates satisfy business standing requirements set forth by the Federal Law On Banks and Banking.

An assessment of whether the candidates to the Supervisory Board comply with independence criteria was carried out by the Personnel and Remuneration Committee of the Supervisory Board of the Bank.

6 candidates were recognized by the Supervisory Board of the Bank as compliant with independent director status following the assessment.

Consents of the candidates to be elected to the Supervisory Board of the Bank and work at its Committees are available.

1. Georgy I. Luntovskiy

Presently the Deputy Chairman of the Supervisory Board of the Bank, the Chairman of the Personnel and Remuneration Committee, and a Non-Executive Director.

Date of birth: 1950

Professional life over the last 10 years

2005 – present First Deputy Chairman of the Central Bank of the Russian Federation, member of the Board of Directors of the Central Bank of the Russian Federation;
Deputy Chairman of the Central Bank of the Russian Federation

1999–2005

Education

1998 Candidate of Economics

1997 Russian Presidential Academy of National Economy and Public Administration
All-Union Correspondence Financial and Economic Institute

1978

Awards, titles of honor

Order for Merit to the Fatherland, Class IV
Honored Economist of the Russian Federation
Certificate of Honor of the President of the Russian Federation

G. I. Luntovskiy was nominated to the Supervisory Board by the shareholder – the Central Bank of the Russian Federation.

G. I. Luntovskiy:

- Has no kinship relations with persons included in the governance and financial and operating control bodies of the Bank;
- Owns no shares of the Bank;
- Is:
 - ✓ Chairman of the Supervisory Board of the Russian Cash Collection Association (ROSINKAS) of the Central Bank of the Russian Federation;
 - ✓ Chairman of the Supervisory Board of Natsyonalnaya Sistema Platyozhnykh Kart JSC.

2. Dmitry V. Tulin

Presently a member of the Supervisory Board of the Bank, a member of the Audit Committee, member of the Personnel and Remuneration Committee, and a Non-Executive Director.

Date of birth: 1956

Professional life over the last 10 years

From January 2015 First Deputy Chairman of the Central Bank of the Russian Federation;

2012 – present	Professor at the autonomous non-profit academic organization Russian Academy of Entrepreneurship;
2006–2012	Partner of Deloitte & Touche CIS;
2004–2006	Deputy Chairman of the Central Bank of the Russian Federation

Education

1985	Candidate of Economics
1978	Moscow Financial Institute

D. V. Tulin was nominated to the Supervisory Board by the shareholder – the Central Bank of the Russian Federation.

D. V. Tulin:

- Has no kinship relations with persons included in the governance and financial and operating control bodies of the Bank;
- Owns no shares of the Bank;
- Is:
 - ✓ Member of the Supervisory Board of Bank National Clearing Centre JSC;
 - ✓ Member of the Board of Directors of Kazkommertsbank JSC (the Republic of Kazakhstan);
 - ✓ Chairman of the Board of Directors of Agentstvo Kreditnykh Garantiy Non-Bank Deposit-Taking and Lending Institution.

3. Sergei A. Shvetsov

Presently he is a member of the Supervisory Board of the Bank, a member of the Strategic Planning Committee, and a Non-Executive Director.

Date of birth: 1970

Professional life over the last 10 years

2014 – present	First Deputy Chairman of the Central Bank of the Russian Federation, member of the Board of Directors of the Central Bank of the Russian Federation;
2013–2014	First Deputy Chairman of the Central Bank of the Russian Federation - head of Financial Markets Service;
2011–2013	Deputy Chairman of the Central Bank of the Russian Federation;
2003–2011	Director, Financial Market Operations Department, Central Bank of the Russian Federation.

Education

1993	M. V. Lomonosov Moscow State University
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Awards, titles of honor

Medal for Merit to the Fatherland, Class IV

S. A. Shvetsov was nominated to the Supervisory Board by the shareholder – the Central Bank of the Russian Federation.

S. A. Shvetsov:

- Has no kinship relations with persons included in the governance and financial and operating control bodies of the Bank;
- Owns no shares of the Bank;
- Is:
 - ✓ Member of the Council (deliberative body) and a member of the Appointment and Remuneration Committee of the Supervisory Board of Moscow Exchange OJSC;
 - ✓ Member of the Appointment and Remuneration Committee of the Supervisory Board of National Settlement Depository Non-Bank Lending Institution (CJSC).

4. Nadezhda Yu. Ivanova

Presently a member of the Supervisory Board of the Bank, a member of the Audit Committee, and a Non-Executive Director.

Date of birth: 1953

Professional life over the last 10 years

2013 – present	Deputy Chairman of the Central Bank of the Russian Federation – Director of the General Economic Department; Member of the Board of Directors of the Central Bank of the Russian Federation;
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1995–2013 Director of the General Economic Department, Central Bank of the Russian Federation.

Education

1975 Moscow Finance Institute

Awards, titles of honor

2009 Order for Merit to the Fatherland, Class IV
2003 Honored Economist of the Russian Federation

N. Yu. Ivanova was nominated to the Supervisory Board by the shareholder – the Central Bank of the Russian Federation.

N. Yu. Ivanova:

- Has no kinship relations with persons included in the governance and financial and operating control bodies of the Bank;
- Owns no shares of the Bank.

5. Sergey M. Ignatyev

Presently Chairman of the Supervisory Board of the Bank and a Non-Executive Director.

Date of birth: 1948

Professional life over the last 10 years

2013 – present Advisor to the Chairman of the Central Bank of the Russian Federation, member of the Board of Directors of the Central Bank of the Russian Federation;
2002–2013 Chairman of the Central Bank of the Russian Federation

Education

1978 Candidate of Economics, Assistant Professor;
1975 M. V. Lomonosov Moscow State University

Awards

2013 Order for Merit to the Fatherland, Class II
2010 Order for Merit to the Fatherland, Class III
2008 Acknowledgment by the Government of the Russian Federation
2007 Order for Merit to the Fatherland, Class IV
2002 Medal for Merit to the Fatherland, Class II
1998, 2013 Certificate of Honor of the Government of the Russian Federation
1997, 2001 Acknowledgment by the President of the Russian Federation

S. M. Ignatyev was nominated to the Supervisory Board by the shareholder – the Central Bank of the Russian Federation.

S. M. Ignatyev:

- Has no kinship relations with persons included in the governance and financial and operating control bodies of the Bank;
- Owns no shares of the Bank;
- Is a member of the Board of Directors of the State Corporation Deposit Insurance Agency.

6. Anton G. Siluanov

He has never been a member of the Supervisory Board of the Bank.
Listed as a candidate to the Supervisory Board as a Non-Executive Director.

Date of birth: 1963

Professional life over the last 10 years

2011 – present Minister of Finance of the Russian Federation;
2005–2011 Deputy Minister of Finance of the Russian Federation

Education

1985 Moscow Financial Institute, Doctor of Economics

Awards

2013 Order for Merit to the Fatherland, Class III
2002, 2012 Acknowledgment by the President of the Russian Federation
2011 Order for Merit to the Fatherland, Class IV
2010 [Certificate of Honor of the President of the Russian Federation](#)
2007 [Medal for Merit to the Fatherland](#) Class I
2002 Acknowledgment by the Minister of Finance of the Russian Federation
2001 Certificate of Honor of the Ministry of Finance of the Russian Federation

A. G. Siluanov was nominated to the Supervisory Board by the shareholder – the Central Bank of the Russian Federation.

A. G. Siluanov:

- Has no relations with affiliates of the Bank or kinship relations with persons included in the governance and financial and operating control bodies of the Bank;
- Owns no shares of the Bank;
- Is:
 - ✓ Member of the Supervisory Board of the State Corporation Bank for Development and Foreign Economic Affairs (Vnesheconombank);
 - ✓ Member of the Supervisory Board of Rostec State Corporation;
 - ✓ Member of the Supervisory Board of Russian Direct Investment Fund;
 - ✓ Chairman of the National Financial Council of the Central Bank of the Russian Federation.

7. Alexei L. Kudrin

Presently Deputy Chairman of the Supervisory Board of the Bank, the Chairman of the Strategic Planning Committee, and a Non-Executive Director.

Date of birth: 1960

Professional life over the last 10 years

2012 – present	Chairman of the Civil Initiatives Committee;
2011 – present	Dean of Faculty of Liberal Arts and Sciences of Saint Petersburg State University; Chief Research Associate at the Foundation – Yegor Gaidar Institute for Economic Policy; Chief Research Associate of the Foundation – Yegor Gaidar Institute of Economic Policy;
2007–2011	Deputy Prime Minister of the Russian Federation – Minister of Finance of the Russian Federation;
2004–2007	Minister of Finance of the Russian Federation

Education

1987	Candidate of Economics
1983	A. A. Zhdanov Leningrad State University

Awards, titles of honor

2012	Order of Friendship
2010	P. Stolypin Medal, Class I
2010	Order for Merit to the Fatherland, Class III
2010	Best Finance Minister of the Year, Euromoney magazine
2006	Best Finance Minister in emerging Europe according to the British newspaper Emerging Markets
2005	Order for Merit to the Fatherland, Class IV
2000, 2005	Certificate of Honor and Acknowledgment from the Government of the Russian Federation
2004	The Banker's Finance Minister of the Year award in two categories: World Finance Minister of the Year and European Finance Minister of the Year
1997, 2004	Acknowledgments of the President of the Russian Federation

A. L. Kudrin was nominated to the Supervisory Board by a group of shareholders of the Bank, owning over 2 percent of voting shares.

A. L. Kudrin:

- Has no relations with affiliates of the Bank or kinship relations with persons included in the governance and financial and operating control bodies of the Bank;
- Owns no shares of the Bank;
- Is:
 - ✓ Chairman of the Supervisory Board of Moscow Exchange OJSC;
 - ✓ Member of the Presidium of the Russian Presidential Financial Council.

8. Alessandro Profumo

Presently a member of the Supervisory Board of the Bank, a member of the Strategic Planning Committee, and a Non-Executive Director.

Date of birth: 1957

Professional life over the last 10 years

2012 – present Chairman, Monte dei Paschi di Siena (Italy);
1997–2010 President, Unicredit Bank Group

Education

1987 Bocconi University (Italy)

Awards, titles of honor

Member of the Order of Merit in Labor

A. Profumo was nominated to the Supervisory Board by a group of shareholders of the Bank, owning over 2 percent of voting shares.

A. Profumo:

- Has no relations with affiliates and large counterparties of the Bank or kinship relations with persons included in the governance and financial and operating control bodies of the Bank;
- Owns no shares of the Bank;
- Is:
 - ✓ Chairman of the Board of Directors of Appeal Strategy & Finance S.r.l.;
 - ✓ Member of the Board of Directors of OG and Mossi Aziende agricole vitivinicole S.r.l.

9. Herman O. Gref

Presently member of the Supervisory Board of the Bank, a member of the Strategic Planning Committee, and an Executive Director.

Date of birth: 1964

Professional life over the last 10 years

2007 – present CEO, Chairman of the Board, Sberbank of Russia;
2000–2007 Minister of Economic Development and Trade of the Russian Federation

Education

1990 F. M. Dostoevsky Omsk State University;
Candidate of Economics

Awards

2014 Order of Honor, Order of Alexander Nevsky
2011 Order for Merit to the Fatherland, Class III
2010 Officer of the Legion of Honor (France)
2009 P. Stolypin Medal, Class II, Certificate of Honor of the President of the Russian Federation
2007 Order for Merit to the Fatherland, Class IV

H. O. Gref was nominated to the Supervisory Board by the shareholder – Central Bank of the Russian Federation and a group of shareholders of the Bank, owning over 2 percent of voting shares.

H. O. Gref:

- Has no kinship relations with persons included in the governance and financial and operating control bodies of the Bank;
- Owns shares of the Bank (interest in the authorized capital of 0.0031 %, share of owned common stock of 0.003 %);
- Is:
 - ✓ Member of the Board of Directors / Supervisory Board of: YANDEX N.V., WTO Expertise Center (Autonomous Non-Commercial Organization), National Research University Higher School of Economics;
 - ✓ Chairman of the Board of Directors / Supervisory Board of: DENIZBANK ANONIM SIRKETI, Sberbank of Russia (Ukraine);
 - ✓ Chairman of the Executive Board of Sberbank's Corporate University Independent Non-Commercial Organization of Continuing Vocational Education;
 - ✓ Member of the Council of Association of Russian Banks;
 - ✓ Member of the Collegium of the Ministry of Economic Development of the Russian Federation;
 - ✓ Member of the Public Council to the Ministry of Economic Development of the Russian Federation, Federal Tax Service.

10. Bella I. Zlatkis

Presently a member of the Supervisory Board of the Bank and an Executive Director.

Date of birth: 1948

Professional life over the last 10 years

2004 – present Deputy Chairman of the Executive Board, Sberbank of Russia

Education

1978	Candidate of Economics
1970	Moscow Finance Institute

Awards, titles of honor

2011	Order for Merit to the Fatherland, Class IV
2006	Order of Friendship
2002	Medal for Merit to the Fatherland, Class II
2001	Acknowledgment by the President of the Russian Federation
1998, 2008	Certificate of Honor of the Government of the Russian Federation
1995	Honored Economist of the Russian Federation

B. I. Zlatkis was nominated to the Supervisory Board by a group of shareholders of the Bank, owning over 2 percent of voting shares.

B. I. Zlatkis:

- Has no relations with affiliates of the Bank or kinship relations with persons included in the governance and financial and operating control bodies of the Bank;
- Owns shares of the Bank (interest in the authorized capital of 0.0004 %, share of owned common stock of 0.0005 %);
- Is:
 - ✓ Chairperson of the Supervisory Board of National Settlement Depository Non-Bank Lending Institution (CJSC);
 - ✓ Member of the Supervisory Board of Moscow Exchange OJSC;
 - ✓ Member of the Public Council to the Ministry of Finance of the Russian Federation.

11. Martin Grant Gilman

Presently a member of the Supervisory Board of the Bank, a member of the Strategic Planning Committee, and an independent director.

Date of birth: 1948

Professional life over the last 10 years

2005 – present Director of the Center for Advanced Studies of Higher School of Economics,
Professor at National Research University – Higher School of Economics

Education

1981	London School of Economics, Ph.D. in Economics;
1972	London School of Economics, MSc (Econ);
1971	Certificate of International Studies (Bologna Center, School of International Studies, Johns Hopkins University);
1970	University of Pennsylvania (USA), including the training at the Paris Institute of Political Science (1968–1969): BSc in Economics (Wharton School) and a BA in Political Science (College of Liberal Arts)

M. G. Gilman was nominated to the Supervisory Board by a group of shareholders of the Bank, owning over 2 percent of voting shares.

The candidate was recognized by the Supervisory Board of the Bank as compliant with independent director status.

M. G. Gilman:

- Has no relations with affiliates and large counterparties of the Bank or kinship relations with persons included in the governance and financial and operating control bodies of the Bank;
- Owns shares of the Bank (interest in the authorized capital of 0.00018 %, share of owned common stock of 0.00019 %);

- Is a member of the Board of Directors of PJSC ROSBANK.

12. Gennady G. Melikyan

Presently a member of the Supervisory Board of the Bank, a member of the Strategic Planning Committee, and an independent director.

Date of birth: 1947

Professional life over the last 10 years

2003–2011 Deputy Chairman of the Central Bank of the Russian Federation – Head of the Main Inspectorate of Credit Institutions, First Deputy Chairman of the Central Bank of the Russian Federation

Education

1977 Candidate of Economics
1974 M. V. Lomonosov Moscow State University

Awards, titles of honor

Order for Merit to the Fatherland, Class IV
Honored Economist of the Russian Federation
Medal of the General Prosecutor's Office of the Russian Federation
Acknowledgment by the President of the Russian Federation
Certificate of Honor of the Government of the Russian Federation

G. G. Melikyan was nominated to the Supervisory Board by a group of shareholders of the Bank, owning over 2 percent of voting shares.

The candidate was recognized by the Supervisory Board of the Bank as compliant with independent director status.

G. G. Melikyan:

- Has no relations with affiliates and large counterparties of the Bank or kinship relations with persons included in the governance and financial and operating control bodies of the Bank;
- Owns shares of the Bank (interest in the authorized capital of 0.0001 %, share of owned common stock of 0.0001 %);
- Is:
 - ✓ Member of the Board of Directors of Energotransbank Commercial Bank;
 - ✓ Member of the Board of Directors of Mezhhgosudarstvennaya Neftyanaya Kompaniya Soyuzneftegaz CJSC
 - ✓ Member of the Advisory Board to the Chairman of the Central Bank of the Russian Federation

13. Nadia Wells

Presently a member of the Supervisory Board of the Bank, a member of the Strategic Planning Committee, and an independent director.

Date of birth: 1970

Professional life over the last 10 years

2001–2014 Vice-president, portfolio manager and investment analyst for global emerging markets, Capital International SA

Education

2000 INSEAD Business School, MBA Program (France);
1999 Association of Investment Management and Research (AIMR) (United Kingdom);
1996 Institute of Investment Management and Research (IIMR) (United Kingdom);
1993 University of Oxford (United Kingdom), MA (Hons.)

N. Wells was nominated to the Supervisory Board by a group of shareholders of the Bank, owning over 2 percent of voting shares.

The candidate was recognized by the Supervisory Board of the Bank as compliant with independent director status.

N. Wells:

- Has no relations with affiliates and large counterparties of the Bank or kinship relations with persons included in the governance and financial and operating control bodies of the Bank;
- Owns no shares of the Bank.

14. Vladimir A. Mau

Presently a member of the Supervisory Board of the Bank, the Chairman of the Audit Committee, a member of the Personnel and Remuneration Committee, and an independent director.

Date of birth: 1959

Professional life over the last 10 years

2002 – present Rector of the Russian Presidential Academy of National Economy and Public Administration

Education

1999 Universite Pierre-Mendes (France) Ph.D in Economics;
1994, 1996 Doctor of Economics, Professor;
1987 Candidate of Economics
1981 G. V. Plekhanov Moscow National Economy Institute

Awards

2012 Order for Merit to the Fatherland, Class IV

2009	Order of Honor
2007	Certificate of Honor of the Government of the Russian Federation
2000	Honored Economist of the Russian Federation
1997	Anniversary Medal in Memory of the 850th Anniversary of Moscow

V. A. Mau was nominated to the Supervisory Board by the shareholder – the Central Bank of the Russian Federation.

The candidate was recognized by the Supervisory Board of the Bank as compliant with independent director status.

V.A. Mau:

- Has no relations with affiliates of the Bank or kinship relations with persons included in the governance and financial and operating control bodies of the Bank;
- Owns no shares in the Bank;
- Is:
 - ✓ Member of the Board of Directors of Gazprom, Transcapitalbank;
 - ✓ Chairman of the Public Council to the Ministry of Economic Development of the Russian Federation, Federal Tax Service, Federal Labor and Employment Service, a member of the Public Council to the Ministry of Finance of the Russian Federation;
 - ✓ Member of the Presidium of the Russian Presidential Financial Council;
 - ✓ Member of the Russian Presidential Committee for State Service and Senior Executive Pool.

15. Sergei G. Sinelnikov-Murylev

Presently a member of the Supervisory Board of the Bank, a member of the Personnel and Remuneration Committee, a member of the Strategic Planning Committee, and an independent director.

Date of birth: 1960

Professional life over the last 10 years

2007 – present	Rector of the Russian Foreign Trade Academy of the Ministry for Economic Development of the Russian Federation;
2008 – present	Academic Adviser at Foundation – Yegor Gaidar Institute for Economic Policy;
2008 – present	Deputy Head of the Theory of Transitional Economy Department at National Research University – Higher School of Economics;
2002 – present	Pro-rector of the Russian Presidential Academy of National Economy and Public Administration;
2001 – present	Professor at the System Economy Analysis Department, Moscow Institute of Physics and Technology (State University)

Education

2007	Assigned the title of Professor;
2005	Received a diploma that entitles him to supervise scientific research in economics (Le diplôme de l'habilitation a diriger des Recherches en "SCIENCES ECONOMIQUES");

1997	Universite Pierre-Mendes (France) Ph.D in Economics;
1985, 1996	Candidate of Economics, Doctor of Economics;
1982	M. V. Lomonosov Moscow State University

Awards

2012	Order of Honor
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S. G. Sinelnikov-Murylev was nominated to the Supervisory Board by a group of shareholders of the Bank, owning over 2 percent of voting shares.

The candidate was recognized by the Supervisory Board of the Bank as compliant with independent director status.

S. G. Sinelnikov-Murylev:

- Has no relations with affiliates and large counterparties of the Bank or kinship relations with persons included in the governance and financial and operating control bodies of the Bank;
- Owns no shares in the Bank;
- Is:
 - ✓ Member of the Board of Directors of Rosagrolizing OJSC, Foundation – Yegor Gaidar Institute for Economic Policy;
 - ✓ Member of the Public Council to the Ministry of Finance of the Russian Federation and a member of the Collegium of the Public Council to the Ministry of Economic Development of the Russian Federation;
 - ✓ Member of Collegium of the Federal Tax Service of Russia;
 - ✓ Member of the Expert Council of Open Government initiative of the Government of the Russian Federation.

16. Evsei T. Gurvich

Presently a member of the Supervisory Board of the Bank, a member of the Audit Committee, and an independent director.

Date of birth: 1947

Professional life over the last 10 years

2004 – present	Head of Economic Expert Group CJSC;
2002–2005	Professor at Russian Economic School

Education

1971	Moscow Institute of Physics and Technology, Candidate of Physics and Mathematics
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Awards

2012	Order of Honor
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E. T. Gurvich was nominated to the Supervisory Board by a group of shareholders of the Bank, owning over 2 percent of voting shares.

The candidate was recognized by the Supervisory Board of the Bank as compliant with independent director status.

E. T. Gurvich:

- Has no relations with affiliates and large counterparties of the Bank or kinship relations with persons included in the governance and financial and operating control bodies of the Bank;
- Owns no shares of the Bank;
- Is:
 - ✓ Member of the Public Council to the Ministry of Finance of the Russian Federation;
 - ✓ Member of the Advisory Board to the Chairman of the Central Bank of the Russian Federation;
 - ✓ Member of the Expert Council of the Russian Union of Industrialists and Entrepreneurs.

Section 8
Information on the Candidates for the Audit Commission

Information on the Candidates for the Audit Commission

To monitor financial and economic activities of the Bank, the Annual General Shareholders' Meeting appoints the Audit Commission, consisting of 7 members.

The Audit Commission is elected until the next Annual General Meeting.

Members of the Audit Commission cannot, at the same time, be the members of the Bank's Supervisory Board or hold any other positions in the management bodies of the Bank.

Persons elected members of the Audit Commission may be re-elected an indefinite number of times.

The consents from the candidates for election to the Audit Commission have been obtained.

Candidates included in the list of candidates for voting on the proposal by the Central Bank of the Russian Federation, a shareholder:

1. Galina A. Golubenkova, First Deputy Director of the Internal Audit Department, Central Bank of the Russian Federation

2. Vladimir M. Volkov, Deputy Chief Accountant, Central Bank of the Russian Federation – Deputy Director, Accounting and Reporting Department

3. Natalya P. Borodina, Deputy Director of the Internal Audit Department, Central Bank of the Russian Federation

The candidates are included in the list of candidates for voting on the proposal by the Supervisory Board of the Bank in accordance with Clause 7 of Article 53 of the Federal Law No. 208-FZ "On Joint-Stock Companies" of December 26, 1995:

4. Tatiana A. Domanskaya, Head of Division for Interaction with External Controlling Authorities, Internal Control, Inspection and Audit Department, Sberbank of Russia

5. Yulia Yu. Isakhanova, Head of Financial Control Division, Finance Department, Sberbank of Russia

6. Alexei E. Minenko, Deputy Chief Accountant, Sberbank of Russia – Deputy Director, Accounting and Reporting Department, Sberbank of Russia

7. Natalia V. Revina, Director of Department of Risk Methodology and Control, Sberbank of Russia

Section 9
**Information on the Candidate for the Position
of CEO, Chairman of the Executive Board**

Information on the Candidate for the Position of CEO, Chairman of the Executive Board

In accordance with Clause 7 of Article 53 of the Federal Law No. 208-FZ "On Joint-Stock Companies" of December 26, 1995, the Supervisory Board of the Bank, at its meeting held on April 17, 2015, decided to include Herman O. Gref, current CEO, Chairman of the Executive Board of the Bank, into the list of candidates for voting on the election of the CEO, Chairman of the Executive Board of Sberbank of Russia at the annual General Shareholders' Meeting for 2014.

Herman O. Gref meets the qualification and business reputation requirements established by the Federal Law No. 395-1 "On Banks and Banking Activities" of December 2, 1990.

The consent of Herman O. Gref for his election as the CEO, Chairman of the Executive Board of the Bank has been obtained.

Herman O. Gref

Date of Birth: February 8, 1964

Education:

1990 Higher Legal Education, F.M. Dostoevsky Omsk State University
PhD in Economics

Proficient in German and English.

Employment:

November 2007 – CEO, Chairman of the Executive Board, Sberbank of Russia
present

2000 – 2007	Minister of Economic Development and Trade of the Russian Federation
1998 – 2000	First Deputy Minister of State Property of the Russian Federation
1997 – 1998	Vice Governor, Chairman of the Municipal Property Committee, St. Petersburg Mayor's Office
1994 – 1997	Deputy Chairman, First Deputy Chairman of the Municipal Property Committee, St. Petersburg Mayor's Office
1992 – 1994	Chairman of the Property Committee, Deputy Head of Petrodvorets Administration
1992	Head of Petrodvorets District Agency – Municipal Property Committee, St. Petersburg Mayor's Office
1991 – 1992	1st Rank Legal Adviser at Economic Development and Property Committee, Petrodvorets and St. Petersburg Administration

Honors:

2014	Order Of Honor, Order Of Alexander Nevsky
2011	Order for Merit to the Fatherland, Class III
2010	Officer of the Legion of Honor (France)
2009	P.A. Stolypin Medal Class II, Certificate of Honor of the President of the

	Russian Federation
2007	Order for Merit to the Fatherland, Class IV
2006	Order of Holy Prince Daniel of Moscow, Class I

Herman O. Gref holds ordinary and preferred shares of the Bank (percentage interest in the authorized capital is 0.0031 %, and the percentage interest of owned ordinary shares is 0.003 %).

Section 10
Information on the Candidate for the Auditor

Information on the Candidate for the Auditor

At its meeting held on April 17, 2015, the Supervisory Board of the Bank considered the candidacy of the winner of the open tender to select the auditing organization and recommends to the annual General Shareholders' Meeting to approve Ernst & Young LLC, an auditing organization, as the auditor for 2015 and the first quarter of 2016.

Ernst & Young LLC is a member of the Non-Profit Partnership Audit Chamber of Russia (ACR), a self-regulatory organization.

On December 21, 2009, Ernst & Young LLC was included into the register of auditors and auditing organizations of ACR under the main registration number 10201017420.

Ernst & Young is one of the four largest global companies that are the leaders in the market of auditing services, it is an international organization with 728 offices in 150 countries around the world.

Section 11
Draft New Version of the Charter

A record of State Registration
of the lending organization was entered in the
Uniform State Register of Legal Entities
on August 16, 2002
Primary State
Registration No. 1027700132195

AGREED BY:

Deputy Governor
of the Central Bank of the Russian Federation
(position)

(signature) (name)
_____, 20__

L.S. (the Bank of Russia)

CHARTER

Public Joint-Stock Company Sberbank of Russia

Sberbank of Russia

Approved by:
Annual General Shareholders' Meeting
Minutes No. ____ dated _____2015

Moscow

2015

Chapter 1. General Provisions

1.1. Public Joint-Stock Company Sberbank of Russia, hereinafter referred to as the "Bank" is a lending organization.

The Bank was established and named "Joint-Stock Commercial Savings Bank of the Russian Soviet Federative Socialist Republic," "Sberbank of the Russian Soviet Federative Socialist Republic" in accordance with General Shareholders' Meeting Resolution dated March 22, 1991 (Minutes No. 1).

Subject to General Shareholders' Meeting Resolution dated May 20, 1992 (Minutes No. 2), the Bank names were replaced with "Joint-Stock Commercial Savings Bank of the Russian Federation" and "Sberbank of Russia."

Subject to General Shareholders' Meeting Resolution dated May 23, 1996 (Minutes No. 8), the Bank name was changed to "Joint-Stock Commercial Savings Bank of the Russian Federation (Open Joint-Stock Company)," and "Sberbank of Russia."

Subject to General Shareholders' Meeting Resolution dated June 21, 2002 (Minutes No. 14), the short name was changed to "Sberbank of Russia."

Subject to General Shareholders' Meeting Resolution dated June 4, 2010 (Minutes No. 23), the Bank names were changed to "Open Joint-Stock Company Sberbank of Russia" and "Sberbank of Russia."

In accordance with the resolution of the General Shareholders' Meeting dated _____, 2015 (Minutes No. ____), the name of the Bank was changed to "Public Joint-Stock Company Sberbank of Russia", "Sberbank"

The Bank was established by the Central Bank of the Russian Federation hereinafter referred to as Bank of Russia.

1.2. Full business name of the Bank: Публичное акционерное общество «Сбербанк России».

Short corporate name of the Bank: ПАО «Сбербанк России».

In English: Full corporate name of the Bank: Sberbank of Russia. Short corporate name of the Bank: Sberbank.

1.3. The Bank has a round seal with its full corporate name in Russian, which specifies the location, stamps, letterheads with its name, as well as trademark and other visual means of information registered in the prescribed manner.

1.4. The Bank has the exclusive right to use its corporate name, trademark, and emblem (logo).

1.5. The Bank forms part of the banking system of the Russian Federation, and it abides in its activity by federal laws and other regulatory legal acts, including regulations of the Bank of Russia and this Charter.

1.6. The Bank is a legal entity, and it has branches and other separate divisions.

The Bank has separate property and is liable with it for its obligations, and may have civil rights and bear civil obligations, required to exercise any activities not forbidden by the law.

1.7. The Bank is a commercial organization aimed mainly at profit earning in performing its activity in accordance with the legislation of the Russian Federation, including banking operations.

1.8. The Bank performs banking operations under appropriate licenses issued by the Bank of Russia in the manner established by federal law.

In cases stipulated by the federal laws, the Bank may carry out certain activities under the appropriate licenses.

1.9. Corporate governance of the Bank is represented by: General Shareholders' Meeting, Supervisory Board of the Bank, collegial executive body (Executive Board of the Bank), one-person executive body (CEO, Chairman of the Executive Board of the Bank).

1.10. Shareholders of the Bank may include legal entities and individuals, including foreign ones, subject to the legislation of the Russian Federation.

1.11. Shareholders of the Bank shall not be liable for the Bank's obligations, and they shall bear the risk of loss associated with its activity to the extent of the value of their shares.

The Bank shall not be liable for the obligations of its shareholders.

1.12. The Bank shall be responsible for its obligations with all of its property.

1.13. The Bank shall not be liable for the obligations of the Government or its authorities. The Bank shall return deposits of individuals in the manner provided by federal laws.

1.14. The Bank shall not be liable for the obligations of the Bank of Russia. The Bank of Russia shall not be liable for the obligations of the Bank, unless the Bank of Russia has assumed such obligations.

1.15. The Bank and its branches are independent of governmental authorities or local authorities when they adopt resolutions.

Legislative and executive bodies, and local authorities have no right to interfere with the Bank's activity unless if stipulated by federal laws.

1.16. The Bank may be a member (founder) of other business partnership or company, both in and outside the Russian Federation, subject to the legislation of the Russian Federation or foreign state where the organization is located unless otherwise stipulated by international treaties of the Russian Federation.

1.17. The Bank may establish branches and open representative offices in the Russian Federation in accordance with the legislation of the Russian Federation.

Branches, representative offices, and other divisions of the Bank are not legal entities.

1.18. Branches are established, and representative offices are opened by the Bank outside the Russian Federation in accordance with the legislation of the Russian Federation and the legislation of the foreign state where branches and representative offices are located unless otherwise stipulated by international treaties of the Russian Federation.

1.19. Details of Bank branches are contained in Appendix 1, and details of representative offices of the Bank are contained in Appendix 2, which are an integral part of this Charter.

1.20. Bank location: Moscow, Russian Federation.

Bank address: 19 Vavilova Street, Moscow, 117997, Russian Federation

Chapter 2. Banking Operations and Other Transactions

2.1. The Bank performs the following banking operations:

1) Attracting funds of legal entities and individuals as deposits (on-demand and term deposits);

2) Allocating funds attracted as specified above in the Bank's name and at the Bank's expense;

3) Opening and maintaining bank accounts of individuals and legal entities;

4) Transferring funds on the instructions of individuals and legal entities, including correspondent banks, over their bank accounts;

5) Cash collection service in respect of funds, bills, payment, and settlement documents and providing cash services to individuals and legal entities;

6) Buying and selling foreign currency in cash and cashless forms;

7) Attracting and allocating precious metals as deposits;

8) Issuing bank guarantees;

9) Transferring funds without bank account opening, including electronic fund transfers (except postal transfers).

The Bank may perform export and import operations of clients using various financial instruments as adopted in international bank practice.

The Bank performs operations involving vouchers in accordance with the legislation of the Russian Federation and in the manner established by the Bank of Russia.

Fund transfers without bank account opening, except electronic fund transfers, are carried out on the instructions of individuals.

2.2. Apart from banking operations, the Bank effects the following transactions:

1) Issuing sureties for third parties that provide for the fulfillment of pecuniary obligations;

- 2) Acquiring receivables from third parties to fulfill pecuniary obligations;
- 3) Trust management of funds and other property under an agreement concluded with individuals and legal entities;
- 4) Operations with precious metals and gems subject to the legislation of the Russian Federation;
- 5) Leasing out special-purpose premises and their safes for storing documents and valuables to individuals and legal entities;
- 6) Leasing operations;
- 7) Providing consultancy and information services.

The Bank may effect other transactions in accordance with the legislation of the Russian Federation.

2.3. All banking operations and transactions are effected both in rubles and in foreign currency in accordance with federal laws.

The Bank provides monetary control of clients' operations, i.e. individuals and legal entities.

2.4. The Bank may issue, acquire, sell, account for, and perform other operations with securities as payment documents, with securities that confirm the raising of funds for deposits and on bank accounts, and with other securities.

2.5. The Bank may carry out professional activity (including brokerage, dealing, and depository activity) in the securities market in accordance with federal laws.

2.6. The Bank shall ensure, within its cognizance, the protection of details constituting a state secret.

Chapter 3. Authorized Capital

3.1. The authorized capital of the Bank amounts to RUB 67,760,844,000. The authorized capital of the Bank is equal to the total amount of Bank shares at par, which were purchased by shareholders.

3.2. The Bank offered 21,586,948,000 ordinary shares with a par value of RUB 3 and 1,000,000,000 preference shares with a par value of RUB 3.

3.3. The authorized capital determines the minimum amount of property of the Bank to guarantee the interests of its creditors.

3.4. The par value of preference shares offered shall be up to 25 percent of the authorized capital of the Bank, except as otherwise specified by the legislation of the Russian Federation.

3.5. The Bank may offer ordinary shares in addition to those offered (authorized shares).

The limiting quantity of authorized ordinary shares is equal to 15,000,000,000 shares with a par value of RUB 3.

3.6. The authorized capital of the Bank may be increased in the manner provided by the legislation of the Russian Federation and by this Charter through—

- 1) Increasing the par value of Bank shares using the Bank's property.
- 2) Offering additional shares by distributing such shares among shareholders using the Bank's property.

- 3) Offering additional shares by public subscription.

- 4) Offering additional shares by private subscription.

3.7. Offering of additional shares by the Bank is limited to authorized shares as specified in this Charter.

3.8. The authorized capital of the Bank may be decreased in the manner provided by the legislation of the Russian Federation and by this Charter through—

- 1) Decreasing the par value of shares offered.
- 2) Acquisition of a certain part of shares by the Bank in order to reduce the total share quantity.
- 3) Paying off shares acquired or bought out by the Bank.

3.9. In the event the amount of equity funds (capital) of the Bank is below its authorized capital based on results of a reporting month, the Bank is obliged to bring the amount of the authorized capital and the amount of equity funds (capital) into line.

3.10. At least 50 percent of voting shares plus one voting share of the Bank (controlling interest) are held by the Bank of Russia.

The Bank of Russia's interest in the authorized capital of the Bank may be reduced or disposed of (where such reduction or disposal is not below 50 percent plus one voting share) by the Bank of Russia as agreed with the Government of the Russian Federation.

The Bank of Russia's interest in the authorized capital of the Bank may be reduced or disposed of (where such reduction or disposal is below 50 percent plus one voting share) under federal law.

Chapter 4. Shares, Bonds, and Other Equity Securities of the Bank

4.1. All shares of the Bank are registered.

4.2. The Bank offers ordinary shares and preference shares of the same type, i.e. with obligatory payment of a certain dividend amounting to no less than 15 percent of the par value of the preference share.

4.3. The Bank may offer bonds and other equity securities as provided by legal acts of the Russian Federation related to securities, including offering outside the Russian Federation.

The Bank may offer bonds converted into shares and other equity securities converted into shares.

4.4. Additional shares and other equity securities of the Bank offered through subscription are offered, provided that they are paid in full.

4.5. The form of payment for additional shares is determined by the resolution to offer such shares. Other equity securities may be paid only in cash.

4.6. Transactions with shares and other equity securities of the Bank shall be effected in accordance with the legislation of the Russian Federation.

4.7. Shares available to the Bank do not carry voting rights, they are not considered in vote counting, and they are not subject to the distribution of dividends.

4.8. The register of the Bank's Shareholders is maintained and kept by the registrar, a professional maker of the securities market, in accordance with the agreement concluded with the Bank.

4.9. The Bank may acquire shares offered if the General Shareholders' Meeting resolves to decrease the amount of the authorized capital by acquiring a certain part of shares offered in order to reduce their total quantity.

The Bank may acquire shares offered by the Bank as resolved by the Supervisory Board of the Bank.

4.10. The Bank shall acquire shares offered in the manner provided by federal law.

4.11. Shares acquired upon the resolution of the General Shareholders' Meeting to reduce the authorized capital by acquiring a certain part of shares offered in order to reduce their total quantity are paid off upon acquisition.

4.12. The Bank is obliged to buy out shares offered in the cases and in the manner provided by federal law.

Chapter 5. Rights and Obligations of Shareholders

5.1. Each ordinary share of the Bank confers on its holder the same rights.

Shareholders holding ordinary shares, subject to federal law and this Charter may attend the General Shareholders' Meeting with the right to vote on all matters within its competence, to receive dividends and, in case of the Bank's liquidation, the right to receive a share of its property.

5.2. Preference shares confer on their holders the same rights.

The holders of preference shares are entitled to dividends in the amount of at least 15 percent of the par value of a preference share.

The holders of preference shares have no right to vote at the General Shareholders' Meeting unless otherwise established by federal law.

5.3. The holders of preference shares attend the General Shareholders' Meeting with the right to vote where deciding on reorganization or liquidation of the Bank and on relieving the Bank from the obligation to disclose and provide information provided by the legislation of the Russian Federation related to securities.

The holders of preference shares have the right to vote where resolutions are adopted at the General Shareholders' Meeting to introduce amendments and supplements to this Charter, which restrict rights of the holders of preference shares. The resolution to introduce such amendments and supplements is deemed taken if it is voted for by at least three fourths of the holders of voting shares attending the General Shareholders' Meeting, except votes of the holders of preference shares, for which rights are restricted, and three fourths of all holders of preference shares, for which rights are restricted.

The holders of preference shares of a particular type have the right to vote where deciding on application for the delisting of preference shares of this type at the General Shareholders' Meeting. The said resolution is deemed adopted if it is voted for by at least three fourths of the holders of voting shares attending the General Shareholders' Meeting, except votes of the holders of preference shares of this type, and three fourths of all holders of preference shares of this type.

5.4. Each shareholder of the Bank may call the registrar to confirm his/her/its share rights and providing him/her/it with an extract from the Register of the Bank's Shareholders, and obtain information provided by the registrar in accordance with regulatory legal acts.

5.5. The Bank's shareholders may alienate their shares without any consent on the part of other shareholders or of the Bank. No preemptive right of the Bank or its shareholders is allowed to acquire shares alienated by Bank's shareholders.

5.6. The Bank's shareholders may request that the Bank buy out all or part of their shares in the manner and in cases stipulated by federal law.

5.7. The Bank's shareholders have the preemptive right to acquire additional shares and equity securities converted into shares, which are offered through public subscription, in the amount proportionate to the quantity of shares of this category held by them.

The Bank's shareholders, who voted against or did not participate in the voting on offering through private subscription of shares and equity securities converted into shares, have the preemptive right to acquire additional shares and equity securities converted into shares, which are offered through private subscription, in the amount proportionate to the quantity of shares of this category (type) that they hold. This right is not applicable to shares and equity securities converted into shares, which are offered through private subscription only among shareholders, if shareholders may acquire a whole number of offered shares and other equity securities converted into shares in proportion to the quantity of shares of the relevant category (type) held by them.

Persons holding the preemptive right to acquire additional shares and equity securities converted into shares shall be informed in the manner provided for the notification of holding the General Shareholders' Meeting.

The procedure for exercising the preemptive right by shareholders is determined in the legislation of the Russian Federation.

5.8. The Bank's shareholders have the right to obtain information related to the Bank to the extent and in the manner provided by federal law.

The Bank's Charter, internal documents approved by the General Shareholders' Meeting, reports published, documents to be provided to the shareholder in preparation for the General Shareholders' Meeting, the Bank's annual report approved by the Annual General Shareholders' Meeting are made available on the official corporate website of the Bank, specified in the Clause 9.16 of this Charter.

5.9. The Bank's shareholders have other rights as stipulated under the legislation of the Russian Federation and subject to this Charter.

5.10. Authorized shares of the Bank, where such are offered, confer their holders all the rights as provided by federal law and this Charter for holders of the Bank's shares of the relevant category.

5.11. Shareholders and/or their representatives are obliged to ensure non-disclosure of confidential details of the Bank, its transactions, operations, clients, correspondents, partners, and any other information that represents a banking, commercial, or official secret, with which they have become familiar.

5.12. Acquisition of over 30 percent of the Bank's shares shall be effected pursuant to federal law.

5.13. Shareholders and nominal holders of securities of the Bank are obliged to observe rules of information submission to the register maintenance system.

The person registered in the Register of Bank's Shareholders must notify the registrar in good time of changes in his/her/its data, bank details, or other details.

In case of failure to submit information on data changes to the Bank and the registrar, the Bank and the registrar shall not be responsible for losses caused by such failure.

5.14. The Bank's shareholders have other obligations as stipulated by the legislation of the Russian Federation and this Charter.

Chapter 6. Profit of the Bank. Reserve Fund. Dividends

6.1. The Bank has full economic independence in profit distribution after taxation (net profit).

6.2. Net profit is determined in the manner stipulated under the legislation of the Russian Federation. As resolved by the General Shareholders' Meeting, net profit is distributed among shareholders in the form of dividends and used to form the Reserve Fund. Net profit over the financial year, which is not used to pay dividends or form the Reserve Fund, shall be available to the Bank as retained earnings.

6.3. The Bank forms the Reserve Fund according to legislative requirements in an amount that is not less than 5 percent of the authorized capital. The Bank's Reserve Fund is formed through annual deductions in an amount that is not less than 5 percent of net profit to achieve the established amount.

The Reserve Fund is used in accordance with the legislation of the Russian Federation, as decided by the Supervisory Board of the Bank.

6.4. The Bank may, based on results of the first quarter, six months, nine months of the financial year and/or financial year, decide on (declare) payment of dividends on shares offered unless otherwise specified in the legislation of the Russian Federation.

Resolutions concerning dividend payment, the date, on which persons entitled to dividends, are determined, and the dividend amount shall be adopted by the General Shareholders' Meeting on the recommendation of the Supervisory Board of the Bank. The dividend amount shall not exceed the amount recommended by the Supervisory Board of the Bank.

6.5. Dividends are paid to persons entitled to such dividends in the manner and within the time limit established by federal law.

Chapter 7. Safeguarding Interests of the Bank's Clients

7.1. The Bank pays insurance contributions to the Mandatory Deposit Insurance Fund by transferring funds in the manner established by federal law.

The Bank deposits a part of funds raised into mandatory provisions with the Bank of Russia in the amount and in the manner predetermined by the Bank in accordance with the rules and standards established by the Bank.

7.2. The Bank guarantees that it will keep secret operations, accounts, and deposits of its clients and correspondents.

The Bank provides information and documents related to accounts, deposits, and operations of clients in the cases and in the manner established by the legislation of the Russian Federation.

7.3. Funds and other valuables of legal entities and individuals that are available on accounts, deposits, or in escrow with the Bank may be seized or recovered only in the manner stipulated by federal laws.

7.4. All employees of the Bank must observe strict secrecy in respect of operations, accounts, and deposits of the Bank's clients and correspondents, including the commercial secret of the Bank.

7.5. The list of information that constitutes a commercial secret of the Bank and the procedure for handling such information are determined by the Executive Board of the Bank subject to the legislation of the Russian Federation.

Chapter 8. Accounting and Reporting

8.1. The Bank maintains books and submits accounting (financial) and other reports in the manner established by federal laws and other regulatory legal acts, including regulations of the Bank of Russia.

8.2. The Bank's annual report shall be approved preliminarily by the Supervisory Board of the Bank at least 30 days prior to the Annual General Shareholders' Meeting.

8.3. The Bank provides obligatory information disclosure to the extent and in the manner established by the legislation of the Russian Federation, regulations related to financial markets, and regulations of the Bank of Russia.

8.4. The Bank provides information on the Bank as required by federal laws and other regulatory legal acts.

8.5. The financial year of the Bank starts on January 1st and ends on December 31st.

8.6. The Bank and its branches are obliged to keep documents in the manner and within the time limit established by federal laws and other regulatory legal acts.

Documents of the Bank and its branches are transferred for governmental keeping in the manner stipulated under the legislation of the Russian Federation.

8.7. Executive bodies of the Bank are responsible for the reliability of information contained in the Bank's reports.

Chapter 9. General Shareholders' Meeting

9.1. The General Shareholders' Meeting is the supreme bank management body.

9.2. The terms of reference of the General Shareholders' Meeting cover the following issues:

- 1) Amendment of the Bank's Charter or approval of its new version;
- 2) Reorganization of the Bank;
- 3) Liquidation of the Bank, appointment of a liquidation committee, and approval of intermediary and final liquidation balance sheets;
- 4) Election of the Bank's Supervisory Board members and early termination of their powers;
- 5) Election of the Bank's CEO, Chairman of the Executive Board and early termination of his powers;
- 6) Election of the Bank's Audit Committee members and early termination of their powers;
- 7) Determination of quantity, nominal value, category (type) of declared shares and the rights provided by these shares;
- 8) Increase in the authorized capital by increasing nominal value of shares;
- 9) Increase in the authorized capital by offering additional shares on the basis of private placement;

10) Increase in the authorized capital by offering additional shares on the basis of public placement if the number of shares additionally offered by public subscription is over 25 percent of ordinary shares previously placed by the Bank;

11) Increase in the authorized capital by offering additional shares under public placement if the number of shares additionally placed by public subscription amounts to no more than 25 percent of ordinary shares previously placed by the Bank, and the Bank's Supervisory Board has failed to reach unanimity on this matter;

12) Private offering of bonds convertible into ordinary shares and other issue-grade securities convertible into ordinary shares;

13) Public offering of bonds convertible into ordinary shares and other issue-grade securities convertible into ordinary shares of over 25 percent of ordinary shares previously placed by the Bank;

14) Reduction of the Bank's authorized capital by decreasing the par value of shares or through the Bank's acquiring a part of shares to reduce their total number or by redeeming the shares acquired or repurchased by the Bank;

15) Approval of the Bank's auditing organization;

16) Payment (declaration) of dividends for the first quarter, six months, nine months of the financial year;

17) Approval of annual reports, including the Bank's annual accounting (financial) statements, and distribution of profits (including payment (declaration) of dividends, except for the profits distributed as dividends for the first quarter, six months, nine months of the financial year) and losses of the Bank as of the end of a financial year;

18) Determination of the procedure for conducting the General Shareholders' Meeting;

19) Dilution and consolidation of shares, placement of issue-grade securities by conversion;

20) Making decisions about approval of non arm's-length transactions in instances envisaged by federal law;

21) Making decisions about approval of major transactions in instances envisaged by federal law;

22) Making decisions about participation in associations and other alliances of commercial organizations;

23) Approval of the bank's internal documents: Regulations on the General Shareholders' Meeting, Regulations On the Bank's Supervisory Board, Regulations on the Executive Board, Regulations on the Audit Committee, Regulations on Remunations and Compensations Paid to Members of the Supervisory Board of the Bank;

24) Resolution of other matters stipulated by federal law and this Charter.

9.3. The issues falling under the terms of reference of the General Shareholders' Meeting may not be passed for resolution to the Bank's executive bodies.

The issues falling under the terms of reference of the General Shareholders' Meeting may not be passed for resolution to the Bank's Supervisory Board, except as provided by federal law.

9.4. The resolution on matters provided in sub-clauses 2, 8-13, 19-23, clause 9.2 of this Charter is adopted by the General Shareholders' Meeting only at the suggestion of the Bank's Supervisory Board. In such case, other persons entitled under federal law to table proposals to the agenda of the General Shareholders' Meeting, annual or extraordinary, may not request the Bank's Supervisory Board to table these matters on the agenda of the Meeting.

9.5. The General Shareholders' Meeting is not entitled to consider or make decisions on matters outside its cognizance as per federal law and this Charter.

9.6. The General Shareholders' Meeting is not entitled to make decisions on matters that are not included in the agenda of the Meeting or change the agenda.

9.7. The General Shareholders' Meeting is chaired by the Chairperson of the Supervisory Board of the Bank or by the deputy or one of the members of the Supervisory Board in accordance with the decision of the Supervisory Board if such Chairperson is absent.

9.8. The Bank holds Annual General Shareholders' Meetings to resolve matters concerning election of the Bank's Supervisory Board, Bank's Audit Committee and appointment of the Bank's

auditing organization, approval of annual reports, including annual accounting (financial) statements of the Bank, and distribution of profits, including payment (notification) of dividends as of the end of a financial year, and other matters within the cognizance of the General Shareholders' Meeting.

9.9. The General Shareholders' Meeting (where shareholders attend the Meeting collectively to discuss the agenda of the Meeting and take decisions on matters put to a vote) is held in Moscow or in any other city as determined by the Bank's Supervisory Board in addressing matters associated with holding of the General Shareholders' Meeting.

The Bank's Annual General Shareholders' Meeting is held not earlier than 2 months and not later than 6 months after the end of the Bank's financial year.

9.10. Shareholder(s) holding in the aggregate at least 2 percent of voting shares may submit items to the agenda of the annual General Shareholders' Meeting and nominate candidates to the Bank's Supervisory Board and Audit Committee, whose number may not exceed the number of members of the respective body, and the candidate for the position of CEO, Chairman of the Executive Board. Such proposals are submitted to the Bank within 75 days after the end of the Bank's financial year.

9.11. The proposal on submitting items to the agenda of the General Shareholders' Meeting and nomination of candidates are made in writing specifying the name of shareholders (shareholder) submitting them, amount, and category of shares held by such shareholders and must be signed by the shareholders.

9.12. The proposal for submitting items to the agenda of the General Shareholders' Meeting must contain the wording of each proposed item, and the proposal on nominating candidates must contain the information on the candidate as stipulated by federal law. A proposal for submitting items to the agenda of the General Shareholders' Meeting may contain the wording of resolutions on each item.

9.13. In the event the proposal for submitting items to the agenda is made by a shareholder whose share rights are taken into account in the depository, such proposal shall be accompanied by the statement of the shareholder's custody account with the depository.

9.14. The Bank's Supervisory Board shall consider the proposal made and decide to include such proposal in the agenda of the General Shareholders' Meeting or deny such inclusion within 5 days of termination of the timing established by this Charter.

9.15. The reasoned decision of the Supervisory Board to deny inclusion of an item proposed by the shareholder (or shareholders) in the agenda of the General Shareholders' Meeting or inclusion of a candidate in the list of candidates for voting on election to the relevant body of the Bank shall be sent to the shareholder (or shareholders) having proposed the inclusion of such item in the agenda or such candidate within the time limit envisaged by federal law.

9.16. The notice of the General Shareholders' Meeting is published in the newspaper *Rossiyskaya Gazeta* and made available on the Bank's official corporate website (www.sberbank.ru – hereinafter, the "website of the Bank") at least 30 days prior to the date of the Meeting.

9.17. An extraordinary General Shareholders' Meeting is held based on a resolution of the Bank's Supervisory Board made at its own initiative, at the request of the Bank's Audit Committee or auditing organization, and at the demand of shareholder(s) holding at least 10 percent of the Bank's voting shares as of the date of such demand.

9.18. An extraordinary General Shareholders' Meeting convened on the request of the Bank's Audit Committee, audit organization, or shareholders (or shareholder) holding at least 10 percent of voting shares of the Bank shall be held within 50 days of submission of the relevant requirement.

9.19. If the agenda proposed for the extraordinary General Shareholders' Meeting contains the election of the Bank's Supervisory Board, such Meeting shall be held within 90-days of submission of the relevant requirement or decision made by the Bank's Supervisory Board on holding such Meeting. The notice of the Meeting shall be published in the time established by federal law.

Shareholders (or shareholder) holding collectively at least 2 percent of voting shares of the Bank may propose candidates for election to the Bank's Supervisory Board, but their number shall not exceed the number of members of the Bank's Supervisory Board. Such proposals shall be delivered to the Bank in the time stipulated under federal law.

9.20. Shareholders' proposals concerning the agenda of the extraordinary General Shareholders' Meeting and candidates for the Bank's Supervisory Board are finalized and considered by the Bank's Supervisory Board in the manner and within the time limit set out in clauses 9.11 to 9.15 of this section of the Charter.

9.21. The list of persons entitled to attend the General Shareholders' Meeting is based on the Register of Bank's Shareholders as of the date set by the Bank's Supervisory Board in accordance with federal law.

9.22. A shareholder may vote in person or by proxy.

9.23. The General Shareholders' Meeting is qualified if it is attended by shareholders holding collectively more than fifty percent of the votes of voting shares offered. Attendees of the General Shareholders' Meeting are shareholders who have been registered for attending such Meeting and shareholders, whose ballots are obtained at least two days prior to the date of the General Shareholders' Meeting. Attendees of the General Shareholders' Meeting held through absentee voting are shareholders, whose ballots are received prior to the ballot submission deadline.

9.24. Voting on items on the agenda of the Bank's General Shareholders' Meeting is through voting ballots.

Voting ballots are sent as a simple letter or handed over against signature to each person specified in the list of persons entitled to attend the General Shareholders' Meeting, at least 20 days prior to the date of the General Shareholders' Meeting.

9.25. Voting during the General Shareholders' Meeting is on a "one vote per voting share" basis, except cumulative voting.

9.26. A resolution made by the General Shareholders' Meeting is accepted by a majority vote of the holders of voting shares attending the General Shareholders' Meeting unless otherwise stated in federal law.

9.27. Resolutions on matters stipulated in sub-clauses 1 to 3, 7, 9, 10, 12, 13, clause 9.2 of the Charter shall be adopted by the General Shareholders' Meeting by three fourths of votes cast by the holders of voting shares attending the General Shareholders' Meeting.

9.28. Functions of the Counting Commission are performed by the registrar under an agreement concluded with the Bank.

The registrar checks powers and registers persons attending the General Shareholders' Meeting, determines quorum for the General Shareholders' Meeting, clarifies questions arising in connection with voting rights exercised by shareholders (or their representatives) during the General Shareholders' Meeting, clarifies the voting procedure for matters put to a vote, ensures the voting procedure established and shareholders' rights to participate in voting, counts the votes and summarizes vote returns, compiles the report on vote returns, and transfers voting ballots for archiving.

9.29. The resolutions adopted by the General Shareholders' Meeting, and the results of voting are announced at the General Shareholders' Meeting, where the voting was held, as well as communicated by the Bank to the persons entitled to participate in the General Shareholders' Meeting in the form of a report on voting results in accordance with the procedure provided by the Charter of the Bank for the Notice of General Shareholders' Meeting no later than 4 working days after the date of closing the General Shareholders' Meeting or the date of the deadline set for accepting the ballots (when holding the General Shareholders' Meeting in the form of absentee voting).

The resolutions adopted by the General Shareholders' Meeting shall be also disclosed by the Bank by posting the Minutes of the General Shareholders' Meeting on the website of the Bank.

9.30. Should provisions of the Charter be inconsistent with the Bank's internal documents approved by the General Shareholders' Meeting, provisions of the Charter shall prevail.

Chapter 10. Supervisory Board of the Bank

10.1. The Bank's Supervisory Board performs overall management of the Bank's activity, except for resolution of issues referred to the terms of reference of the General Shareholders' Meeting under this Charter.

10.2. The terms of reference of the Bank's Supervisory Board cover the following issues:

1) Determining priority areas of activities of the Bank and approving the Bank Development Strategy;

2) Convocation of annual and extraordinary General Shareholders' Meetings, save where the right to convene and conduct the General Shareholders' Meeting is given to bodies and persons in accordance with federal law;

3) Approval of the agenda of the General Shareholders' Meeting;

4) Determining the date of the list of persons entitled to participate in the General Shareholders' Meeting and other issues that refer to the terms of reference of the Bank's Supervisory Board in accordance with federal law and connected with preparation and holding of the General Shareholders' Meeting;

5) Increasing the Bank's authorized capital by placing additional shares at the expense of the Bank's property within the quantity of the declared shares established by this Charter;

6) Increasing the Bank's authorized capital by way of public offering of additional shares within the quantity of declared shares if the number of additionally offered shares is more than 25 percent of ordinary shares previously placed by the Bank;

7) Placement of additional shares in which the preferred shares, previously placed by the Bank, of a certain type convertible into ordinary shares or preferred shares of other types are converted, unless such offering is connected with an increase in the Bank's capital;

8) Placement of bonds and other issue-grade securities in instances envisaged under federal law, except for shares;

9) Public offering of bonds convertible into ordinary shares and other issue-grade securities convertible into ordinary shares of up to 25 percent of ordinary shares previously placed by the Bank;

10) Acquisition of shares, bonds, and other securities placed by the Bank in instances envisaged by federal law;

11) Establishment of the Executive Board of the Bank, appointment of the Executive Board members, Deputy Chairpersons of the Executive Board, including first deputies, from among the nominees proposed by the CEO, Chairman of the Executive Board, and early termination of their powers;

12) Recommendations for the amount of the dividend on shares and in terms of setting the date, on which persons entitled to dividends are determined;

13) Approval of the Bank's internal documents, including Regulations on the Internal Control System, Regulations on the Internal Audit Service, Regulations on the Corporate Secretary, Corporate Governance Code, Ethics Code, Regulations on Dividend Policy and the Regulations on the Reserve Fund, funds for payment of dividend and retained earnings, other internal documents of the Bank, the approval of which falls under the terms of reference of the Supervisory Board under the Bank's Charter or the Regulation on the Bank's Supervisory Board;

14) Opening and closing of affiliates and representative offices of the Bank, making amendments to this Charter relating to such opening and closing of the Bank's branches and representative offices;

15) Approval of major transactions in instances envisaged by federal law;

16) Approval of non arm's-length transactions in instances envisaged by federal law;

17) Determining the procedure of transactions with affiliated persons;

18) Approval of the Bank's registrar and the terms of the agreement with it and termination of the agreement with the registrar;

19) Adopting resolutions on obligations of members of the Supervisory Board, including establishment of committees of the Bank's Supervisory Board for certain matters of the Bank's activities; approval of provisions on committees of the Supervisory Board; holding the hearings of reports provided by Chairpersons of committees of the Supervisory Board on the activity of Committees that they are heading; evaluating own work; and providing deliverables to the Bank's General Shareholders' Meeting;

20) Appointing and dismissing the Head of the Bank's Internal Audit Service, approval of the Annual Inspection Plan of the Bank's Internal Audit Service, reviewing reports provided by the Internal Audit Service on implementation of the Inspection Plan and Bank inspection findings, evaluating, based on reports provided by the Internal Audit Service, compliance by the Bank's executive bodies with strategies and procedures approved by the Bank's Supervisory Board;

21) Approval of the Bank's risk and capital management strategy, including in terms of ensuring adequacy of own capital and liquidity for risk coverage, approval of the risk management procedure, and monitoring implementation of the procedure specified;

22) Approval of the procedure for applying bank's risk management methods and quantitative risk assessment models;

23) Approval of the procedure for preventing conflicts of interest, Financial Stability Recovery Plan in case of considerable worsening of the Bank's financial standing, plan of actions intended to ensure continuous activity, and/or recovery of the Bank's activities in case of abnormal or emergency situations;

24) Periodically holding the hearings of reports provided by the CEO, Chairman of the Executive Board of the Bank on the activities of the Bank. Procedure of providing the reports by the CEO, Chairman of the Executive Board of the Bank about the bank's activity shall be determined by the Supervisory Board;

25) Approval of terms and conditions of agreements signed by the Bank and CEO, Chairman of the Executive Board, members of the Bank's Board, determining amounts of their remunerations and compensations, and approval of the Bank's Human Resources Policy and Bank's Wages and Salaries Policy;

26) Making a decision about suspension of powers of the CEO, Chairman of the Executive Board and formation of the Bank's temporary one-person executive body. A resolution to that effect is made in the manner provided for by federal law;

27) Appointing the Bank's corporate secretary and his/her dismissal and monitoring of the Bank's corporate management practice;

28) Recommendations on the amount of fees and compensations payable to the members of the Bank's Audit Committee;

29) Submitting an application for the listing of the Bank's shares and/or issue grade securities convertible into the Bank's shares;

30) Other matters envisaged by federal law and this Charter.

10.3. Members of the Bank's Supervisory Board are elected by the General Shareholders' Meeting in the manner provided by federal law and this Charter to act until the following Annual General Shareholders' Meeting. If the Annual General Shareholders' Meeting has not been held within the time period envisaged by federal law and this Charter, powers of the Bank's Supervisory Board shall terminate, except powers to prepare, convene, and hold the Annual General Shareholders' Meeting.

Members of the Bank's Supervisory Board shall meet qualification and business reputation requirements established by federal laws and regulations of the Bank of Russia adopted in accordance therewith.

10.4. The Bank's Supervisory Board consists of 14 members.

10.5. Members of the Bank's Supervisory Board may be represented only by individuals. Persons elected members of the Bank's Supervisory Board may be re-elected an indefinite number of times.

10.6. Board members may constitute up to a fourth of the membership of the Bank's Supervisory Board. The person acting as CEO, Chairman of the Executive Board may simultaneously act as Chairperson of the Bank's Supervisory Board.

10.7. Members of the Bank's Supervisory Board are elected by cumulative voting.

10.8. In the event of cumulative voting, the number of votes owned by each shareholder shall be multiplied by the number of persons to be elected to the Supervisory Board of the Bank, and a shareholder may either cast all votes, to which he/she is thus entitled, for one candidate or distribute these votes among two or more candidates.

10.9. Candidates having most votes are elected members of the Bank's Supervisory Board.

10.10. As decided by the General Shareholders' Meeting, powers of members of the Bank's Supervisory Board may be terminated early.

The resolution adopted by the General Shareholders' Meeting for early termination of powers may be taken only in respect of all members of the Bank's Supervisory Board.

10.11. The Bank's Supervisory Board is headed by the Chairperson to be elected by members of the Bank's Supervisory Board from among such members by a majority vote of the total number of members of the Bank's Supervisory Board.

10.12. Meetings of the Bank's Supervisory Board are convened by its Chairperson on his/her own initiative, as required by any member of the Bank's Supervisory Board, Audit Committee, audit organization, Board of the Bank, and CEO, Chairman of the Executive Board of the Bank.

The procedure for convening and holding meetings of the Bank's Supervisory Board is established by this Charter, the Regulations on the Bank's Supervisory Board, and Regulations for Meetings of the Bank's Supervisory Board.

10.13. Quorum required holding a meeting of the Bank's Supervisory Board is at least fifty percent of the elected members of the Bank's Supervisory Board. Where the number of members of the Bank's Supervisory Board falls below the quorum specified, the Bank's Supervisory Board must resolve to hold an extraordinary General Shareholders' Meeting to elect new members of the Bank's Supervisory Board.

10.14. In case of determination of quorum presence and voting results, the written opinion expressed by the member of the Bank's Supervisory Board who is not present during the Meeting is taken into account when the resolution is adopted. Such written opinion of the absent member of the Bank's Supervisory Board shall be delivered to the Bank not later than the day preceding the date of the meeting held by the Bank's Supervisory Board in presentio.

10.15. Resolutions are adopted during meetings of the Bank's Supervisory Board by a majority vote, except as stipulated under federal law and this Charter.

10.16. Resolutions to increase the authorized capital and to approve major transactions are adopted unanimously by all members of the Bank's Supervisory Board; in such case, votes of members withdrawn from the Bank's Supervisory Board are not counted.

In the event unanimity is not achieved by the Bank's Supervisory Board in the consideration of the matters specified, such matters can be referred to the General Shareholders' Meeting as resolved by the Bank's Supervisory Board. In this case, the resolution is adopted by the General Shareholders' Meeting by a majority vote cast by the holders of voting shares attending the General Shareholders' Meeting.

10.17. Resolutions on issues provided for by Sub-Clauses 1, 29 of Clause 10.2 of the Charter, as well as on the following issues:

- Approving the Regulations on Dividend Policy;
- Determining the price (monetary assessment) of the property in a major transaction;
- Adopting the recommendations on the amount of dividends on shares of the Bank;
- Adopting the recommendations with regard to voluntary or mandatory offer received by the Bank;
- Submitting to the Shareholders' Meeting the issues related to the introduction of changes to the Charter or approval of new version of the Charter, delisting of shares and/or securities of the Bank convertible into shares, approval of major transactions, increase or decrease of the authorized capital of the Bank, reorganization or liquidation of the Bank

shall be adopted by the Supervisory Board of the Bank by a majority of no less than three quarters of votes, excluding the votes of departed members of the Supervisory Board of the Bank

10.18. Each member of the Bank's Supervisory Board has a single vote. In the event of a tied vote, the casting vote is cast by the Chairperson of the Bank's Supervisory Board. No member of the Bank's Supervisory Board may assign his/her voting right to any other person, including any other member of the Bank's Supervisory Board.

10.19. Supervisory Board resolutions may be adopted during meetings in presentio (where members of the Supervisory Board attend the meeting collectively) or through absentee voting (polling).

10.20. Members of the Bank's Supervisory Board are obliged to ensure non-disclosure of confidential details of the Bank, its transactions, operations, clients, correspondents, partners, and any other information that represents a banking, commercial, or official secret, with which they have become familiar.

Chapter 11. Executive Bodies of the Bank

11.1. The Bank's current operations are managed by CEO, Chairman of the Executive Board, and the Executive Board of the Bank.

11.2. CEO, Chairman of the Executive Board, and the Executive Board of the Bank are accountable to the Bank's Supervisory Board and General Shareholders' Meeting.

11.3. Rights and obligations of CEO, Chairman of the Executive Board of the Bank, and Executive Board members are determined in accordance with the legislation of the Russian Federation, subject to this Charter, and the agreement concluded by the Bank with each of them under terms and conditions approved by the Bank's Supervisory Board (standard form of agreement).

The agreement concluded with CEO, Chairman of the Executive Board is signed, on behalf of the Bank, by the Chairperson of the Bank's Supervisory Board or by the person duly authorized by the Bank's Supervisory Board, and agreements with the Board members are signed by CEO, Chairman of the Executive Board of the Bank.

11.4. The Bank's Supervisory Board may at any time resolve to terminate powers of the Executive Board members ahead of time.

11.5. The terms of reference of the Executive Board of the Bank includes the issues of management of the Bank's daily activities, save for the matters falling within the terms of reference of the General Shareholders' Meeting and the Supervisory Board of the Bank.

11.6. In accordance with the tasks vested in it, the Executive Board of the Bank—

1) Discusses in advance the issues to be considered by the General Shareholders' Meeting and the Supervisory Board of the Bank, in particular, annual reports, including the Bank's annual accounting (financial) statements, prepares draft resolution thereupon, and ensures the fulfillment of resolutions passed by the General Shareholders' Meeting and the Supervisory Board of the Bank.

2) Discusses the reports presented by the heads of units of the Bank's central head office and the heads of regional head offices on the performance for the relevant periods and the performance in particular areas of banking activities.

3) Determines the bank's policy in risk management, ensures conditions for its efficient implementation, organizes the risk management process in the bank, and determines the units responsible for management of separate kinds of risks.

4) Organizes practical implementation of the most advanced banking technologies in the bank's units, implements projects on complex banking works automation, and ensures creation of present-day banking infrastructure.

5) Organizes and duly conducts work related to improvement of a network of affiliates and other separate bank units and makes decisions about a change of the branch's status and name.

6) Considers and resolves the issues of participation and termination of the Bank's participation in other organizations, except for making a decision on participation in associations and other alliances of commercial organizations.

7) Approves interest rates on deposits of natural persons.

8) Considers the state of accounting, reporting, and internal control at the Bank, hears reports of heads of affiliates and other separate bank units after inspections, checks of their activity, and makes decisions on these matters.

9) Controls adherence to federal laws and other regulatory legal acts by the Bank's units.

10) Establishes the system of labor remuneration at the Bank.

11) Approves candidates for the chairpersons of regional head offices, considers the dismissal of the chairpersons of regional head offices; considers proposals on granting state awards of the Russian Federation to the Bank's most distinguished employees.

12) Approves internal documents regulating the Bank's daily activity, including those that determine the Bank's policy in different lines of business, management of bank risks, the work of the Bank's collective working bodies, except for the internal documents the approval of which lies within the terms of reference of the General Shareholders' Meeting and the Supervisory Board of the Bank.

13) Forms collective working bodies, including panels and bank committees, approves provisions on them, and establishes their terms of reference, including that related to approval of the bank's internal documents, which determine the rules, procedures, order of conducting banking and other transactions, and the procedure of interaction between structural units of the bank's head office and its affiliates.

14) Approves regulations on the Bank's affiliates and representative offices.

15) Makes a decision about appointment of temporary management or the bank's authorized representative to manage an affiliate (regional head office and division).

16) Considers and resolves other matters relating to the Bank's activity.

11.7. The procedure for convening and holding meetings of the Board, quorum for meetings, number of votes required to adopt the resolution are established by the Regulations on the Bank's Executive Board and Regulations for the Bank's Executive Board Activities.

11.8. CEO, Chairman of the Executive Board of the Bank is elected by the General Shareholders' Meeting for 4 years.

11.9. The General Shareholders' Meeting may at any time resolve to terminate the powers of CEO, Chairman of the Executive Board of the Bank.

11.10. CEO, Chairman of the Executive Board of the Bank heads the Executive Board of the Bank and manages its activities.

11.11. The terms of reference of the CEO, Chairman of the Executive Board of the Bank include resolution of all matters related to the Bank's day-to-day activities, including:

1) Ensuring execution of decisions of the General Shareholders' Meetings and the Bank's Supervisory Board;

2) Tabling of proposals to the Bank Supervisory Board on the members of the Executive Board of the Bank, including on the candidates to the first deputies of the Chairman of the Executive Board and deputies of the Chairman of the Executive Board of the Bank;

3) Organization of work of the Executive Board of the Bank;

4) Presiding at meetings of the Executive Board of the Bank, signature of minutes from the meetings and decisions made by the Executive Board of the Bank;

5) Distribution of obligations among the First Deputy Chairman of the Executive Board, Deputies of the Chairman of the Executive Board of the Bank, and members of the Executive Board of the Bank;

6) The Bank's representation without a power of attorney in all institutions, enterprises, and organizations within the Russian Federation and abroad;

7) Performance of transactions and other legal actions on the Bank's behalf without a power of attorney;

8) Approval of the Bank's internal documents which are not referred to the terms of reference of the General Shareholders' Meeting, Supervisory Board, and Executive Board of the Bank;

9) Exercising employer's rights and obligations envisaged by labor laws in respect of the Bank's employees;

10) Conclusion, change, and termination of employment agreements with the workers of the head office, heads of affiliates, bank's representative offices under the established nomenclature;

11) Incentives paid to the Bank's employees for diligent and efficient work and bringing the employees to material and disciplinary liability;

12) Approval of organizational structure, staff schedule, and arrangement of official salaries, provisions on structural units of the Bank's head office, and the staff schedule of the Bank's representative offices;

13) Approval of the quarterly report on securities;

14) Approval of a report about results of issue (additional issue) of issue-grade securities;

15) Making decisions about the starting date of bond placement, acquisition of bonds upon demand of owners and (or) upon agreement with their owners, about determining income on bonds, as well as about other matters related to circulation of bonds not falling under the terms of reference of other bank management bodies by the bank;

16) Determining the procedure for working with information qualified as the bank's commercial secret and liability for violation of the procedure of working with it;

17) Resolution of other questions of the bank's current activity that are not referred to the terms of reference of the General Shareholders' Meeting, Supervisory Board, or Executive Board of the Bank.

11.12. CEO, Chairman of the Executive Board of the Bank has the right to delegate other separate official powers and also entrust temporary execution of his obligations to his subordinates.

The person acting as CEO, Chairman of the Executive Board, shall act on the basis of this Charter and a relevant order of CEO, Chairman of the Executive Board.

11.13. CEO, Chairman of the Executive Board of the Bank without Power of Attorney acts on behalf of the Bank, represents its interests, and effects transactions on behalf of the Bank within amounts specified by the Executive Board of the Bank, issues orders and instructions, and gives instructions that are binding upon all employees of the Bank.

CEO, Chairman of the Executive Board of the Bank may issue Powers of Attorney to other persons.

11.14. First deputies of Chairman of the Executive Board, deputies of Chairman of the Executive Board issue directives, effect transactions based on a Power of Attorney issued by CEO, Chairman of the Executive Board of the Bank, and conclude agreements on behalf of the Bank in accordance with the functional distribution of obligations and within the amounts specified by the Bank's Board.

11.15. The Bank's Board considers effecting transactions with amounts exceeding limits established by the Bank's Board for CEO, Chairman of the Executive Board of the Bank, first deputies of Chairman of the Executive Board, and deputies of Chairman of the Executive Board.

Chapter 12. Major Transactions of the Bank

12.1. Major transactions are determined by federal law and effected in the manner established thereby.

12.2. As regards a resolution on approval of a major transaction where the subject is property, the cost of which ranges from 25 to 50 percent of the book value of the Bank's assets, such resolution is adopted by all members of the Bank's Supervisory Board unanimously; in such case, votes of members withdrawn from the Bank's Supervisory Board are not counted.

12.3. As regards a resolution on approval of a major transaction where the subject is property, the cost of which exceeds 50 percent of the book value of the Bank's assets, such resolution is adopted by the General Shareholders' Meeting by a majority vote, i.e. three fourths of votes cast by the holders of voting shares attending the Meeting.

Chapter 13. Non Arm's-Length Transactions of the Bank

13.1. Non arm's length transactions are effected in accordance with federal law.

13.2. A non arm's length transaction is approved prior to its completion by the Bank's Supervisory Board or by the General Shareholders' Meeting in the manner stipulated under federal law.

13.3. The resolution on approval of a non arm's-length transaction is adopted by the Bank's Supervisory Board by a majority vote taking into account votes cast by independent members of the Bank's Supervisory Board who have no interest in its completion.

13.4. In instances stipulated under federal law, a resolution on approval of a non arm's-length transaction is adopted by the General Shareholders' Meeting by a majority vote taking into account votes cast by the holders of voting shares who have no interest in the transaction.

Chapter 14. Organizational Chart of the Bank

14.1. The Bank's branches (regional banks, divisions) operate on the basis of provisions approved by the Bank's Board and have seals with the Bank's emblem (logo), details set out in regulations of the Bank of Russia, and other seals and stamps.

14.2. The Bank's branches are provided with property accounted for both on their separate balance sheets and on the Bank's balance sheet.

Seals and block titles, letterheads, and sign-boards may specify the Bank's (branch's) name both in Russian and in the official language of appropriate states in accordance with the legislation of such states.

14.3. Changes in the Charter associated with the opening or closing of branches and representative offices, changes in their status, name, and location are introduced upon resolution of the Bank's Supervisory Board once a year at least.

When a Bank's branch is closed or if its status is changed, the Bank duly notifies foreign lenders, i.e. individuals who have allocated their funds on deposit accounts with such branch, by publishing the relevant message in mass media, placing the relevant message on the official corporate website of the Bank, and placing the relevant message in the office of the given branch and in all of its internal divisions in locations accessible to clients.

14.4. The Bank's branches (regional banks) are headed by Chairpersons appointed by CEO, Chairman of the Executive Board of the Bank, and branches (departments) are headed by executives appointed as per list predetermined. Collegial corporate governance is provided in the Bank's branches (Board of the regional bank, Department Board) to act subject to standard provisions approved by the Executive Board of the Bank.

14.5. Chairpersons of regional banks and department executives act on the basis of Powers of Attorney.

Activities, including employment and dismissal of branch personnel, and conclusion of employment agreements with such personnel are performed by Heads of branches as per an established nomenclature.

14.6. Internal divisions of a regional bank are opened or closed, their location is changed, and they are re-subordinated as decided by the executive board of the regional bank; as for internal divisions of a department, such actions are carried out as decided by the Board of the regional bank, to which this department is subordinate; as regards internal divisions of the head office, such actions are performed as ordered by CEO, Chairman of the Executive Board of the Bank.

Chapter 15. Monitoring of Financial and Economic Activities of the Bank

15.1. Audit Committee of the Bank

15.1.1. To monitor financial and economic activities of the Bank, the Annual General Shareholders' Meeting appoints the Audit Committee consisting of 7 members.

The Audit Committee is elected to act until the following Annual General Shareholders' Meeting.

15.1.2. Members of the Audit Committee cannot be members of the Bank's Supervisory Board or hold any other positions in the corporate governance of the Bank at the same time.

15.1.3. Persons elected members of the Audit Committee may be re-elected an indefinite number of times.

15.1.4. As decided by the General Shareholders' Meeting, powers of members of the Audit Committee may be terminated early.

15.1.5. Shares held personally by members of the Bank's Supervisory Board or by persons holding positions in the corporate governance of the Bank cannot be used in voting where members of the Bank's Audit Committee are elected.

15.1.6. Should members of the Audit Committee fail to fulfill their obligations properly, they shall be held liable in the manner established by the legislation of the Russian Federation.

15.1.7. The operating procedure and terms of reference of the Audit Committee are specified in the Regulations on the Bank's Audit Committee approved by the General Shareholders' Meeting.

15.1.8. Inspection (or audit) of financial and economic activities of the Bank is carried out at the end of a financial year and at any time on the initiative of the Audit Committee as decided by the General Shareholders' Meeting, Bank's Supervisory Board or as required by a shareholder (or shareholders) holding collectively at least 10 percent of voting shares of the Bank.

15.1.9. The Audit Committee provides the General Shareholders' Meeting with a conclusion on findings obtained during the inspection (or audit) of financial and economic activities of the Bank over a year.

15.1.10. The Audit Committee may call for convening an extraordinary General Shareholders' Meeting or meetings of the Bank's Supervisory Board where breaches revealed during the audit in financial and economic activities or a real threat to the Bank's interests (or depositors) require adopting resolutions on matters that fall within the cognizance of such bodies of the Bank.

15.1.11. Documented inspection findings are submitted by the Audit Committee to the Bank's Supervisory Board, Executive Board and CEO, Chairman of the Executive Board for review and taking appropriate actions.

15.2. Auditor of the Bank

15.2.1. In order to check and verify reliability of annual (interim) accounting (financial) statements compiled in accordance with the legislation of the Russian Federation and financial statements drawn up in accordance with the International Accounting Standards, the Bank commissions audit organizations performing audit activities pursuant to the legislation of the Russian Federation and subject to the International Auditing Standards.

15.2.2. The audit organization is recommended to the General Shareholders' Meeting by the Bank's Supervisory Board based on a tender held to select audit organizations in accordance with the effective legislation of the Russian Federation, this Charter, and internal documents of the Bank.

15.2.3. Audit organizations and members of the Audit Committee are obliged to ensure non-disclosure of confidential details of the Bank, its transactions, operations, clients, correspondents, partners, and any other information that represents a banking, commercial, or official secret, with which they have become familiar during inspections.

Chapter 16 Internal Control at the Bank

16.1. The Bank provides internal control in accordance with the legislation of the Russian Federation, regulations of the Bank of Russia, and rules and procedures established by the Bank to ensure—

- Effective and efficient financial and economic activities when performing banking operations and other transactions, and efficient management of both assets and liabilities, including asset integrity and bank risk management.
- Reliable, complete, objective, and timely compilation and submission of financial, accounting, statistical, and other statements, (for external and internal users), as well as information security (protection of the interests (objectives) of the Bank in the information area which represents the aggregate of information, information infrastructure, entities exercising collection, preparation, dissemination and use of information, as well as the systems to regulate relations arising therein);
- Compliance with regulatory legal acts, standards of self-regulating organizations, this Charter, and internal documents of the Bank.
- Prevention of involvement of the Bank or its employees in unlawful activities, including legitimization (laundering) of proceeds obtained as a result of criminal actions or financing of terrorism, and timely submission of appropriate details to governmental authorities and the Bank of Russia in accordance with the legislation of the Russian Federation.

16.2. Internal control is ensured at the Bank subject to powers determined by this Charter and internal documents of the Bank:

- 1) Corporate governance of the Bank as provided by this Charter;
- 2) Audit Committee;
- 3) Chief Accountant (and his/her deputies) of the Bank;
- 4) Heads (and their deputies) and Chief Accountants (and their deputies) of the Bank's branches;
- 5) Internal Audit Service of the Bank;
- 6) Internal Control Service of the Bank;
- 7) Division (person in charge) for counteraction of legitimization (laundering) of proceeds obtained as a result of criminal actions or financing of terrorism;
- 8) Inspector of the professional securities market maker;
- 9) Other divisions and employees of the Bank exercising internal control within the scope of powers defined by the Bank's internal documents.

Powers of internal control bodies and the procedure for their establishment and functioning are determined by federal laws and other regulatory legal acts, including regulations of the Bank of Russia, this Charter, and the Bank's internal documents adopted in the manner established by the Bank.

16.3. The Internal Audit Service is a collection of the Bank's divisions (Internal Audit Administration of the Bank's head office and relevant units of the Internal Audit Service with branches), which carry out their activities in accordance with the Regulations on the Bank's Internal Audit Service.

16.4 The Internal Control Service is the collection of structural units and employees of the Bank exercising their activities in accordance with the requirements of the law and Regulations on Internal Control Service.

15.3.4. The Bank's activities are supervised and monitored by the Bank of Russia and by bodies duly authorized by federal laws and other regulatory legal acts.

Chapter 17. Re-Organization and Liquidation of the Bank

17.1. Reasons, procedure, forms of re-organization of the Bank are determined in accordance with the legislation of the Russian Federation.

17.2. Reasons and procedure of liquidation of the Bank are established in accordance with the legislation of the Russian Federation.

SBERBANK CHARTER: AMENDMENT PROPOSALS, 2015

No	The existing version	Amendment proposals	Comments
1	Clause 1.1. Sberbank of Russia, hereinafter referred to as the “Bank”, is a credit institution.	Paragraph 1, Clause 1.1., will read as follows: Public Joint Stock Company Sberbank of Russia, hereinafter referred to as the “Bank”, is a credit institution. Add para 7 as follows: Subject to the decision of the Annual General Meeting on __ ____ 2015 (Minutes No __), the names of Sberbank were changed to Public Joint Stock Company Sberbank of Russia and PJSC Sberbank.	A new version of the Russian Civil Code classifies the Bank a public joint stock company ¹ . The Federal Law requires that the name and the Charter of the Bank are brought into conformity with new version of the Russian Civil Code ²
2	Clause 1.2. The Bank's full trade name is Открытое акционерное общество «Сбербанк России»; abbreviated trade name: ОАО «Сбербанк России».	Clause 1.2. will read as follows: The Bank's full trade name is Публичное акционерное общество «Сбербанк России» ; abbreviated trade name: ПАО «Сбербанк России»	
3	Clause 1.6., para 2 The Bank owns and recognises isolated property on its individual balance sheet. It may in its own name acquire and exercise proprietary and personal non proprietary rights, assume obligations and appear as plaintiff and defendant in court.	Para 2, Clause 1.6. will read as follows: The Bank has isolated property and is liable by it with regard to its obligations. It may have civil rights and liabilities that are required for any kinds of business not prohibited by law.	This Clause has been brought into conformity with a new version of Article 48 of the Russian Civil Code (enacted on 1 Sept 2014)
4	Clause 1.8., para 2 The Bank may engage in specific activities listed in federal laws under the appropriate licences.	Para 2, Clause 1.8., will read as follows: The Bank may engage in specific activities stipulated by federal laws under the appropriate licences.	The wording has been adjusted (Clause 3, Article 49, Russian Civil Code)
5	Clause 1.16. The Bank may be a participant in or a founder of, any commercial or non-commercial organisations in or outside the Russian Federation in compliance with Russian law and the law of the respective foreign country unless international treaties signed by the Russian Federation provide otherwise.	Clause 1.16. will read as follows: The Bank may be a participant in or a founder of, any other business partnership or organization in or outside the Russian Federation in compliance with Russian law and the law of the respective foreign country unless international treaties signed by the Russian Federation provide otherwise.	This Clause has been brought into conformity with a new version of Article 66 (Clause 6) of the Russian Civil Code (enacted on 1 Sept 2014)
6	Clause 1.20. The Bank is located at: 19 Vavilova St., 117997 Moscow, Russia	Clause 1.20. will read as follows: The Bank is located in Moscow, Russia. The Bank's address is: 19 Vavilova St., 117997 Moscow, Russia.	Under a new version of Article 54 of the Russian Civil Code, the location of an entity is indicated by the place of its public registration in the Russian Federation, i.e. the locality or the municipal subject).
7	Clause 4.8.	Clause 4.8. will read as follows:	The wording brought into conformity with

¹ Under Clause.1, Article 66.3 of the Russian Civil Code, a joint stock company is treated as public if its shares and convertible securities are publicly placed (through an open subscription) or are publicly outstanding on the terms indicated by securities laws.

² Clause 7, Article 3 of Federal Law No 99-FZ dated 5 May, On Amending Article 4, Part 1, of the Russian Civil Code and Recognising Specific Provisions of the Russian Legislative Acts Null and Void

	The Bank's Shareholder Register shall be maintained by a professional securities market participant (registrar) engaged in keeping registers of registered securities holders under agreement with the Bank.	The Bank's Shareholder Register shall be maintained by a registrar who must be a professional market participant, under an agreement with the Bank.	Clause 4 of Article 97 of the Russian Civil Code.
8	Clause 7.1., para 1 The Bank shall be making insurance contributions to the Mandatory Individual Deposit Insurance Fund under federal law	Para 1, Clause 7.1., will read as follows: The Bank shall be making insurance contributions to the mandatory deposit insurance fund under federal law	Federal Law 177-FZ dated 23 December 2003 ³ refers to this fund as the mandatory deposit fund. A reference to 'individual' (meaning 'retail') has been removed because mandatory insurance was extended to individual entrepreneurs with effect from 2014.
9	Clause 8.1. The Bank shall maintain accounting and submit financial and other reports as required by federal law and other regulatory acts, including those published by the Central Bank.	Clause 8.1. will read as follows: The Bank shall maintain accounting and submit accounts / financial and other reports as required by federal law and other regulatory acts, including those published by the Central Bank	This clause has been brought into conformity with Central Bank Instruction No 3081-U.
10	Clause 9.2., sub-clause 14 14) Approving the Bank's auditor	Clause 9.2., sub-clause 14 will read as follows: 14) Appointing an auditor organization for the Bank;	Worded in accordance with Clause 2 of Article 65.3 of the Russian Civil Code.
11	Clause 9.2. sub-clause 16 A new sub-clause	Add sub-clause 16 to clause 9.2.: 16) Paying / announcing dividends for Q1, H1 and months of the financial year	The Charter has been brought into conformity with Article 48 of the JSC Law
12	Clause 9.2. sub-clause 16 (17 in the new version) 16) Approving annual reports, annual accounts, distribution of profit, payment / announcement of dividends for the financial year	Sub-clause 17, clause 9.2., will read as follows: 17) Approving annual reports, annual accounts / financial statements , distribution of profit, payment / announcement of dividends (except for the profit distributed in dividends for Q1, H1, 9 months of the financial year), and losses of the Bank for the financial year	The Charter has been brought into conformity with Article 48 of the JSC Law
13	Clause 9.2. sub-clause 22 (23 in the new version) 22) Approving internal documents of the Bank: AGM Procedures , Supervisory Board Regulations, Board Regulations, Auditing Commission Regulations	Sub-clause 23, Clause 9.2., will read as follows: 23) Approving internal documents of the Bank: AGM Regulations , Supervisory Board Regulations, Board Regulations, Auditing Commission Regulations, Supervisory Board Members Remunerations and Compensations Regulations	A list of documents subject to approval by the AGM has been extended.
Sub-clauses 16 – 23 of Clause 9.2. will be treated as Sub-clauses 17 – 24 respectively			
14	Clause 9.7. The Chairman of the Supervisory Board or, in his/her absence, one of his/her deputies shall preside at AGMs.	Clause 9.7. will read as follows: The Chairman of the Supervisory Board or, in his/her absence, one of his/her deputies or a Supervisory Board member appointed by the Supervisory Board , shall preside at AGMs	This amendment is proposed in order to specify the proceedings of AGMs.
15	Clause 9.8. The Bank shall hold AGMs annually to decide	Clause 9.8. will read as follows: The Bank shall hold AGMs annually to decide on electing the Supervisory Board	This clause has been brought into conformity with Central Bank Instruction

³ The Federal Law on Insurance of Retail Deposits with Banks in the Russian Federation, dated 23 December 2003, No 177-FZ

	on electing the Supervisory Board and the Auditing Commission, appointing the Bank's auditor , approving annual reports, including annual accounts, distributing profits, including payment / announcement of dividends for the financial year and on other issues within AGM's remit.	and the Auditing Commission, appointing an auditor organisation for the Bank , approving annual reports, including annual accounts / financial statements , distributing profits, including payment / announcement of dividends for the financial year and on other issues within AGM's remit.	No 3081-U, in accordance with Clause 2, Article 65.3 of the Russian Civil Code (enacted on 1 Sept 2014). This clause has also been brought into conformity with Central Bank Instruction No 3081-U.
16	Clause 9.16.: AGM notices shall be published in The Rossiyskaya Gazeta and posted on the Bank's corporate web-site, www.sberbank.ru , no less than 30 days prior to the date of the meeting.	Clause 9.16. will read as follows: AGM notices shall be published in The Rossiyskaya Gazeta and posted on the Bank's corporate web-site, www.sberbank.com , no less than 30 days prior to the date of the meeting.	
17	Clause 9.17. An extraordinary general meeting may be called by the Supervisory Board or by the Auditing Commission or auditor or holder(s) of at least 10% of voting shares as of the date of demand.	Clause 9.17. will read as follows: An extraordinary general meeting may be called by the Supervisory Board or by the Auditing Commission or auditor organisation or holder(s) of at least 10% of voting shares as of the date of demand.	Subject to Clause 2 of Article 65.3 of the Russian Civil Code.
18	Clause 9.29. AGM decisions and voting results shall be announced at the AGM where the voting took place or shall be brought to the notice of the persons entitled to participate in the AGM within 10 days after the voting protocol is finalised, as a voting results report for the eligible individuals published in The Rossiyskaya Gazeta and posted on the Bank's corporate web site.	Clause 9.29. will read as follows: AGM decisions and voting results shall be announced at the AGM where the voting took place and be brought as voting report to the notice of the persons eligible for participation in the AGM in accordance with the requirements in the Bank's Charter for AGM notification, within 4 business days of the closure of the AGM or the date for ballot acceptance (for AGMs held by poll). The Bank shall disclose any AGM decisions by posting the AGM Minutes to the Bank's website.	The Charter has been brought into conformity with Para 4, Article 62 of the JSC Law (amendments enacted on 1 July 2014). Also, due regard has been given to recommendations of the Corporate Governance Code ⁴ with reference to an obligation to post minutes of meetings to the website as soon as practically possible (para 24).
19	Clause 10.2., Sub-clause 13: 13) Approving the Bank's internal documents including internal control service regulations, Internal Audit Service regulations, Corporate Secretary regulations, Corporate Governance Code, reserve fund regulations, dividend pay-out fund and retained profit and other internal documents, provided that the approval from the Supervisory Board is required by law, this Charter or Supervisory Board Regulations	Clause 10.2., Sub-clause 13 will read as follows: 13) Approving the Bank's internal documents including internal control service regulations, Internal Audit Service regulations, Corporate Secretary regulations, Corporate Governance Code, Code of Ethics, Dividend Policy Regulations , Reserve Fund Regulations, dividend pay-out fund and retained profit and other internal documents, provided that the approval from the Supervisory Board is required by law, this Charter or Supervisory Board Regulations	It is required to recognize in the Charter that such matters as the approval of the code of ethics and dividend policy are placed in the remit of the Supervisory Board.
20		Add Clause 10.17. Decisions on the matters stipulated by Sub-Clauses 1 and 29 of Clause 10.2 of the Charter, as well as the following matters: - Approving Dividend Policy Regulations - Evaluating the price of any assets involved in a major transaction	IN accordance with Corporate Governance Code recommendations (Paras 169,170).

⁴ The corporate governance code recommended by the Central Bank on 10 April 2014.

		<p>- Adopting recommendations on the size of dividends on Bank shares</p> <p>- Adopting recommendations on voluntary or mandatory offers received by the Bank</p> <p>- Referring to an AGM any matter related to amending or approving a new version of the Charter; delisting Bank shares and/or convertible securities; approving major transactions; increasing / decreasing the Bank's authorized capital; reorganizing or liquidating the Bank shall require majority of at least three fourths of Supervisory Board members (providing that the votes of ex-members of the Supervisory Board shall not count unless otherwise stipulated by federal law).</p>	
Sub-clauses 10.17. - 10.19 will be treated as Sub-clauses 10.18. – 10.20 respectively			
21	Clause 11.6., Sub-clause 1: 1) Preliminarily reviews the issues to be addressed by the AGM and Supervisory Board, including annual reports and annual accounts, develops the drafts of the appropriate decisions, arranges that AGM and Supervisory Board decisions are implemented	Sub-clause 1, Clause 11.6., will read as follows: 1) Preliminarily reviews the issues to be addressed by the AGM and Supervisory Board, including annual reports and annual accounts / financial statements , develops the drafts of the appropriate decisions, arranges that AGM and Supervisory Board decisions are implemented	This Clause has been brought into conformity with Central Bank Instruction No 3081-U.
22	Clause 11.11., Sub-clause 7: 7) Transacting all kinds of deals or doing other legal acts on Bank's behalf without a power of attorney	Sub-clause 7, Clause 11.11., will read as follows: 7) Transacting deals or doing other legal acts on Bank's behalf without a power of attorney	The wording adjusted.
23	Clause 15.2., Sub-clause, 15.2.1.: The Bank shall contract duly licensed auditors transacting their audit business in accordance with Russian law and the International Accounting Standards to audit and confirm the reliability of the Bank's financial / accounting reports compiled in accordance with Russian law and the International Accounting Standards	Sub-clause 15.2.1., Clause 15.2., will read as follows: The Bank shall contract duly licensed auditors transacting their audit business in accordance with Russian law and the International Accounting Standards to audit and confirm the reliability of the Bank's annual / interim accounts financial / statements compiled in accordance with Russian law and the International Accounting Standards.	This Clause has been brought into conformity with Central Bank Instruction No 3081-U.
24		<p>Article 16. Internal control at the Bank</p> <p>Under Russian law, Central Bank regulations and Bank's in-house procedures, the Bank will exercise in-house control to ensure:</p> <ul style="list-style-type: none"> – Financial and business efficiency for banking and other deals, asset and liability management, including actions to safeguard assets and manage bank risks – Reliable, complete, objective and timely preparation and submittal of financial, accounting, statistical and other reports (for internal and external users) as well as information security (for the purposes of safeguarding Bank's interests / objectives in the info-sphere, being a 	It is proposed that internal control related provisions, currently in Article 15 (Controlling the Bank's Financial / Business Operations), are made into a separate article, a new one for the Charter. They also have to be brought into conformity with Central Bank directive No 242-P ⁵

⁵ Directive on internal control at credit organisations and bank groups (approved by the Central Bank on 16 December 2003, No 242-P) (version dated 24 April 2014)

		<p>complex of data, data infrastructure, subjects which / who acquire, generate, disseminate and use the data, as well as a system for regulating the ensuing relations)</p> <ul style="list-style-type: none"> – Compliance with laws, regulations and standards of self-regulating entities as well as this Charter and Bank's in-house regulations – That the Bank or its staff are not engaged in illegal activities, including money laundering and terrorism financing, and that relevant information is filed with government agencies and the Central Bank in a timely manner and under Russian law <p>16.2. Internal control at the Bank will be exercised, with due regard to the authorities conferred by this Charter and Bank's internal regulations, by</p> <ol style="list-style-type: none"> 1) The Bank's managing bodies appointed by this Charter 2) The Auditing Commission 3) The Bank's Chief Accountant / his / her deputies 4) Head Managers and Chief Accountants / their deputies at Bank's branches 5) The Bank's Internal Audit Service 6) The Bank's Internal Control Service 7) Anti-money-laundering and terrorism financing unit / staff member in charge 8) Professional securities market participant controller 9) Other Bank units and staff engaged in internal control in accordance with the authorities conferred by the Bank's regulations. <p>The authorities of internal control units and the procedures of their establishment and operation shall be in accordance with federal law, other regulations including regulations of the Central Bank, this Charter and the duly adopted internal documents of the Bank.</p> <p>16.3. Internal Audit Service is a complex of the Bank's internal units (Internal Audit Department at the Central Head Office and the appropriate units of the Internal Audit Service at the branches) acting in accordance with the law and the Bank's Internal Audit Regulations.</p> <p>16.4. Internal Control Service is a complex of the Bank's internal units and staff members acting in accordance with the law and the Bank's Internal Control Regulations.</p> <p>16.5. The Central Bank and the bodies authorised by federal law and other regulations shall control and supervise the activities of the Bank.</p>	
Article 16, Reorganisation and Liquidation, will be treated as Article 17.			
Amendments related to updated branch information			
25	Appendix No 1, List of branches as at 1 March 2014	Appendix 1 will read as follows: List of branches as at 1 March 2015	Branch related information updated as at 01 February 2015.

Section 12
New Version of the Regulations
on the General Shareholders' Meeting

SBERBANK OF RUSSIA

APPROVED BY:
General Shareholders' Meeting
Minutes dated _____ No. _____

REGULATIONS On the General Shareholders' Meeting

**Moscow
2015**

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1. General Provisions

1.1. These Regulations on the General Shareholders' Meeting of Sberbank of Russia (hereinafter - the "Regulations" and the "Bank", respectively) have been developed in accordance with the current legislation of the Russian Federation (hereinafter - the "current legislation"), the Bank's Charter, as well as subject to the provisions of the Corporate Governance Code recommended to be applied by the Bank of Russia on April 10, 2014.

1.2. The Regulations determine the procedure for preparing, convening and holding the General Shareholders' Meeting of the Bank (hereinafter – the General Shareholders' Meeting, the Meeting).

1.3. The Meeting is a supreme corporate governance body of the Bank applicable in accordance with the competences defined by current legislation and the Bank's Charter.

1.4. The issues related to convening, preparing and holding the Meeting not covered by the Bank's Charter and this Regulations, shall be subject to the current legislation standards based on the prioritized observance of rights and interests of the Bank's shareholders.

1.5. The Bank shall secure all shareholders holding the Bank's voting shares to have equal opportunity to participate in the General Shareholders' Meeting.

2. Types and forms of the General Shareholders' Meeting

2.1. In accordance with current legislation, the Bank holds an annual General Shareholders' Meeting once a year. Extraordinary General Shareholders' Meetings shall be held in cases established by current legislation.

2.2. General shareholders' meeting may be held in the form of a meeting (in praesentia - joint attendance of shareholders to discuss the issues on the agenda and adopt decisions on the issues put to the vote), or in absentia - without holding a meeting – in the form of absentee voting.

Annual General Shareholders' Meeting of the Bank shall be held solely in the form of a meeting.

2.3. Decisions concerning all the issues covered by the General Shareholders' Meeting competence may be adopted by absentee voting, except for the issues as may, in accordance with current legislation, be decided upon solely within a meeting held in the form of joint attendance:

- regarding the election of the Supervisory Board and the Audit Commission of the Bank;
- regarding the approval of the audit organization of the Bank;
- regarding the approval of annual report, annual accounting (financial) statements;
- regarding the distribution of the Bank's profit and the payment (declaration) of annual dividends, except for the profit distributed as dividends by results of the first quarter, six months, nine months of the financial year.

2.4. A form of the General Shareholders' Meeting shall be determined by the Bank's Supervisory Board, and, in cases prescribed by current legislation, by persons requesting the Extraordinary General Shareholders' Meeting to be convened, subject to the requirements of paragraph 2.3 hereof.

3. Timelines, place and time of the General Shareholders' Meeting

3.1. General Shareholders' Meeting of the Bank shall be held not earlier than 2 months and not later than 6 months after the end of the financial year⁴⁴. Date of the annual General Shareholders' Meeting shall be determined by the decision of the Supervisory Board of the Bank subject to the deadlines established by the Bank's Charter for the Bank shareholders to make proposals on the issues of the agenda of the annual General Shareholders' Meeting and nominate candidates to the Bank's bodies.

3.2. Extraordinary General Shareholders' Meeting convened at request of the Bank's Audit Commission, the Bank's audit organization, or shareholder(s) holding at least 10 percent of the Bank's voting shares, shall be held during 50 calendar days from the moment of submission of the request to hold Extraordinary General Shareholders' Meeting.

If the intended agenda contains an issue regarding the election of the members of the Bank's Supervisory Board, then such General Shareholders' Meeting shall be held during 90 calendar days from the moment of submission of the request to hold Extraordinary General Shareholders' Meeting.

3.3. Extraordinary General Shareholders' Meeting convened on the initiative of the Bank's Supervisory Board or in other cases stipulated by current legislations, apart from those referred to in paragraph 3.2 hereof, when the Supervisory Board undertakes to take decision to convene a meeting, shall be held within timelines set by by the Bank's Supervisory Board subject to the requirements of current legislation and the Bank's Charter established for such cases.

3.4. The Bank's Supervisory Board, when deciding on the form, date, time and place of the General Shareholders' Meeting, should seek to secure the balance of Bank's and its shareholders' interests.

In accordance with the Bank's Charter, General Shareholders' Meeting (when held in the form of a meeting) shall be held in Moscow or other city determined by the Bank's Supervisory Board during addressing the issues associated with holding the General Shareholders' Meeting.

At the same time, the Supervisory Board shall proceed from the fact that the meeting should take place on the territory of the Russian Federation in a place to enable shareholders to freely take part in it personally.

The agreed place and time shall not create significant inconveniencies for the majority of shareholders to attend the meeting or make same impossible.

4. Working bodies of the General Shareholders' Meeting

4.1. The Working bodies of the Meeting are: the Chairman of the Meeting, the Presidium of the Meeting, the Counting Commission, the Secretary of the Meeting.

The Working bodies of the Meeting shall act in accordance with current legislation, the Bank's Charter and these Regulations.

The main purpose of creating the working bodies is to secure the Bank shareholders rights to be exercised during the Meeting.

⁴⁴ The financial year begins on January 1 and ends on December 31.

4.2. Chairman of the Bank's Supervisory Board, or one of its deputies, or one of the members of the Supervisory Board, as decided upon by the Bank's Supervisory Board, shall preside over the Meeting.

Chairman of the General Shareholders' Meeting:

- declares a meeting open and closed;
- informs the participants of the meeting on the procedure (procedure rules) thereof, the agenda of the meeting;
- holds the meeting and supervises over the meeting procedure rules compliance;
- takes measures to maintain and restore order at the meeting;
- ensures compliance with the agenda;
- following the discussion of all agenda issues - announces the start of voting on them;
- signs the minutes of the General Shareholders' Meeting and the report on the results of voting at the meeting.

Chairman of the meeting shall ensure that shareholders have received answers to all questions directly at the General Shareholders' Meeting, or as soon as possible after its closure in writing.

Chairman of the meeting has the right to interrupt a meeting participant's speech or to deprive it of a word if he or she violates the order of holding the meeting (Procedure Rules) or its agenda.

4.3. The Presidium of the Meeting held in the form of a meeting in praesentia shall be formed by the meeting Chairman.

The Presidium of the Meeting shall coordinate operations of the meeting bodies on a collegial basis, shape the collegial opinion in the corresponding cases with regard to a certain issue, participate in the meeting process.

4.4. The Counting Commission functions at the General Shareholders' Meeting in accordance with current legislation shall be performed by the Bank's Registrar under agreement concluded with the Bank.

The Counting Commission shall:

- verify powers and register persons attending the General Shareholders' Meeting;
- determine the quorum of the General Shareholders' Meeting;
- secure the established voting order and the rights of the Bank's shareholders to participate in voting;
- count the votes and summarize voting, sign the minutes of the voting results, as well as perform other functions established by current legislation.

4.5. The Secretary of the General Shareholders' Meeting shall be determined by the Chairman of the Meeting.

The Secretary of the Meeting shall:

- accept questions from the Meeting participants and the statements of desire to speak at the Meeting; transfer them to the Chairman of the Meeting;
- provide for audio recording / stenography of the General Shareholders' Meeting;
- sign the minutes of the Meeting and the report on the voting results at the Meeting.

5. Proposals for the agenda of the General Shareholders' Meeting

5.1. The proposals for the agenda of the General Shareholders' Meeting and the proposals for the nomination of candidates to the corporate governance and supervision bodies of the Bank (hereinafter – the proposals) shall be submitted in writing in the manner prescribed by current legislations, the Bank's Charter and these Regulations. Oral proposals shall not be accepted nor reviewed.

5.2. Proposals may be sent to the address of locations of the Bank by mail or courier, and may also be handed over to a person authorized to receive written correspondence addressed to the Bank. The documents shall be received by the authorized person in accordance with the internal regulations established by the Bank.

5.3. Proposals should contain information about the surname, name and patronymic (legal name) of shareholder(s) submitting it, the number and category of shares held by each shareholder who signed the Proposals.

5.4. A shareholder submitting proposals, whose rights are recognized via securities account with the depository, shall present a statement of shareholder's securities account with said depository to certify ownership over the corresponding number of the Bank's voting shares as of the date of proposals submission.

5.5. Proposals shall be considered to have been received from shareholders who (whose representatives) signed them.

In case of proposals signed by a shareholder's representative, same shall need a power of attorney (or a notarized copy thereof) to be attached and to meet the requirements of the current legislation, or other documents certifying such representative's right to act on behalf of the shareholder.

5.6. Any typographical errors and other technical deficiencies found in proposals shall not constitute a ground to deny their satisfaction, provided that the content of the proposal allows to define in general the shareholder's intent and to confirm its right to submit such proposal. Upon any material deficiencies found in the proposals, the Bank shall within a reasonable time notify shareholder(s) to their effect in order to provide opportunities to correct them before being reviewed by the Supervisory Board.

5.7. The proposals for the agenda of the General Shareholders' Meeting should contain the wording of each issue, as well as contain the wording of a decision regarding each issue proposed, while the proposals on the nomination of candidates should include surname, name and patronymic of a candidate, its ID document details, name of the body to which it nominated, and may also contain other information about a candidate.

6. Preparations to hold the General Shareholders' Meeting

6.1. Preparations to hold the General Shareholders' Meeting shall be carried out by the Bank's Supervisory Board, including in cases where Extraordinary General Shareholders' Meeting is not convened at the initiative of the Supervisory Board in accordance with current legislation and the Bank's Charter.

6.2. During the preparations to hold the General Shareholders' Meeting the Supervisory Board shall determine:

- form of a meeting (the meeting or absentee voting);
- date, place (exact address) and time of the meeting, time of registration of persons participating in the meeting held in the form of joint attendance, meeting agenda and date when list of persons entitled to attend the meeting is compiled;

- take decision on other issues related to holding a meeting as prescribed by current legislation and the Bank's Charter.

6.3. The Supervisory Board shall include in the agenda of the Annual General Shareholders' Meeting the shareholders' proposals, except for the cases established by current legislation:

- shareholders have failed to comply with the deadlines established by current legislation and the Charter for the proposals receipt;
- shareholders are not the owners of the amount of voting shares prescribed by current legislation authorizing to submit proposals on the agenda;
- proposal does not comply with the requirements established by current legislation in terms of a form and content;
- issue proposed for inclusion in the agenda of the General Shareholders' Meeting does not fall within its competence and (or) does not comply with current legislation.

6.4. The Supervisory Board shall take a decision not to convene the Meeting for the following reasons:

- procedure of submission of a request to convene a meeting as established by current legislation has not been complied with;
- shareholders requesting the meeting to be convened are not the owners of the number of the Bank's voting shares prescribed by current legislation authorizing to request for the meeting to be convened;
- neither issue proposed for inclusion in the agenda of the Extraordinary General Shareholders' Meeting falls within its competence and (or) does not comply with current legislation.

6.5. The decisions of the General Shareholders' Meeting regarding the preparations to hold a meeting shall be made public in accordance with current legislation. At the same time, the decision to approve the date of compiling the list of persons having the right to participate in the General Shareholders' Meeting shall be made public by the Bank at least 7 days in advance of the said persons list compilation.

6.6. The execution of the decisions of the Bank's Supervisory Board as related to the preparation and holding of the General Shareholders' Meeting shall be arranged by the Chairman of the Board.

7. Notice of the General Shareholders' Meeting

7.1. The Notice of the General Shareholders' Meeting shall be published in the print publication determined by the Charter of the Bank, and posted on the official website of the Bank (hereinafter – website of the Bank) in Russian and in English no later than 30 days prior to the date of Meeting.

7.2. If the intended agenda of the Extraordinary General Shareholders' Meeting contains an issue regarding the election of the member of the Bank's Supervisory Board, the notice of the Extraordinary General Shareholders' Meeting shall be posted on the Bank's website not later than 70 days prior to the date of the Meeting.

7.3. The requirement to the content of the notice of the Meeting shall be established by current legislation.

It shall indicate the following:

- full corporate name and location of the Bank;
- form of a Meeting (the Meeting or absentee voting);

- date, place, time of the Meeting, postal address whereto the filled out ballots may be addressed;
- starting time of registration of persons attending the Meeting;
- ending date of voting ballots receipt and postal address whereto the filled out ballots may be addressed in case of a Meeting held in the form of absentee voting;
- date of compiling the list of persons having the right to participate in a Meeting;
- agenda of a Meeting;
- procedure for getting introduced with information (materials) subject to provision during the preparation to hold a Meeting, and address(es) where it is available.

The Bank shall also include the information into the notice regarding the procedure and methods for attending a Shareholders' Meeting held in praesentia, including: the location of the Meeting specifying the office rooms, as well as information on the documents needed for admission to the Meeting.

The notice may contain other details as decided upon by the Bank's Supervisory Board.

8. Information provided to shareholders during the preparations to hold the General Shareholders' Meeting

8.1. The Bank aims to create the most comfortable conditions for the shareholders to adopt the informed and reasonable decisions on the issues of the Meeting's agenda.

The information (materials) provided to the persons authorized to attend the Meeting during the preparations thereto, shall include:

- annual report, annual accounting (financial) statements annexed with auditor's opinion;
- conclusion of the Bank's Audit Commission as to the results of inspection (audit) of the financial and economic activities of the Bank for the year;
- recommendations of the Bank's Supervisory Board on the distribution of profit, the size of dividends on the Bank's shares, and on the date when the persons entitled to dividends are determined;
- justification of the proposed distribution of the net profit of the Bank and assessment of its compliance with the adopted dividend policy, including for dividend payment and own needs of the Bank;
- information on the Bank's prospective auditors, including, among other, a description of the procedures used by the Bank when selecting a prospective auditor that ensure the independence and neutrality of the auditor, as well as the information on the proposed remuneration to the auditing organization for auditing and non-auditing services;
- information aimed to generate a picture of personal and professional qualities of the candidates to the Bank's corporate governance and supervision bodies (including the details of their experience and biography, their compliance with the legal requirements for business reputation and qualifications), as well as information on the presence or absence of the nominated candidates' consent to the election to the Bank's relevant body, and – in the event of intended participation of a candidate in one or more Committees of the Bank's Supervisory Board – consent to being employed at such Committees as well;

- information on who proposed each agenda item or recommended a candidate for a post in the Bank's management bodies;
- grounds for the necessity for taking the decisions on increasing or decreasing the share capital of the Bank, for approving transactions made by the Bank (including major transactions and interested party transactions), for clarifying the results of taking such decisions for the Bank and its shareholders, and a list of individuals considered as interested in a transaction specifying the grounds for considering such individuals as interested;
- drafted decisions of the General Shareholders' Meeting on the issues of the Meeting's agenda;
- drafted changes and additions to the Bank's Charter, or drafted new version Charter of the Bank;
- drafted internal documents of the Bank approved by Shareholders' Meeting;
- the comparison tables of the amendments/additions made to the Charter and/or the Bank internal documents, as well as the grounds for the necessity of making the respective amendments;
- other information (materials) mandatory to be provided to the persons entitled to attend the General Meeting, as established by current legislations and the Bank's Charter, as well as capable to affect the shareholders positions regarding the issue of the Meeting's agenda.

8.2. The Bank shall, not later than 30 days before the date of the Meeting, ensure the availability of the information provided for in paragraph 8.1 hereof, for review by the persons entitled to attend the Meeting in the manner specified in the notice of the General Meeting, as well as post such information on the Bank's website in English and Russian languages.

8.3. The Bank shall, at the request of a person entitled to attend the General Shareholders' Meeting, provide copy of information (materials) to be provided to the persons entitled to attend the General Shareholders' Meeting.

The Bank shall ensure the availability of information referred to in paragraph 8.1. and 8.4. hereof to the person participating in the General Shareholders' Meeting, as well as during holding thereof.

8.4. In addition to information referred to in paragraph 8.1. hereof, the following shall be subject to posting on the Bank's website in Russian and English languages:

- information regarding the travel directions to the location of the Meeting (in case of a Meeting in praesentia);
- an exemplary form of power of attorney shareholders may issue to its representative to attend the Meeting and the information about the procedures to certify such power of attorney;
- other information determined by the Bank as necessary for shareholders to exercise their rights.

8.5. The Bank shall ensure a person included into the list of individuals having the right to participate and holding at least 1 per cent of the votes to have an opportunity of reviewing such list upon conditions determined by current legislation, starting from the date of the Bank receiving such list from the Registrar.

8.6. When including in the agenda of the Meeting the issue regarding the dividend payment, the Bank shall have the right to clarify to shareholders (disclose on the Bank's website as part of materials for the Meeting and/or file it as a memo with a set of voting ballots) the necessity of giving a prompt notice to the Registrar / Depository regarding a

change in their data, as well as the consequences and risks associated with giving an untimely notice regarding a change in such data.

8.7. The Bank shall ensure that the shareholders, prior to the date of the Meeting, should have an opportunity to address their questions to the members of the corporate governance and supervision bodies and also voice their opinion on the agenda of the Meeting.

9. Voting ballot for the General Shareholders' Meeting

9.1. The voting on the issues of the agenda of the General Shareholders' Meeting shall be performed through the voting ballots.

9.2. During the determination of a form and text of the ballots, the Supervisory Board of the Bank shall, in addition to details prescribed by current legislation, include into a voting ballot the shareholder's surname, name and patronymic (legal name), and – into ballots covering the issues of electing members of the corporate governance and supervision bodies of the Bank – brief details on the candidates.

9.3. A voting ballot at the General Shareholders' Meeting may contain one or more issues of the Meeting's agenda. In this case, the sequence of issues of the agenda being part of one ballot may be disregarded.

A voting ballot should contain clarifications on how to fill it out.

9.4. Voting ballots shall be sent to a person specified in the list of persons entitled to attend the Meeting, in the manner and within deadlines established by current legislation and the Bank's Charter.

9.5. When a ballot has been lost, or when a shareholder's ballot has not been received by the Bank within the deadlines prescribed by the legislation, during the registration, a copy of the ballot containing a note stating on a repeated issue shall be handed over to the shareholder at its request on the day of the Meeting. 9.6. The voting ballots filled out by shareholder should be sent to the address specified in the notice of the Meeting, or sent in electronic form using electronic means of voting in accordance with current legislation.

9.7. The Bank shall ensure the storage of all voting ballots received.

10. Right to participate in the General Shareholders' Meeting

10.1. The persons included into the list of persons entitled to attend the Meeting, the persons to whom the specified persons right to the shares have been transferred through inheritance or reorganization, or their representatives acting pursuant to the powers determined by current legislation, or under a power of attorney drafted in writing, shall have the right to attend the General Shareholders' Meeting.

The power of attorney to vote should contain details on a person represented and on a representative as prescribed by the Federal Law "On the Joint-Stock Companies": for an individual – full name, details of ID document (serial code and (or) number of document, date and place of its issue, issuing authority), for a legal entity - legal name, details on location. The power of attorney to vote should be executed in accordance with the requirements of clauses 3 and 4 of Article 185.1 of the Civil Code of the Russian Federation or notarized.

10.2. If the shares have been transferred after the compilation date of the list of persons entitled to attend the General Shareholders' Meeting, and before the date of General Shareholders' Meeting, a person included into that list undertakes to issue to the

beneficiary a power of attorney to vote at the General Shareholders' Meeting in accordance with instructions of the shares beneficiary, if it is stipulated in the shares transfer agreement.

If the shares, transferred after the compilation date of the list, became subject matter of the power of attorney to vote issued by a person included into the list of persons entitled to attend the Meeting, such shares beneficiary shall be subject to registration in order to attend the Meeting and shall be issued the voting ballots.

10.3. If the Bank's shares are jointly owned by several persons, the rights to vote at the General Shareholders' Meeting shall be exercised at their discretion by one of the co-owners or by their common representative. The powers of each of the above persons should be duly registered.

10.4. The General Shareholders' Meeting session shall be attended by the following: members of the Supervisory Board and Audit Commission of the Bank, CEO, Chairman of the Executive Board, representative of the Bank's audit organization, the Bank's chief accountant, candidate members elected to the General Meeting of the Bank's bodies, members of the Bank's Executive Board, the Bank's Corporate Secretary, other persons invited to attend the Meeting session by the Chairman of the Meeting.

The persons having the right to participate in the Meeting shall be entitled to ask questions to the members of the Corporate Governance and supervision bodies, the Bank's chief accountant, representative of the Bank's audit organization, as well as the candidate members for the Corporate Governance and supervision bodies of the Bank.

11. Registration of the General Shareholders' Meeting participants

11.1. When holding the General Shareholders' Meeting in the form of joint attendance, the General Shareholders' Meeting participants (shareholders, their representatives and legal successors) shall pass mandatory registration.

11.2. Registration of the persons having the right to participate in the General Meeting shall be performed by the counting board subject to identification of the persons having come for participation in the Meeting by way of comparison of information contained in the list of persons having the right to participate in the General Meeting with the data specified in the documents shown by such persons.

Registration shall be conducted at the address of holding a Meeting specified in the notice of the General Shareholders' Meeting.

11.3. At least 1 hour shall be allowed for registration; enough time shall be allowed for registration of all the shareholders who want to participate in the meeting.

Persons entitled to attend the General Shareholders' Meeting (included in the list of persons entitled to attend the Meeting) shall be registered to attend the Meeting, except for those whose ballots are received no later than 2 days before the date of the General Shareholders' Meeting.

Persons entitled to attend the General Shareholders' Meeting whose ballots are received no later than 2 days before the date of the General Shareholders' Meeting shall be entitled to attend the General Shareholders' Meeting.

11.4. The following documents shall be shown by the members of the Meeting at the time of registration:

- the shareholder (individual) – passport or another identification document;
- the shareholder's (individual's) representative – a power of attorney from the shareholder, as well as a passport or another identification document of the representative;

- the shareholder's (legal entity's) representative – a power of attorney from the shareholder being a legal entity, as well as a passport or another identification document of the representative;
- director of the legal entity being the Bank's shareholder – the documents confirming his/her powers in accordance with the current legislation, as well as a passport or another identification document;
- legal successor of the person having the right to participate in the Meeting – the documents confirming his/her powers, as well as a passport or another identification document of the legal successor.

The documents confirming the powers of representatives and legal successors of the persons included in the list of persons having the right to participate in the General Shareholders' Meeting (their copies certified in accordance with the established procedure) can be attached to the voting ballots submitted by such persons.

11.5. During registration of the participants of a meeting of shareholders, the person exercising rights in respect of the Bank's shares traded outside the Russian Federation in the form of depositary receipts is required to inform the ballot committee in writing on the number of shares in respect of which it has received instructions from the holders of depositary receipts.

11.6. Registration of persons entitled to participate in the General Meeting ends after the discussion of the last issue on the agenda of the Meeting (the last issue on the agenda of the General Meeting at which a quorum is present) and before the beginning of time, which is provided for voting to the persons who have not voted up to this moment.

12. Procedure Rules of the General Shareholders' Meeting

12.1. The Meeting shall be continuously held during 1 day. If the Meeting is held during the time exceeding 3 consecutive hours, its session may be interrupted by one break.

12.2. The persons speaking at the General Shareholders' Meeting undertake to comply with the following speech rules:

- report on the issue of the agenda of the Meeting - up to 15 minutes; report on the issue concerning the results of the Bank's performance for a year, can take up to 1 hour;
- speech of the General Shareholders' Meeting participant - up to 5 minutes;
- answer of the question, reference - up to 2 minutes.

12.3. Shareholder (its representative) wishing to speech at the Meeting should notify the Meeting's Secretary to that effect in writing, by indicating surname, name, patronymic (legal name) of the shareholder (his/her representative), number of the Bank's shares belonging to the shareholder, issue of the agenda of the General Shareholders' Meeting, with respect to which the speech is intended, or other issue concerning the Bank's activities, shareholder's ID number specified in the voting ballot, as well as by putting the signature.

A person taking part in the Meeting may speak only once on each of the issues of the agenda of the General Meeting.

12.4. Questions from shareholders or their representatives shall be in writing and shall also include: surname, first name, patronymic (company name) of the shareholder / shareholder's representative and transferred to the Secretary of the meeting.

Answers to the questions raised shall be announced directly at the Meeting, and if a question does not fall within the Meeting's agenda, the information thereon may be presented (sent) to the shareholder at the end of the Meeting.

In order to provide for the shareholder's opportunity to obtain the most comprehensive and unbiased information about the Bank, during the meeting the Bank's principal officials may be provided time to speak.

12.5. The meeting participants shall be free to communicate and consult with each other on the meeting agenda, without violating the procedure rules of thereof.

12.6. The General Shareholders' Meeting shall be considered open/closed following the corresponding announcement to that effect rendered by the Chairman.

12.7. Chairman of the meeting has the right to amend the order of holding the meeting and the speech rules.

12.8. If the necessary technical conditions are available to enable remote access of the shareholders of the Bank to the meeting, the Bank broadcasts the meeting on its website in English and Russian languages, which can also be done with the use of video-conferencing and other means of telecommunication.

13. Voting at the General Shareholders' Meeting

13.1. The voting at the Meeting shall be carried out according to a "one voting share per one vote" principle, except for a cumulative voting on the elections of members of the Bank's Supervisory Board.

Persons registered to attend the General Meeting held in the form of a meeting shall be entitled to vote on all the issues of the Meeting's agenda from the moment the General Shareholders' Meeting is opened, and up to the moment it is closed, and - if the decisions of the General Shareholders' Meeting and voting results relating to the issues of the agenda of the General Shareholders' Meeting are announced at the General Meeting - from the moment the General Meeting is opened, and up to the moment of the votes relating to the issues of the Meeting's agenda start to be counted.

13.2. Following the discussion of all issues on the agenda of the General Meeting, the Chairman of the Meeting shall provide the participants of the Meeting the time for voting on the agenda of the General Meeting which is sufficient to ensure that those meeting participants, who have not yet voted, have the opportunity to do so.

13.3. A meeting participant may form and express his/her opinion on the issues of the Meeting's agenda put to the vote, both through the participation in discussion thereof, and without it. Participation in the discussion of the issues of the Meeting's agenda is the shareholder's right, but not an obligation.

13.4. If the Bank received information regarding the incompliance of a candidate nominated to the Bank's Supervisory Board with the requirements established by current legislation, which creates obstacles for such candidate to be elected to such Bank body, such information should be communicated to the Meeting participants before the vote on the election of members of the Bank's Supervisory Board.

13.5. The grounds to recognize a ballot invalid to the extent of voting regarding one, several or all issues of the Meeting's agenda included into the ballot, as well as the grounds under which the votes of the ballot are accounted when measuring quorum of the Meeting, shall be determined by current legislation and the Bank's Charter.

13.6. The Bank provides any person who participates in the General Meeting with the possibility of making a copy of the ballot completed by such person.

A participant of the Meeting shall be entitled, before the closing of the Meeting (before the start of the vote counting on the agenda) require that a copy of the ballot such participant has filled is certified by the representatives of the Registrar which is performing the functions of the Ballot Committee.

13.7. In order to take into account the views of all shareholders as fully as possible in the analysis of the results of the votes, the Registrar acting as the Ballot Committee in the assessment of the ballots should be guided by the following principle: a ballot cannot be declared invalid if it expressly shows the will of a particular shareholder on a specific issue on the agenda of the General Meeting.

14. Disclosing decisions of the General Shareholders' Meeting

14.1. Decisions taken by the General Shareholders' Meeting and voting results may be announced by the Counting Commission during which the voting was conducted, and shall be brought by the Bank to the attention of the persons included in the list of persons entitled to attend the General Shareholders' Meeting in the form of a voting report in the manner prescribed by the Bank's Charter in order to inform on the General Shareholders' Meeting, no later than 4 business days after the closing date of the General Shareholders' Meeting or the ballots receipt end date (during the holding of the General Shareholders' Meeting in the form of absentee voting).

14.2. In order to ensure the availability to all the shareholders, the Bank shall, as soon as possible after the signing of the minutes of the Meeting by the Chairman and Secretary of the Meeting, ensure its posting on the Bank's website in Russian and English languages. The minutes of the Meeting shall also include the information on which of the elected members of the Supervisory Board of the Bank are independent directors.

14.3. Decisions taken by the General Shareholders' Meeting in the manner established by current legislation shall be subject to the Bank's disclosure in the form of the notices of material facts, as well as the press releases posted on the Bank's website in Russian and English languages.

15. Expenses on holding the General Shareholders' Meeting

15.1. Costs of the preparation and holding of the General Shareholders' Meeting shall be borne at the Bank's expense.

15.2. Travel and accommodation expenses of the persons authorized to attend the Meeting shall not be paid by the Bank.

16. Final Provisions

16.1. These Regulation shall be approved by the General Meeting of shareholders of the Bank and is subject to regular revision for the purposes of ensuring its compliance with the effective legislation, the Charter of the Bank and the best practices in the field of corporate governance.

16.2. If any amendments are introduced into the legislation and / or the Charter of the Bank which result in the conflict of such legislation and / or the Charter of the Bank with any provisions hereof, these articles shall be deemed invalid, and the Bank shall be

governed by the current provisions of the legislation and / or the Charter of the Bank until the necessary amendments are introduced hereto.

List of amendments to the Regulations on the General Shareholders Meeting

<i>No.</i>	<i>Effective version of 06 June, 2014 (numbers and wording of clauses)</i>	<i>Suggested wording (numbers and wording of clauses)</i>	<i>Comments</i>
1	1.1. These Regulations on the General Shareholders Meeting of Sberbank of Russia (hereinafter – the "Regulations" and the "Bank" respectively) is drafted in accordance with the Civil Code of the Russian Federation, the Federal Law "On Joint-Stock Companies", regulations of regulatory authorities (hereinafter – the current legislation), and the Bank Charter.	1.1. These Regulations of the general meeting of shareholders of Sberbank of Russia (hereinafter - the "Regulations" and the "Bank" respectively) is drafted in accordance with the current legislation of the Russian Federation (hereinafter referred to as the current legislation), the Charter of the Bank, as well as the provisions of the corporate governance code recommended for use by the Bank of Russia on April 10, 2014.	It is clarified that the new edition of the document has been drafted taking into account the provisions of the Corporate governance code recommended for use by the Bank of Russia on 10 April, 2014 (hereinafter the Code of corporate governance), with the aim of creating opportunities for shareholders when exercising their right to participate in the governance of the Bank.
2	2.3. Absentee votes can be taken on all matters of competence of the General shareholders meeting (the Meeting) subject to the restrictions imposed by the applicable laws and the Charter of the Bank.	2.3. Absentee votes can be taken on all matters of competence of the Meeting except those issues which can be voted only at the forum in the form of meeting of shareholders in praesentia. <ul style="list-style-type: none"> • on electing the Supervisory Board and Audit Commission of the Bank • on approving audit organization of the Bank • on approving Annual Report and Annual /Financial accounts of the Bank • on distribution of profit of the Bank and the payment (declaration) of annual dividends except profit distributed as dividends after the first quarter, six months or nine months of the financial year. 	A list of items is made that are not subject to consideration by the Meeting, held in the form of absentee voting
3	3.4. General meeting of shareholders (when conducted in the form of a joint presence of shareholders to discuss the issues on the agenda of the Meeting and decision-making on the issues to be voted	3.4. The Supervisory Board of the Bank when deciding on the form, date, time and place of the Meeting should seek to ensure a balance between the interests of the Bank and its shareholders.	Guidelines for determining time and place of the meeting (recommendation of the corporate governance code) have been detailed.

	<p>on) is conducted in the city of Moscow or another city defined by the Supervisory Board of the Bank when deciding on matters relating to the holding of the General meeting of shareholders.</p> <p>Address of the venue is stated in the Notice on holding the Meeting</p>	<p>In accordance with the Charter of the Bank the General meeting of shareholders (when held as the meeting in personal presence) is held in Moscow or another city defined by Bank's Supervisory Board when deciding on holding of the General meeting of shareholders</p> <p>The Supervisory Board assumes that the meeting must be held on the territory of the Russian Federation in place that allows shareholders to take part personally.</p> <p>It is unacceptable to set the venue and time of the meeting so that it would cause substantial inconvenience for the majority of shareholders or make impossible their presence at the meeting.</p>	
4	No provision	<p>4.1. The Working bodies of the Meeting are: the Chairman of the Meeting, the Presidium of the Meeting, the Counting Commission, the Secretary of the Meeting.</p> <p>The Working bodies of the Meeting shall act in accordance with current legislation, the Bank's Charter and these Regulations.</p> <p>The main purpose of creating the working bodies is to secure the Bank shareholders rights to be exercised during the Meeting.</p>	The purpose and functions of the Meeting working bodies have been defined.
5	No provision	<p>4.3. For the Meeting conducted in praesentia its chairperson shall form its presidium.</p> <p>The Meeting Presidium shall collectively coordinate activities of the working bodies of the meeting, and where appropriate, shape the collegial opinion on a particular issue and participate in the conduct of the Meeting.</p>	Presidium composition process and its functions are defined
6	No provision	<p>5. Proposals for issues to be included in the Meeting agenda</p>	A new clause is added that describes the procedure for shareholders' proposals in respect of the agenda of the Meeting and proposals on the nomination

			of candidates in the governance and supervision bodies of the Bank.
7	6. The Meeting Agenda	Section is deleted as its provisions are included in Clause 6 "On General shareholders' meeting Preparation")	The structure of the document is changed.
8	5.3. Making public the decision of the Supervisory Board of the Bank on the date of drawing up the list of persons entitled to participate in the Meeting shall be made by the Bank in accordance with the requirements of the legislation and not less than 5 days before the date of making the list of such persons in the case of an extraordinary general meeting of shareholders and at least 10 days before the date of making the list of the persons, in the case of the annual general shareholders meeting.	6.5. Decisions of the Supervisory Board of the Bank on issues related to the preparations for the Meeting are made public in accordance with applicable law. The decision on the determination of the date of making the list of persons entitled to participate in the Meeting, is made public by the Bank not less than 7 days before the date of compiling the list.	The recommendations of the Corporate Governance Code have been taken into account.
9	7.4. The requirements for the content of the notice shall be established by the current legislation. The Bank may, at its own discretion, include other additional information on the procedure of the shareholders' participation in the meeting into the notice.	7.3. The requirements for the content of the notice on the Meeting shall be established by the current legislation. It shall specify: <ul style="list-style-type: none"> • full company name and location of the Bank; • form of the meeting (meeting in praesentia or absentee vote); • date, place, and time of the meeting, the mailing address to send filled out ballot forms; • starting time of the registration of persons attending the Meeting; • ending date of voting ballots receipt and mailing address whereto the filled out ballots may be addressed in case of a meeting held in the form of absentee voting; • date of compiling the list of persons having 	The list of the information disclosed to the shareholders in the notice on the meeting has been updated (the recommendations of the Corporate Governance Code have been taken into account).

		<p>the right to participate in a meeting;</p> <ul style="list-style-type: none"> • the Meeting agenda; • procedure for acquainting with information (materials) subject to provision during the preparation to hold the Meeting, and address(es) where it is available. <p>The Bank shall also include the information into the notice regarding the procedure and methods for attending a Shareholders' Meeting held in praesentia, including: the location of the meeting specifying the office rooms, as well as information on the documents needed for admission to the meeting.</p> <p>The notice may contain other details as decided upon by the Bank's Supervisory Board.</p>	
10	<p>8.1. The information (materials) provided to the persons authorized to attend the meeting during the preparations thereto, shall include:</p> <ul style="list-style-type: none"> • annual reports, including the annual accounting statements of the Bank; • conclusion of the Bank's Audit Commission as to the results of inspection (audit) of the annual accounting statements; • recommendations of the Bank's Supervisory Board on the distribution of profit and the size of dividends on the Bank's shares; • recommendations of the Bank's Supervisory Board on the date when the 	<p>8.1. The Bank aims to create the most convenient conditions for the shareholders to adopt the informed and reasonable decisions on the issues of the Meeting's agenda.</p> <p>The information (materials) provided to the persons authorized to attend the Meeting during the preparations thereto, shall include:</p> <ul style="list-style-type: none"> • annual report, annual accounting (financial) statements annexed with auditor's opinion; • conclusion of the Bank's Audit Commission as to the results of inspection (audit) of the financial and economic activities of the Bank for a year; • recommendations of the Bank's Supervisory Board on the distribution of profit, the size of dividends on the Bank's shares, and on the date when the persons entitled to dividends are determined; 	<p>The list of the information disclosed to the shareholders during the preparation to the Meeting has been expanded (the recommendations of the Corporate Governance Code have been taken into account).</p>

	<p>persons entitled to dividends are determined;</p> <ul style="list-style-type: none"> • information on candidates for posts in the governance bodies of the Bank, as well as the information on the availability of their written consent to be elected into the corresponding body of the Bank; 	<ul style="list-style-type: none"> • grounds for proposed distribution of the net profit of the Bank and the opinion on the conformity of the distribution with the adopted dividend policy, including the distribution of the profit for dividend payout and for the Bank's internal needs; • information on the Bank's prospective auditors, including, among other, a description of the procedures used by the Bank when selecting a prospective auditor that ensure the independence and neutrality of the auditor, as well as the information on the proposed remuneration to the auditing organization for auditing and non-auditing services; • information for getting an overview of the personal and professional qualities of the candidates for the posts in the governance and supervisory bodies of the Bank (including information on their experience and background, their compliance with the requirements to business reputation and qualifications established by the law), as well as information on the availability of the candidates' written consent to be elected into the corresponding body of the Bank, and in case of expected membership of a candidate in one or more of the Bank's Supervisory Board Committee – also a consent to membership in such Committees; • information on who proposed each agenda item or recommended a candidate for a post in the Bank's governance bodies; • grounds for the necessity for taking the 	
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	<ul style="list-style-type: none"> • drafted decisions of the General Shareholders' Meeting on the issues of the Meeting's agenda; • drafted amendments and addenda to the Bank's Charter, or drafted new version Charter of the Bank; • drafted internal documents of the Bank to be approved by the Meeting; <ul style="list-style-type: none"> • other information (materials) provided in a mandatory manner to individuals authorized to participate in the Meeting pursuant to the current legislation and the Bank Charter. 	<p>decisions on increasing or decreasing the share capital of the Bank, for approving transactions made by the Bank (including major transactions and interested party transactions), for clarifying the results of taking such decisions for the Bank and its shareholders, and a list of individuals considered as interested in a transaction specifying the grounds for considering such individuals as interested parties;</p> <ul style="list-style-type: none"> • drafted decisions of the General Shareholders' Meeting on the issues of the Meeting's agenda; • drafted amendments and addenda to the Bank's Charter, or drafted new version Charter of the Bank; • drafted internal documents of the Bank to be approved by the Meeting; <ul style="list-style-type: none"> • the comparison tables of the amendments/addenda made to the Charter and/or the Bank internal documents, as well as the grounds for the necessity of making the respective amendments; • other information (materials) to be mandatory provided to the persons entitled to attend the General Meeting, as established by the current legislation and the Bank's Charter, as well as capable to affect the shareholders' positions regarding the issue of the Meeting's agenda. 	
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11	No provisions	<p>8.4. In addition to the information referred to in paragraph 8.1. hereof, the following shall be subject to posting on the Bank's website in Russian and English languages:</p> <ul style="list-style-type: none"> • travel directions to the location of the meeting (in case of a meeting in praesentia); • an exemplary form of power of attorney shareholders may issue to their representatives to attend the Meeting and the information about the procedures to certify such power of attorney; • other information determined by the Bank as necessary for shareholders to exercise their rights. <p>8.5. The Bank shall ensure a person included in the list of individuals having the right to participate and holding at least 1 per cent of the votes to have an opportunity of reviewing such list as defined by the current legislation, starting from the date of the Bank receiving such list from the Registrar.</p> <p>8.6. When including in the agenda of the Meeting the issue regarding the dividend payment, the Bank shall have the right to clarify to shareholders (post on the Bank's website as part of materials for the Meeting and/or file it as a memo with a set of voting ballots) the necessity of giving a prompt notice to the Registrar / Depository regarding a change in their data, as well as the consequences and risks associated with giving an untimely notice regarding a change in such data.</p> <p>8.7. The Bank shall ensure that the shareholders, prior to the date of the Meeting, have an opportunity to address their questions to the members of the corporate governance and supervision bodies and also voice their opinion on</p>	<p>The recommendations of the Corporate Governance Code have been taken into account.</p>
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		the agenda of the Meeting.	
12	<p>9.6. The following information shall be specified in the voting ballot for the General Shareholders' Meeting:</p> <ul style="list-style-type: none"> • full company name and location of the Bank; • form of the General Shareholders' Meeting (meeting or absentee voting); • date, place, and time of the General Shareholders' Meeting; • ending date of voting ballots receipt and mailing address for returning the filled out ballots; • the shareholder's identification number; • number of the Bank's voting shares belonging to the shareholder; • wording of the resolution on each item presented for voting; • voting options for each item presented for voting – "In favour", "AGAINST", "ABSTAINED"; • brief information on each candidate to be elected in the Bank's Corporate Governance bodies; • information on the procedure for cumulative voting (in the ballot for election of the Supervisory Board); • indication that the voting ballot should be signed by the shareholder or his/her representative; • other information (instructions, clarifications) as required by the current legislation. <p>The voting ballot can contain the shareholder's surname, name, patronymic (legal name).</p>	<p>9.2. When determining the form and text of the ballots, the Supervisory Board of the Bank shall, in addition to details prescribed by the current legislation, include in the voting ballot the shareholder's surname, name and patronymic (legal name), and – into ballots covering the issues of electing members of the Corporate Governance and supervision bodies of the Bank – brief details on the candidates.</p>	Editing alterations have been made.

13	No provision	9.6. The voting ballots filled out by the shareholder shall be returned to the address specified in the notice of the Meeting, or sent in electronic form using electronic means of voting in accordance with the current legislation.	The provisions of the current legislation have been taken into account.
14	10.4. The General Shareholders' Meeting session shall be attended by the following parties: members of the Supervisory Board and Audit Commission of the Bank, Chairman of the Board & CEO, representative of the Bank's auditor, the Bank's chief accountant, candidate members to the Bank's Corporate Governance to be elected at the General Meeting, members of the (Executive) Board of the Bank, other persons invited to attend the Meeting session by the Chairman of the Meeting.	10.4. The General Shareholders' Meeting session shall be attended by the following parties: members of the Supervisory Board and Audit Commission of the Bank, Chairman of the Board & CEO, representative of the Bank's audit organization, the Bank's chief accountant, candidate members to the Bank's Corporate Governance to be elected at the General Meeting, members of the Board of the Bank, the Bank's Corporate Secretary , other persons invited to attend the meeting session by the Chairman of the Meeting The persons having the right to participate in the Meeting shall be entitled to address questions to the members of the Corporate Governance and supervision bodies, the Bank's chief accountant, representative of the Bank's audit organization, as well as the candidate members for the Corporate Governance and supervision bodies of the Bank.	The recommendations of the Corporate Governance Code have been taken into account.
15	11.3. The time of starting the registration of the persons participating in the General Shareholders' Meeting shall be determined by the Supervisory Board of the Bank and disclosed in the notice of the General Shareholders' Meeting. At least 1 hour shall be allowed for registration.	11.3. At least 1 hour shall be allowed for registration; enough time shall be allowed for registration of all the shareholders who intend to participate in the meeting.	The recommendations of the Corporate Governance Code have been taken into account.
16	11.4. The shareholder (his/her representative/legal successor) attending the Meeting shall show a passport or another identification document.	11.4. The following documents shall be shown by the members of the Meeting at the time of registration: • the shareholder (individual) – passport or	Editing alterations have been made.

<p>Registration of the persons having the right to participate in the Meeting shall be performed by the Counting board subject to identification of the persons attending the General Shareholders' Meeting by way of checking information contained in the list of persons having the right to participate in the General Meeting against the data specified in the documents shown by such persons.</p> <p>The documents confirming the powers of successors and representatives of the persons included in the list of persons having the right to participate in the General Shareholders' Meeting (their copies certified in accordance with the established procedure) shall be attached to the voting ballots submitted by these persons or transferred to the Counting board at the time of registration of such persons for participation in the General Shareholders' Meeting.</p> <p>The following documents confirming the powers of such person to act on behalf of the shareholder shall be attached to the ballot signed by the representative of the shareholder – a legal entity acting without a power of attorney pursuant to the Charter: copy of the company's Charter, copy of the minutes of the company's Corporate Governance confirming the appointment of this person to the position / extract from the minutes certified by the legal entity itself.</p> <p>A copy of the company's Charter containing the provisions on legal succession certified by the legal entity itself</p>	<p>another identification document;</p> <ul style="list-style-type: none"> • the shareholder's (individual's) representative – a power of attorney from the shareholder, as well as a passport or another identification document of the representative; • the shareholder's (legal entity's) representative – a power of attorney from the shareholder being a legal entity, as well as a passport or another identification document of the representative; • director of the legal entity being the Bank's shareholder – the documents confirming his/her powers in accordance with the current legislation, as well as a passport or another identification document; • legal successor of the person having the right to participate in the Meeting – the documents confirming his/her powers, as well as a passport or another identification document of the legal successor. <p>The documents confirming the powers of representatives and legal successors of the persons included in the list of persons having the right to participate in the General Shareholders' Meeting (their copies certified in accordance with the established procedure) can be attached to the voting ballots submitted by such persons.</p>	
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	<p>shall be attached to the ballot signed by the legal successor of the shareholder — legal entity established by way of reorganization of the latter.</p> <p>A notarized copy of the Certificate of Inheritance shall be attached to the ballot signed by the shareholder's successor.</p> <p>A notarized copy of the Certificate of Guardianship shall be attached to the ballot signed by the shareholder's guardian.</p>		
17	No provision	<p>11.5. During registration of the participants of the Meeting, the person exercising rights in respect of the Bank's shares traded outside the Russian Federation in the form of depositary securities is required to inform the ballot committee in writing on the number of shares in respect of which it has received instructions from the holders of depositary securities.</p>	The provisions of the current legislation have been taken into account.
18	No provision	<p>12.1. The Meeting shall be continuously held during 1 day. If the Meeting continues for more than 3 consecutive hours, its session may be interrupted by one break.</p>	A clarifying provision has been added (with due account for the recommendations of the Code of Corporate Governance).
19	<p>12.4. Questions from shareholders or their representatives shall be in writing and shall also include: surname, first name, patronymic (company name) of the shareholder / shareholder's representative and transferred to the Secretary of the meeting.</p> <p>Answers to the questions raised shall be given at the Meeting, and if a question is not related to the agenda of the Meeting, the information thereon may be provided after the Meeting.</p>	<p>12.4. Questions from shareholders or their representatives shall be in writing and shall also include: surname, first name, patronymic (company name) of the shareholder / shareholder's representative and transferred to the Secretary of the meeting.</p> <p>Answers to the questions raised shall be given directly at the Meeting, and if a question does not apply to the Meeting agenda, the information thereon may be presented (sent) to the shareholder at the end of the Meeting.</p> <p>To provide shareholders with an opportunity to obtain the most complete and</p>	A clarifying provision has been added (with due account for the recommendations of the Code of Corporate Governance).

		<p>objective information about the Bank during the Meeting, time may be allocated for the statements by the principal officials of the Bank.</p> <p>12.5. The Meeting participants shall be free to communicate and consult with each other on the Meeting agenda, without violating the procedure rules of thereof.</p> <p>12.6. The General Shareholders' Meeting shall be considered open/closed following the corresponding announcement to that effect rendered by the Chairman.</p>	
20	12.6. If it is technically possible, the Bank broadcasts the general meeting of shareholders through the official website of the Bank-(www.sberbank.ru).	12.8. If the necessary technical conditions are available to enable remote access of the shareholders of the Bank to the meeting, the Bank broadcasts the meeting on its website in English and Russian languages, which can also be done with the use of video-conferencing and other means of telecommunication.	A clarifying provision has been added (with due account for the recommendations of the Code of Corporate Governance).
21	No provisions	<p>13.6. The Bank provides any person who participates in the Meeting with the possibility of making a copy of the ballot completed by such person.</p> <p>The Meeting participant shall be entitled, before the closing of the Meeting (before the start of the vote counting on the agenda) require that a copy of the ballot such participant has filled is certified by the representatives of the Registrar which is performing the functions of the Counting committee.</p> <p>13.7. In order to take into account the views of all shareholders as fully as possible in the analysis of the results of the votes, the Registrar acting as the Counting committee in the assessment of the ballots should be guided by the following principle: a ballot cannot be declared invalid if it expressly shows the position of a</p>	The recommendations of the Corporate Governance Code have been taken into account.

		particular shareholder on a specific item on the agenda of the Meeting.	
22	<p>14.1. After the General Meeting of Shareholders and the corresponding vote, minutes of the General Meeting and deed of the vote at the General Meeting of Shareholders are issued, and if the decisions taken by the General Meeting and the voting results were not announced during the General Meeting at which the vote was held, the report of the vote shall also be presented.</p>	<p>14.1. Decisions taken by the General Meeting of Shareholders and the voting results can be announced by the Counting committee at the General Meeting of Shareholders at which the vote was held, and the Bank shall also notify persons included in the list of persons entitled to participate in the General Meeting of Shareholders on such decisions and results in the form of a report on the results of the vote pursuant to the procedure established by the Charter of the Bank for the notice of convening of a General Meeting of Shareholders, within 4 working days after the closing date of the Meeting or the deadline for the submission of ballots (if the General Meeting of Shareholders was held in the form of absentee vote).</p>	<p>The version has been amended to comply with the effective legislation (cl. 4 of Art. 62 of the Federal Law On Joint Stock Companies) and the Articles of Association of the Bank (cl. 9.29).</p>
23	<p>15.1. The decisions taken by the Meeting, as well as the results of the vote, can be announced by the Counting committee at the Meeting the voting took place/</p> <p>In this case, in order to inform the maximum number of shareholders on the decisions taken by the General Meeting and the voting results, the Bank shall, within 10 days after the General Meeting of Shareholders, post the Minutes of the General Meeting of Shareholders on the Bank's website (www.sberbank.ru) in Russian and English languages.</p>	<p>14.2. In order to ensure the availability to all the shareholders, the Bank shall, as soon as possible after the signing of the minutes of the Meeting by the Chairman and Secretary of the Meeting, ensure its posting on the Bank's website in Russian and English languages.</p> <p>The minutes of the Meeting shall also include the information on which of the elected members of the Supervisory Board of the Bank are independent directors.</p>	<p>The requirement on the mandatory disclosure of the minutes of the General Meeting of Shareholders is introduced.</p> <p>The recommendations of the Corporate Governance Code have been taken into account.</p>

Moreover:

- some clauses of the Regulations are given with the stylistic corrections made;

- some norms have been omitted from the Regulations as they are provided in the current legislation (and, consequently, do not need a specification in the Bank internal documents).

Section 13

Draft New Version of the Regulations on the Supervisory Board

APPROVED BY:
General Shareholders' Meeting
(Minutes dated No.)

**REGULATIONS
on the Supervisory Board**

**Moscow
2015**

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1. General Provisions

1.1. The Regulations on the Supervisory Board of Sberbank of Russia (hereinafter the "Regulations" and "Bank", respectively) have been developed in accordance with the legislation of the Russian Federation (hereinafter the "effective legislation"), the Bank's Charter, with due account for the provisions of the Corporate Governance Code recommended by the Bank of Russia on April 10, 2014.

The Regulations determine the order of the appointment of the Supervisory Board of the Bank (hereinafter "Supervisory Board") and its functioning.

1.2. The activities of the Supervisory Board shall be governed by the current legislation, the Charter of the Bank, resolutions of the General Meeting of Shareholders, the Regulations and other internal documents of the Bank approved by the General Meeting of Shareholders or the Supervisory Board.

1.3. For the purposes of the performance of its functions, the Supervisory Board of the Bank may establish committees of the Supervisory Board responsible for specific areas of activity.

The committees shall be composed by the resolution of the Supervisory Board of the Bank from its number and operate on the basis of the Regulations of the Committees of the Supervisory Board of the Bank approved by the Supervisory Board.

1.4. Electronic document management system can be used to facilitate activities of the Supervisory Board.

2. The Competence of the Supervisory Board

2.1. The Supervisory Board is responsible for the general management of the Bank, except for matters pertaining to the competence of the General Shareholders' Meeting.

2.2. The competence of the Supervisory Board is determined by the Charter of the Bank in accordance with the current legislation.

Issues relating to the competence of the Supervisory Board cannot be delegated to the executive bodies of the Bank.

3. The Procedure of the Appointment to the Supervisory Board

3.1. The procedure of the appointment and the term of office of the Supervisory Board are stipulated for in the applicable legislation and the Charter of the Bank.

3.2. The number of the members of the Supervisory Board is stipulated for in the Charter of the Bank. Independent directors⁴⁵ shall make up at least one third of membership of the Supervisory Board of the Bank.

In certain cases, the Supervisory Board, when carrying out the assessment, can recognize a director (candidate for the members of the Supervisory Board) to be independent irrespective of whether there are any format criteria of association with the Bank, a material shareholder of the Bank, material contractor or competitor of the Bank if

⁴⁵ The independence of a member / candidate member of the Supervisory Board is determined by the Supervisory Board pursuant to the recommendation of the Personnel and Remuneration Committee of the Supervisory Board in accordance with the provisions of the Corporate Governance Code recommended for use by the Bank of Russia on April 10, 2014, and is used for the purposes of the provisions hereof.

For the purposes of compliance with the current legislation, the independence of the members of the Supervisory Board is determined pursuant to the criteria stipulated for in Art. 83 of the Federal Law On Joint Stock Companies.

such association does not influence the possibility of the relevant person to take independent, objective decisions in good faith.

3.3. An Independent Director shall refrain from any action that could lead to a loss of his/her independence.

If, after the independent director's appointment to the Supervisory Board, any circumstances arise due to which the director ceases to be independent, such director must duly notify the Supervisory Board of such circumstances via the Corporate Secretary of the Bank.

In this case as well as in other cases when the Supervisory Board becomes aware of the loss of independence by an independent director, the Supervisory Board shall take measures for the disclosure of this fact on the official website of the Bank (hereinafter the "Bank's website").

3.4. Members of the Supervisory Board shall meet the qualification requirements and business reputation requirements established by the effective legislation.

Members of the Supervisory Board shall be the persons who are trusted by the shareholders, have a high professional, business and personal reputation, as well as knowledge and experience in the areas corresponding to the main areas of the Bank's activity (finance, banking operations and payment systems, banking regulations, strategic planning, corporate governance, risk management, internal control, audit and compliance, etc.) necessary for decision-making and overall management of the Bank.

3.5. The first meeting of the Supervisory Board after election of new members of the Supervisory Board at the annual General Shareholders' Meeting of the Bank can be convened by any member within one month from the date of the AGM.

At the first meeting after the election, the new members of the Supervisory Board shall elect the Chairman of the Supervisory Board, two deputy Chairmen of the Supervisory Board, Chairmen of the Committees of the Supervisory Board, Senior Independent Director, as well as determines the members of the Committees of the Supervisory Board.

The preliminary work schedule of the Supervisory Board until the next annual General Shareholders' Meeting shall be also approved at this meeting.

4. Chairman of the Supervisory Board Senior Independent Director

4.1. Chairman of the Supervisory Board shall be elected from the members of the Supervisory Board by a majority vote of all the members of the Supervisory Board.

The Supervisory Board shall be entitled at any time to re-elect its Chairman or deputy chairmen by a majority of the total number of votes of the members of the Supervisory Board.

Chairman of the (Executive) Board & CEO shall not be elected Chairman of the Supervisory Board.

4.2. Chairman of the Supervisory Board

- organizes the work of the Supervisory Board and its Committees and ensures its efficiency;
- organizes drafting of the Activity Plan of the Supervisory Board;
- convenes meetings of the Supervisory Board (including the approval of the agenda and the date of the meeting) and preside over them;
- makes arrangements for the minutes taking during the meeting;

- takes all necessary measures to provide timely information to the members of the Supervisory Board and the materials necessary for making decisions on the agenda of the meeting;
- facilitates unimpeded discussion of the issues on the agenda;
- signs the minutes of the meeting of the Supervisory Board;
- preside at the general meeting of shareholders of the Bank, unless otherwise stipulated by the Supervisory Board;
- signs the agreement with the Chairman of the Board & CEO on behalf of the Bank;
- makes arrangements for the control over the execution of the decisions of the Supervisory Board.

Chairman of the Supervisory Board also performs other functions provided by the effective legislation, the Charter of the Bank and other internal documents of the Bank approved by the General Meeting of Shareholders or the Supervisory Board.

4.3. In temporary absence of the Chairman of the Bank's Supervisory Board, one of his/her deputies, or one of the members of the Supervisory Board appointed by the Bank's Supervisory Board will preside over the meeting.

4.4. Senior Independent Director shall be elected from the independent directors by a majority of the total number of votes of the members of the Supervisory Board.

At the suggestion of independent directors, the Supervisory Board shall be entitled at any time to re-elect the Senior Independent Director by a majority of the total number of votes of the members of the Supervisory Board.

4.5. The main objective of Senior Independent Director is to coordinate the interaction between the independent directors and to act as an advisor of the Chairman of the Supervisory Board facilitating efficient workflow management of the Supervisory Board and its Committees.

Senior Independent Director shall:

- ensure effective contribution of the independent directors to the work of the Supervisory Board, and also, as necessary, call meetings of the independent directors and take the chair;
- in case of material disagreements within the Supervisory Board – take conflict resolution efforts by interacting with the Chairman of the Supervisory Board, other members of the Supervisory Board, and the shareholders of the Bank in order to ensure an efficient and steady workflow of the Supervisory Board.

4.6. Corporate Secretary of the Bank shall ensure interaction between the shareholders of the Bank and Senior Independent Director.

5.1 Corporate Secretary and Secretary of the Supervisory Board

5.1. Corporate Secretary of the Bank shall bring the procedures performed by the Supervisory Board into compliance with the requirements of the current legislation and the provisions of the internal documents of the Bank which guarantee exercise of rights and legal interests of the shareholders, support the effective work of the Supervisory Board, disclose information about the Supervisory Board's activities, as well as prepare proposals concerning improvement of the corporate governance practices in the Bank.

Corporate Secretary shall be appointed by and be functionally accountable to the Supervisory Board.

Corporate Secretary shall act in accordance with the Regulations on the Corporate Secretary of the Bank approved by the Supervisory Board.

5.2. Technical support of the activities of the Supervisory Board during its meetings and between meetings is provided by the Secretary of the Supervisory Board appointed by the Supervisory Board.

In the absence of the Secretary of the Supervisory Board of the Bank his/her functions shall be performed by an employee who is appointed at such meeting of the Supervisory Board.

6. Meetings of the Supervisory Board

6.1. Meetings of the Supervisory Board shall be convened by the Chairman of the Supervisory Board at his own initiative or at the request of a member of the Supervisory Board, the Audit Commission, the audit organization of the Bank, the Executive Board and the CEO, Chairman of the Executive Board.

6.2. Meetings of the Supervisory Board may be held in the form of a meeting (in praesentia - joint attendance of the Supervisory Board members, hereinafter "praesentia meeting") or in absentia - without holding a meeting – in the form of absentee voting.

The form of the meeting of the Supervisory Board shall be determined by the Chairman of the Supervisory Board depending on the nature and / or the need for timely decision on the issues to be considered by the Supervisory Board.

The form of the meeting of the Supervisory Board shall be chosen with due consideration of the opinion of the persons requesting that the meeting of the Supervisory Board be convened, subject to the provisions of cl. 6.1 hereof.

6.3. The quorum for a meeting of the Supervisory Board is at least half of the elected members of the Supervisory Board.

6.4. Decisions on the agenda of the meeting of the Supervisory Board shall be taken by the majority vote of its members participating in the meeting, except as permitted by the applicable law and the Charter of the Bank.

Each member of the Supervisory Board shall have one vote.

In case of a tie, the casting vote is that of the Chairman of the Supervisory Board.

Members of the Supervisory Board are not entitled to transfer their right to vote to another person, including another member of the Supervisory Board.

6.5. If the agenda of the meeting of the Supervisory Board includes items for which the required quorum and the number of votes for decision making is set differently than for other items, quorum shall be determined for each item on the agenda. A meeting of the Supervisory Board considers those items on the agenda for which the quorum is present.

6.6. The following questions concerning the Bank's activities, including those presented for consideration of the General Shareholders' Meeting of the Bank shall be subject to consideration, as well as to preliminary discussion at the meetings in praesentia of the Supervisory Board.

- convening the annual and extraordinary general meetings of shareholders, except in cases when it is stipulated otherwise by the applicable legislation;
- issues related to the preparation and holding of AGM which are within the competence of the Supervisory Board based on the effective legislation and the Charter of the Bank (including approval of the agenda, determination of the list of persons entitled to participate in the meeting, recommendations on the amount of dividends on the shares of the Bank);

- election of Chairman of the Supervisory Board and of Senior Independent Director;
- the composition of the (Executive) Board of the Bank, the appointment of the Deputy-Chairpersons of the Board and early termination of their powers;
- the decision to suspend the powers of the CEO, Chairman of the Executive Board and the establishment of the temporary sole executive body of the Bank;
- the approval of the Registrar of the Bank and the essential terms of the contract with him and the termination of such contract;
- issues related to the increase in the authorized capital of the Bank as defined by the Charter;
- approval of the Development Strategy of the Bank;
- approval of the Bank's risk management and capital management strategies;
- review of the financial results of the Bank's activities in the reporting period;
- filing an application for listing of the shares of the Bank and / or issue-grade securities of the Bank that are convertible into shares of the Bank;
- approval of the terms of the agreements between the Bank and the CEO, Chairman of the Executive Board, members of the Executive Board, including the determination of the size of their bonuses and remuneration;
- consideration of the results of the self-assessment and external assessment of the performance of the Bank's Supervisory Board and its Committees;
- approval of the Dividend Policy of the Bank;
- approval of the personnel policy and remuneration policy in respect of the employees of the Bank;
- approval of major transactions.

Other issues related to the activities of the Bank may be submitted for consideration or preliminary discussion at an in praesentia meeting of the Supervisory Board if such items are proposed by the persons referred to in cl. 6.1 hereof.

6.7. The written opinion of a member of the Supervisory Board absent from the meeting shall be taken into consideration by the Supervisory Board for the purposes of determining the quorum at an in praesentia meeting of the Supervisory Board and the count of results of voting. If a copy of such opinion in writing was not included in the information pack (the materials) provided to the members of the Supervisory Board for the meeting, the opinion shall be announced by the chairman of the meeting before the vote on the agenda of the meeting.

6.8. When a member of the Supervisory Board whose written opinion was received by the Chairman of the Supervisory Board prior to the meeting is present at such meeting of the Supervisory Board, his / her opinion shall not be announced at the meeting and shall not be taken into account in the determination of quorum and the voting results.

6.9. The written opinion of a member of the Supervisory Board is not taken into consideration for the purposes of determination of the quorum and the results of the voting if such written opinion:

- was received after the announcement of the results of voting on the agenda of the meeting;
- is not signed by a member of the Supervisory Board;
- it is not possible to determine conclusively what the decision of the member of the Supervisory Board was on the agenda of the meeting (on the draft decision).

6.10. The procedures of the preparation, convening and holding of the Supervisory Board meetings are determined by the Rules of the Meetings of the Supervisory Board approved by the Supervisory Board.

6.11. The agenda of a meeting of the Supervisory Board of the Bank may be amended subject to the presence of a quorum for the meeting and in case of the unanimous decision of the members of the Supervisory Board of the Bank to make such amendments.

7. Rights and Obligations of the Members of the Supervisory Board

7.1. Members of the Supervisory Board are entitled to:

- require to convene a meeting of the Supervisory Board;
- propose items for the agenda of the meeting of the Supervisory Board;
- discuss the activities of the Bank at the meetings of the Supervisory Board, make suggestions and vote on all the items on the agenda of the meeting of the Supervisory Board (except the issues in respect of which such member of the Supervisory Board is considered to be an interested party pursuant to the effective legislation);
- demand that his or her dissenting opinion in respect of the decision on the issues involved is recorded in the minutes of the meeting of the Supervisory Board;
- obtain professional advice of experts on the issues considered at the meetings, request the involvement of experts to the issues if this is necessary for making the decision;
- in case it is impossible to participate personally in the meeting of the Supervisory Board held in praesentia, to participate in such meeting with the use of video conferencing or telephone, as well as to send a written opinion on the issues under consideration;
- receive documents and information necessary for the performance of their duties from the Bank's executive bodies and the Audit Commission, request the provision of additional information when it is necessary for decision-making;
- review the regulations of the Bank, financial statements and other financial documents of the Bank, as well as the auditor's opinions and resolutions of the executive bodies of the Bank;
- receive remuneration for their work and reimbursement for the expenses related to the performance of their duties as members of the Supervisory Board in the amount and manner determined by the general meeting of shareholders of the Bank or the Bank's internal document approved by the General Meeting of Shareholders.

7.2. Documents and information that the members of the Supervisory Board require for the performance of their duties shall be provided to them within five (5) working days from the date of the receipt of the request by the Secretary of the Supervisory Board of the Bank.

7.3. Members of the Supervisory Board shall:

- be proactive in the participation in the work of the Supervisory Board
- exercise their rights and perform their duties reasonably and in good faith in the interests of the Bank as a whole and of its shareholders;

- act in the interests of the Bank, refrain from taking actions and making decisions for the benefit of individual shareholders, employees of the Bank or other persons;
- promptly notify the Supervisory Board on the interest or any conflict of interest in decision-making on a particular issue and the grounds of such interest or conflict of interest;
- refrain from actions that will or may lead to a conflict between their interests and the interests of the Bank;
- refrain from voting on the matters if there is personal interest in taking decisions on them, and when the nature of the matter to be discussed or the specific nature of the conflict of interest requires so, upon the recommendation of the Chairman of the Supervisory Board refrain from being present at the meeting when such matter is discussed;
- not to disclose and not to use for personal ends or in the interests of any third parties the information that they became aware of if such information is confidential (information subject to bank secrecy, a commercial secret of the Bank or its partners, insider information, personal data);
- undergo further training as recommended by the Chairman of the Supervisory Board or the Committee of the Supervisory Board;
- bring the following information to the attention of the Supervisory Board, in the form of a notice:
 - on the actual possession⁴⁶ of the Bank's securities, as well as on every new purchase and / or disposal thereof by the member of the Supervisory Board and / or his/her close relatives;
 - on legal entities in which a member of the Supervisory Board and / or his / her close relatives own independently or jointly 20 percent or more of the authorized capital and /or voting stocks (shares, equity interest);
 - on legal entities in whose management / executive bodies a member of the Supervisory Board and / or his / her close relatives hold office (plan to take office) or to participate on the basis of election (are members of such body);
 - on the transactions known to the member of the Supervisory Board as prepared for execution or proposed in which such member can be recognized as an interested party;
 - on the qualifications and expertise of the members of the Supervisory Board, to the extent required by the effective legislation.

Notice shall be given to the Supervisory Board by the Corporate Secretary of the Bank within 10 days after the election and within 10 days after changes of any kind.

In cases stipulated by the effective legislation the Corporate Secretary of the Bank shall notify the Audit Commission and the Audit Organization of the Bank on the above events.

7.4. Members of the Supervisory Board shall not accept gifts from persons interested in the decisions related to the execution of the duties of such members, as well as use any other direct or indirect benefits provided by such individuals (except for symbolic courtesies in accordance with the generally accepted rules of courtesy or souvenirs given during official events).

⁴⁶ The term “close relatives” means spouse, parents, children, full and half-brothers and sisters, adoptive parents and adoptive children.

8. Liability of Members of the Supervisory Board

8.1. When requested to do so by the Bank or its shareholders acting in the interests of the Bank, members of the Supervisory Board are obliged to reimburse the Bank for the losses incurred by the Bank due to a fault of the members of the Supervisory Board of the Bank.

The members of the Supervisory Board who voted against the decision that resulted in the loss for the Bank or the Bank's shareholders or, acting in good faith, did not participate in the vote, shall not be liable for such loss.

8.2. The grounds and the extent of liability of the members of the Supervisory Board should be determined with due account for normal terms and conditions of doing business and other circumstances relevant to the case.

8.3. If in accordance with the applicable legislation liability is borne by several members of the Supervisory Board, their liability to the Bank shall be joint and several.

9. Final Provisions

9.1. These Regulations shall be approved by the general meeting of shareholders of the Bank and are subject to regular revision for the purposes of ensuring its compliance with the effective legislation, the Charter of the Bank and the best practices of corporate governance.

9.2. If any amendments are introduced into the legislation and / or the Charter of the Bank which result in the conflict of such legislation and / or the Charter of the Bank with any provisions hereof, these articles shall be deemed invalid, and the Bank shall be governed by the current provisions of the legislation and / or the Charter of the Bank until the necessary amendments are introduced hereto.

List of Amendments in the Draft Regulations ("Regulations ") on the Supervisory Board

<i>No.</i>	<i>Current version of 06June, 2014 (numbers and wording of clauses)</i>	<i>Suggested version (numbers and wording of clauses)</i>	<i>Comments</i>
1	<p>1.1. These Regulations are developed in accordance with the federal laws and other regulations of the Russian Federation, regulations of the Bank of Russia (hereinafter referred to as the "current legislation"), and the Charter of Sberbank of Russia (hereinafter referred to as the "Bank") and determines the procedure for formation of the Supervisory Board of the Bank (hereinafter referred to as the "Supervisory Board"), the procedure for arrangement of meetings of the Supervisory Board, rights and responsibilities of the members of the Supervisory Board, competence of the Chairman of the Supervisory Board, establishment of Committees of the Supervisory Board, as well as the issue of liability of the Supervisory Board members.</p>	<p>1.1. These Regulations on the Supervisory Board of Sberbank of Russia (hereinafter referred to as the "Regulations" and the "Bank" respectively) are developed in accordance with the current legislation of the Russian Federation (hereinafter referred to as the "current legislation"), the Charter of the Bank, as well as taking into account the provisions of the Corporate Governance Code recommended to be applied by the Bank of Russia on April 10, 2014.</p> <p>The Regulations determine the order of the appointment of the Supervisory Board of the Bank (hereinafter "Supervisory Board") and the functioning thereof.</p>	<p>The new version of the document is expressly developed taking into account the best practices in the area of corporate governance – the provisions of the Corporate Governance Code recommended to be applied by the Bank of Russia on 04 October, 2014 (hereinafter referred to as the "Corporate Governance Code").</p>
2	<p>No provision</p>	<p>1.4. For the purpose of facilitating the Supervisory Board's activities, a specialized electronic document flow system can be used.</p>	<p>IT projects can be implemented in the practices of the Bank's corporate governance to decrease labor and time expenditures.</p>
3	<p>2.2. The number of members of the Supervisory Board shall be established in the Charter of the Bank.</p> <p>The members of the Supervisory Board shall include at least three independent directors.</p>	<p>3.2. The number of members of the Supervisory Board shall be established in the Charter of the Bank. Independent directors shall make at least one third of the elected members of the Supervisory Board of the Bank.</p> <p>In certain cases, the Supervisory Board, when carrying out the assessment, can recognize a director (candidate for the members of the</p>	<p>The number of independent directors among the members of this governance body of the Bank is changed: it is increased to 1/3 of the elected members (the recommendations of the Corporate Governance Code are taken into account).</p>

		Supervisory Board) to be independent irrespective of whether there are any formal criteria of association with the Bank, a material shareholder of the Bank, material contractor or competitor of the Bank if such association does not influence the possibility of the relevant person to take independent, objective decisions in good faith.	
4	No provision	<p>3.3. An independent director shall refrain from any action that could lead to a loss of his/her independence.</p> <p>If, after the independent director's appointment to the Supervisory Board, any circumstances arise due to which the director ceases to be independent, such director must duly notify the Supervisory Board of such circumstances via the Corporate Secretary of the Bank.</p> <p>In this case, as well as in other cases when it becomes known to the Supervisory Board that the independent director ceases to be independent, the Supervisory Board shall ensure disclosure of information about it on the Bank's official website on the Internet (hereinafter referred to as the "Bank's Website").</p>	The provisions about loss of the independent status by an independent director are included, as well as the Supervisory Board's actions on disclosure of information about it.
5	<p>2.5. At the first meeting of the Supervisory Board after the annual General Shareholders' Meeting of the Bank, the members of the Supervisory Board shall elect Chairman of the Supervisory Board, deputy Chairmen of the Supervisory Board, as well as members of the Committees of the Supervisory Board.</p> <p>Moreover, a preliminary plan of the Supervisory Board's work and the schedule of its meetings until the next annual General Shareholders' Meeting (AGM) shall be</p>	<p>3.5. The first meeting of the Supervisory Board after election of new members of the Supervisory Board at the annual General Shareholders' Meeting of the Bank can be convened by any member within one month from the date of the meeting.</p> <p>At the first meeting after the election, the new members of the Supervisory Board shall elect Chairman of the Supervisory Board, two deputy Chairmen of the Supervisory Board, Chairmen of the Committees of the Supervisory Board, Senior Independent Director, as well as determine the</p>	The provisions on the Senior Independent Director are included (the recommendations of the Corporate Governance Code are taken into account), as well as on the number of deputy Chairmen of the Supervisory Board.

	approved at this meeting (for the period until election of the Supervisory Board).	<p>membership of the Committees of the Supervisory Board.</p> <p>The plan of the Supervisory Board's work until the next annual General Shareholders' Meeting shall be also approved at this meeting.</p>	
6	No provisions	<p>4.4. Senior Independent Director shall be elected from the independent directors by a majority of the total number of votes of the members of the Supervisory Board.</p> <p>At the suggestion of independent directors, the Supervisory Board shall be entitled at any time to re-elect Senior Independent Director by a majority of the total number of votes of the members of the Supervisory Board.</p> <p>4.5. The main objective of the Senior Independent Director is to coordinate the interaction between the independent directors and to act as an advisor to the Chairman of the Supervisory Board facilitating efficient workflow management of the Supervisory Board and its Committees.</p> <p>The Senior Independent Director shall:</p> <ul style="list-style-type: none"> ▪ ensure effective contribution of the independent directors into the work of the Supervisory Board, and also, as necessary, call meetings of the independent directors and take the chair; ▪ in case of material disagreements within the Supervisory Board – take conflict resolution efforts by interacting with the Chairman of the Supervisory Board, other members of the Supervisory Board, and the shareholders of the Bank in order to ensure an efficient and steady workflow of the Supervisory Board. 	<p>The provisions establishing the procedure for election/re-election, as well as the main tasks (competence) of the Senior Independent Director are included.</p>

		4.6. The Corporate Secretary of the Bank shall ensure interaction between the shareholders of the Bank and the Senior Independent Director.	
7	No provision	<p>5.1. The Corporate Secretary of the Bank shall ensure compliance of the procedures performed by the Supervisory Board with the requirements of the current legislation and the provisions of the internal documents of the Bank which guarantee exercise of rights and legal interests of the shareholders, support the effective work of the Supervisory Board, disclose information about the Supervisory Board's activities, as well as prepare proposals concerning improvement of the corporate governance practices in the Bank.</p> <p>Corporate Secretary shall be appointed by and be functionally accountable to the Supervisory Board.</p> <p>The Corporate Secretary shall act in accordance with the Regulations on the Corporate Secretary approved by the Supervisory Board of the Bank.</p>	A new section concerning the corporate secretary's functions in ensuring the efficient activities of the Supervisory Board of the Bank is included.
8	No provision	<p>6.6. The following matters concerning the Bank's activities, including those presented for consideration of the General Shareholders' Meeting of the Bank shall be subject to consideration, as well as to preliminary discussion at the meetings in praesentia of the Supervisory Board.</p> <ul style="list-style-type: none"> ▪ review of the results of self-assessment and external assessment of operating efficiency of the Supervisory Board of the Bank and its Committees; ▪ approval of the Bank Regulations on Dividend Policy; ▪ approval of the personnel policy and 	The list of issues that are brought to decision at meetings in praesentia of the Supervisory Board is expanded and actualized in accordance with the Bank Charter (the recommendations of the Corporate Governance Code have been taken into account, as well as the suggestions for amending the new version of the Charter).

		<p>remuneration policy in respect of the employees of the Bank;</p> <ul style="list-style-type: none"> ▪ approval of major transactions. 	
9	<p>6.3. The members of the Supervisory Board shall:</p> <p>...</p> <ul style="list-style-type: none"> - refrain from voting on the matters if there is personal interest in taking decisions on them; 	<p>7.3. The members of the Supervisory Board shall:</p> <p>...</p> <ul style="list-style-type: none"> ▪ refrain from voting on the matters if there is personal interest in taking decisions on them, and when the nature of the issue to be discussed or the specifics of the conflict of interest requires so, upon the recommendation of the Chairman of the Supervisory Board refrain from being present at the meeting when such issue is discussed; ▪ undergo further training as recommended by the Chairman of the Supervisory Board or the Committee of the Supervisory Board; 	<p>The list of responsibilities of the members of the Supervisory Board of the Bank is supplemented (the recommendations of the Corporate Governance Code are taken into account).</p>
10	<p>Section 7.</p> <p>Committees of the Supervisory Board</p>	Deleted	<p>The Supervisory Board of the Bank approved the Regulation on Committees of the Supervisory Board (of 14 November, 2014 amended taking into account the provisions of the Corporate Governance Code).</p> <p>In Clause 1.3. of the Regulations, a link to this document is given.</p>

Moreover:

- some clauses of the Regulations are worded taking into account the stylistic alterations made;
- some norms have been deleted from the Regulations as they are enforced by the current legislation (and, consequently, do not need a specification in the Bank internal documents).

Section 14
Draft New Version
of the Regulations on Remunerations and Compensations
Paid to the Members of the Supervisory Board

APPROVED BY:
General Shareholders' Meeting
Minutes dated - No.

REGULATIONS
on Remuneration and Compensation
Paid to Members of the Supervisory Board

Moscow
2015

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2. TYPES, DETERMINATION AND PAYMENT OF REMUNERATION TO THE MEMBERS OF THE SUPERVISORY BOARD
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1. GENERAL PROVISIONS

1.1. The Regulations on Remuneration and Compensation Paid to Members of the Supervisory Board of Sberbank of Russia (hereinafter, the "Regulations" and the "Bank", respectively) have been developed in accordance with applicable law, the Bank's Charter, the Bank's Regulations on the Supervisory Board, and subject to the provisions of the Code of Corporate Governance as recommended and introduced by the Bank of Russia on April 10, 2014.

The Regulations establish the procedure for determination of the amount of remuneration to the members of the Supervisory Board of the Bank, as well as the list and procedure for compensation of expenses during the term of performance of their duties, namely: from the date of election to the Supervisory Board of the Bank until the date of termination of powers of the member of the Supervisory Board (hereinafter referred to as the "Accounting Period").

1.2. The Regulations are subject to approval by the General Shareholders' Meeting of the Bank pursuant to the Federal Law "On Joint Stock Companies" and is the basis for calculation and payment of remuneration and compensation of expenses to the members of the Bank's Supervisory Board.

1.3. The amounts of remuneration and compensation provided herein shall be subject to tax in accordance with the tax laws of the Russian Federation. The Bank as a tax agent shall assess and withhold taxes in the manner provided by the tax laws of the Russian Federation.

1.4. Remuneration shall be paid to the members of the Bank's Supervisory Board upon their written consent (request).

1.5. Remuneration and compensation shall be paid to the members of the Bank's Supervisory Board in Russian rubles or another currency calculated at the exchange rate of the Bank of Russia as in effect on the date of transfer of funds by the Bank.

2. TYPES, DETERMINATION AND PAYMENT OF REMUNERATION TO THE MEMBERS OF THE SUPERVISORY BOARD

2.1. A member of the Supervisory Board shall be paid remuneration for fulfilling his/her duties in an Accounting Period, consisting of the following:

- basic remuneration;
- additional remuneration.

2.2. The amount of the basic remuneration shall be expressed in Russian rubles and determined by the resolution of the General Shareholders' Meeting of the Bank.

2.3. The members of the Supervisory Board of the Bank, depending on their participation in the work of the Supervisory Board, shall be paid the following kinds of additional remuneration:

- for performance of duties of a member of any committee of the Supervisory Board – in the amount of 10% of the basic remuneration;
- for performance of duties of Chairman of any committee of the Supervisory Board, senior independent director⁴⁷ – in the amount of 20% of the basic remuneration;
- for performance of duties of Chairman of the Supervisory Board – in the amount of 30% of the basic remuneration.

⁴⁷ The functions of the senior independent director are defined in the Bank's Regulations on the Supervisory Board.

2.4. Should a member of the Supervisory Board of the Bank perform several additional functions (including membership in several Committees, performance of duties of the senior independent director), additional remuneration for performance of each one shall be summed up, but it shall not be more than 30% of the basic remuneration amount.

2.5. The basic remuneration shall be payable to a member of the Bank's Supervisory Board provided he/she has participated in at least a half of the meetings of the Bank's Supervisory Board held in the Accounting Period.

2.6. The basic and additional remuneration shall be paid to the members of the Bank's Supervisory Board within 30 days upon the end of the Accounting Period, subject to deduction of the personal income tax. Should the Bank be unable to pay remuneration within the timeframe determined above due to the lack of the necessary payment details to make a transfer, remuneration may be paid by the Bank subsequently upon receipt of the relevant information from the respective member of the Supervisory Board.

2.7. In the event of early termination and election of members of the Supervisory Board at an extraordinary General Shareholders' Meeting of the Bank, the basic and additional remuneration shall be paid in an amount proportionate to the actual tenure of a member of the Bank's Supervisory Board counted in calendar days. In this case the Accounting Period shall be deemed equal to 365 days.

3. COMPENSATION OF EXPENSES TO THE MEMBERS OF THE SUPERVISORY BOARD

3.1. Each member of the Bank's Supervisory Board shall be reimbursed for the following permitted expenses associated with performance of their duties of members of the Supervisory Board / Supervisory Board Committees of the Bank:

3.1.1. Travel to the destination and back to the place of permanent employment or residence (including a compulsory passenger insurance policy, services associated with issuance of travel documents, etc.) – at cost, subject to submission of original travel documents:

- air travel – business class rate;
- railway travel – business class car (SV);
- sea and river travel – at carrier's rates, but not higher than the cost of a luxe cabin;
- road travel – a transfer from the airport (railway station, sea or river port) located in the community where the Meeting is held, or closest to such community, and from the hotel to the Meeting venue and back;

3.1.2. VIP lounge charges - at cost, as stated in the original confirmation documents;

3.1.3. Accommodation expenses for the period of holding a meeting of the Supervisory Board / Supervisory Board Committees, including the arrival/departure day of a member of the Supervisory Board – at cost, as stated in the original confirmation documents;

3.1.4. The cost of liability insurance policies relating to performance of duties of a member of the Supervisory Board;

3.1.5. Expenses related to getting professional advice of experts on the issues considered at the meetings (including legal fees), as well as other documented expenses related to exercise of rights and performance of duties of the members of the Supervisory Board of the Bank and its Committees.

3.2. In order to be compensated for the expenses incurred, a member of the Supervisory Board shall send a request to the Secretary of the Supervisory Board with the original documents attached confirming such expenses (original ticket/electronic ticket, boarding pass, hotel invoice, consultancy agreement, a payment document confirming payment for the relevant service, etc.).

3.3. The Secretary of the Supervisory Board shall, no later than 3 business days of receipt of the document specified in clause 3.2. hereof, send a memorandum to the Bank's Accounting and Reporting Department on compensation of the expenses incurred by the member in relation to holding the meeting, with the documents received from such member attached.

3.4. Compensation shall be paid by the Bank no later than the 20th day of the month following the month of receipt from the Secretary of the Supervisory Board of the documents described in clause 3.2. hereof.

3.5. The Bank may on its own account order and payment for the services specified in cause 3.1. hereof. In this case the members of the Supervisory Board shall not be paid a monetary compensation for the expenses specified in clause 3.1. hereabove.

Major Amendments in the Regulations of Remuneration and Compensation Paid to the Members of the Supervisory Board

No.	<i>Current version of 2013 (numbers and wording of clauses)</i>	<i>Suggested version (numbers and wording of clauses)</i>	<i>Comments</i>
1	<p>1.1. These Regulations (hereinafter referred to as the " Regulations ") are developed in accordance with the Federal Law On Joint Stock Companies, Charter of Sberbank of Russia (hereinafter referred to as the "Bank"), Regulations on the Supervisory Board of the Bank, other current regulations, and establishes the terms and conditions, amount, and procedure for payment to the members of the Supervisory Board of the Bank of remuneration and compensation of expenses during the term of performance of their duties, namely: from the date of election to the Supervisory Board of the Bank until the date of termination of powers of the member of the Supervisory Board (hereinafter referred to as the "Accounting Period").</p>	<p>1.1. The Regulations of Remuneration and Compensation paid to the members of the Supervisory Board of Sberbank of Russia (hereinafter referred to as the "Regulations" and the "Bank" respectively) are developed in accordance with the current legislation, Charter of the Bank, Regulations on the Supervisory Board of the Bank, as well as taking into account the provisions of the Corporate Governance Code recommended to be applied by the Bank of Russia on April 10, 2014.</p> <p>The Regulations establish the procedure for determination of the amount of remuneration to the members of the Supervisory Board of the Bank, as well as the list and procedure for compensation of expenses during the term of performance of their duties, namely: from the date of election to the Supervisory Board of the Bank until the date of termination of powers of the member of the Supervisory Board (hereinafter referred to as the "Accounting Period").</p>	<p>Editing alterations</p> <p>The amount of remuneration is established by decision of the shareholders' meeting (in 2013, the shareholders' meeting took a decision to approve the basic remuneration to the members of the Supervisory Board in the amount of RUB 4.2 million).</p>
2	<p>2.3. The members of the Supervisory Board of the Bank, depending on their participation in the work of the Supervisory Board, shall be paid the following kinds of additional remuneration:</p> <ul style="list-style-type: none"> • for performance of duties of a member of any committee of the Supervisory Board – in the amount of 10% of the basic remuneration; • for performance of duties of the Chairman of any committee of the Supervisory Board – in the amount of 20% of the basic remuneration; 	<p>2.3. The members of the Supervisory Board of the Bank, depending on their participation in the work of the Supervisory Board, shall be paid the following kinds of additional remuneration:</p> <ul style="list-style-type: none"> • for performance of duties of a member of any committee of the Supervisory Board – in the amount of 10% of the basic remuneration; • for performance of duties of the Chairman of any committee of the Supervisory Board, senior independent director – in the amount of 20% of the basic remuneration; • for performance of duties of the Chairman of the 	<p>The amount of additional remuneration to the senior independent director is to be determined (membership of such director in the Supervisory Board is recommended in the Corporate Governance Code).</p>

	<ul style="list-style-type: none"> for performance of duties of the Chairman of the Supervisory Board – in the amount of 30% of the basic remuneration. 	Supervisory Board – in the amount of 30% of the basic remuneration.	
3	2.4. Should a member of the Supervisory Board of the Bank perform several additional duties (including membership in several Committees), additional remuneration for performance of each shall be summed up, but it shall not be more than 30% of the basic remuneration amount.	2.4. Should a member of the Supervisory Board of the Bank perform several additional duties (including membership in several Committees, performance of the duties of the senior independent director), additional remuneration for performance of each one shall be summed up, but it shall not be more than 30% of the basic remuneration amount.	See comments to Clause 3
4	3.1.5. Expenses related to getting professional advice of experts on the issues considered at the meetings (including legal fees).	3.1.5. Expenses related to getting professional advice of experts on the issues considered at the meetings (including legal fees), as well as other documented expenses related to exercise of rights and performance of responsibilities of the members of the Supervisory Board of the Bank and its Committees.	Other expenses related to exercise of rights and performance of duties of the members of the Supervisory Board / Committees can also be reimbursed.

Section 15

Draft Resolutions of the Meeting

Additional Information on Items in the Agenda of the Meeting

Draft Resolutions of the Meeting

Item 1: Approving the Annual Report

Draft Resolution: **Approve the Annual Report for 2014.**

Item 2: Approving the Annual Accounting (Financial) Statements.

Draft Resolution: **Approve the Annual Accounting (Financial) Statements for 2014.**

Item 3: Distribution of profits and payment of dividends for 2014

Draft Resolution:

- 1. Approve distribution of profits for 2014. The profits not directed to the payment of dividends for 2014 will be held as retained earnings of Sberbank of Russia.**
- 2. Pay dividends for 2014 on the ordinary shares in the amount of 0.45 rubles per share and on the preferred shares in the amount of 0.45 rubles per share.**
- 3. Establish June 15, 2015, as the record date to determine the persons entitled to receive the dividends.**

Item 4: Approving the Auditor

Draft Resolution: **Approve Ernst & Young LLC as the auditor for 2015 and the first quarter of 2016.**

Item 5: Electing the Members of the Supervisory Board

Draft Resolution: **Elect the following members to the Supervisory Board:**

Item 6: *Electing the Members of the Audit Commission*

Draft Resolution: **Elect the following members to the Audit Commission:**

Item 7: *Electing CEO, Chairman of the Executive Board*

Draft Resolution: **Elect Herman O. Gref as CEO, Chairman of the Executive Board of Sberbank of Russia for a new term of office starting from November 29, 2015.**

Item 8: *Approving the New Version of the Charter*

Draft Resolution: **Approve the New Version of the Charter. Instruct the CEO, Chairman of the Executive Board of Sberbank of Russia to sign the documents required for state registration of the new version of the Charter.**

Item 9: *Approving the New Version of the Regulations on the General Shareholders' Meeting*

Draft Resolution: **Approve the New Version of the Regulations on the General Shareholders' Meeting.**

Item 10: *Approving the New Version of the Regulations on the Supervisory Board*

Draft Resolution: **Approve the New Version of the Regulations on the Supervisory Board.**

Item 11: *Approving the New Version of the Regulations on Remunerations and Compensations Paid to the Members of the Supervisory Board*

Draft Resolution: **Approve the New Version of the Regulations on Remunerations and Compensations Paid to the Members of the Supervisory Board.**

Item 12: *Approving a Non Arm's-Length Transaction*

Draft Resolution:

1. In accordance with Article 77 of Federal Law No. 208-FZ "On Joint Stock Companies" dated December 26, 1995, determine the price of services purchased under the Directors, Officers, and Companies Liability Insurance Contract No. 442-555555/13, subject to the Supplementary Agreement No. 1, in the amount of insurance premium, which shall be thirty-seven million five hundred thirty-nine thousand five hundred eighty-eight (37,539,588) rubles.

2. Approve the Directors, Officers, and Companies Liability Insurance Contract No. 442-555555/13, subject to the Supplementary Agreement No. 1, as a non-arm's length transaction on the following terms:

Parties to transaction:

Insured: Sberbank of Russia Open Joint-Stock Company

Insurer: Ingosstrakh Open Joint-Stock Insurance Company

Subject matter of transaction: In case of any insured event specified in the Insurance Contract, the Insurer agrees to pay, in accordance with the Insurance Contract, the insurance indemnity (as the case may be) to the relevant Insured Party and/or any third person entitled to such compensation.

Insured Parties:

1) Any Company (Insured and/or any Subsidiary of the Insured); and/or

2) Any Insured Party is any individual who (a) was at any time prior to the commencement of the Insured Period; and/or (b) is at the commencement of the Insured Period; and/or (c) becomes at any time during the Insured Period:

a) Director (member of the Supervisory Board or Board of Directors)/Official (including the sole executive body, deputy of the sole executive body, member of the collective executive body, senior vice president, vice president, chief accountant, etc.)/other Employee of the Company indicated in the Insurance Contract; and/or

b) Other party specified in the Insurance Contract.

Beneficiaries: In respect of the liability Insurance of Companies and Insured Parties for any financial losses incurred by third parties, the third parties who incurred the relevant losses; in respect of the insurance of any expenses of the Company and Insured Parties, the Insured Companies and Parties.

Insurance Objects:

Coverage A: Property interests of the Insured Party related to (1) the obligation to compensate financial losses incurred by third parties in connection with a filed lawsuit; (2) bearing and/or the need to bear any expenses in connection with a filed lawsuit.

Coverage B: Property interests of any Company related to the compensation by such Company of any losses in connection with a lawsuit filed against the Insured Party.

Coverage C: Property interests of any Company related to (1) the obligation to compensate financial losses incurred by third parties in connection with a lawsuit filed with regard to securities; (2) bearing and/or the need to bear any expenses in connection with a lawsuit filed with regard to securities.

Insured Events:

Coverage A: (1) Occurrence of all following circumstances: Occurrence for any Insured Party of an obligation to compensate any financial losses incurred by third parties in connection with any wrong action of the Insured Party and filing against such Insured Party of any lawsuit in connection with the said financial losses; (2) Filing against the Insured Party of any lawsuit that may result in any expenses of such Insured Party or the need to bear such expenses in connection with such lawsuit.

Coverage B: Bearing by any Company of any expenses/costs solely in connection with the compensation by such Company of any losses to any Insured Party and/or another party on behalf of any Insured Party in connection with any lawsuit filed against any Insured Party, and/or liability of any Insured Party for any financial losses incurred by third parties.

Coverage C: (1) Occurrence of all following circumstances: Occurrence for any Company of an obligation to compensate any financial losses incurred by third parties in connection with any wrong action of the Company and filing against such Company of any lawsuit with regard to securities and in connection with the said financial losses; (2) Filing against any Company of any lawsuit with regard to securities that may result in any expenses of such Company or the need to bear such expenses in connection with such lawsuit with regard to securities.

Price of transaction: Thirty-seven million five hundred thirty-nine thousand five hundred eighty-eight (37,539,588) rubles (the amount of insurance premium for the entire duration of the contract).

Insurance coverage:

1) In aggregate for all insurance coverages and extensions, except for the extension to independent directors, three billion (3,000,000,000) rubles.

2) Additional insurance amount for independent director, thirty million (30,000,000) rubles. Total additional insurance amount for independent directors, one hundred fifty million (150,000,000) rubles.

Deductible (per each insured event):

Coverage A: Not applicable.

Coverage B: one million five hundred thousand (1,500,000) rubles (for lawsuits in connection with SPO of the Bank), five hundred thousand (500,000) rubles (for all other lawsuits).

Coverage C: seven million five hundred thousand (7,500,000) rubles (for lawsuits in connection with SPO of the Bank), three million (3,000,000) rubles (for all other lawsuits).

Free Discovery Period: sixty (60) calendar days.

Contract Term/Insurance Period: October 10, 2013 – October 9, 2015.

Additional Information on Items in the Agenda of the Meeting

The Supervisory Board of the Bank proposed all items in the agenda of the Meeting. No proposals on items in the agenda of the Meeting have been received by the Bank from shareholders and their representatives by the deadline established in the Charter (March 16, 2015).

To Item 1:

In accordance with Federal Law No. 208-FZ "On Joint Stock Companies" dated December 26, 1995, the Bank is required to hold an annual General Shareholders' Meeting, at which, among other things, it should consider the approval of its annual report.

The requirements to the contents of the annual report are defined by the Regulation on Disclosures by the Issuers of Issue-Grade Securities No. 454-P dated December 30, 2014, approved by the Bank of Russia.

In preparing the annual report, the Bank also considered the provisions of the Corporate Governance Code recommended for use by the Bank of Russia in its letter No. 06-25/2463 dated April 10, 2014. In particular, the report provides detailed information on the corporate governance system of the Bank, expanded report on compliance by the Bank with the principles and recommendations of the Corporate Governance Code, includes the main results of performance evaluation for the activities of the Supervisory Board and its Committees, presents a report on the work of the Supervisory Board and its Committees, describes the procedures used by the Bank in electing the external auditors and ensuring their independence and objectivity, provides details on the ownership of the Bank's shares by members of the Supervisory Board and executive bodies, and describes the principles and approaches used for motivating key executives of the Bank.

The annual report has passed a preliminary approval by the Supervisory Board of the Bank on April 17, 2015, and is submitted to the General Shareholders' Meeting for approval.

The Audit Commission of the Bank confirms the reliability of information contained in the annual report.

To Item 2:

In accordance with Federal Law No. 208-FZ "On Joint Stock Companies" dated December 26, 1995, the agenda of the annual General Shareholders' Meeting must include the item on the approval of annual accounting (financial) statements.

The Annual Accounting (Financial) Statements for 2014 submitted for approval have been prepared in accordance with the Bank of Russia Ordinances No. 3054-U dated September 4, 2013, "On the Procedure for Preparing Annual Accounting (Financial) Statements by Credit Institutions" and No. 3081-U dated October 25, 2013, "On Disclosure by Credit Institutions of Information on their Activities."

The Annual Accounting (Financial) Statements for 2014 have been audited by Ernst & Young Vneshaudit CJSC, an independent auditor (elected as the Auditor of the Bank for 2014 and first quarter of 2015 at the annual General Shareholders' Meeting on June 6, 2014).

At its meeting held on March 20, 2015, the Audit Committee of the Supervisory Board reviewed the auditor's report on the Annual Accounting (Financial) Statements for 2014, recommended to the Supervisory Board to submit for approval of the annual General Shareholders' Meeting the Annual Accounting (Financial) Statements for 2014 and include the decision of the Audit Committee of the Supervisory Board in the information (materials) submitted for review to persons entitled to participate in the Annual General Shareholders' Meeting as the Assessment of the Auditor's Report on the Annual Accounting (Financial) Statements for 2014.

Note: The Audit Committee of the Supervisory Board consists of five members. It includes two independent directors (V. A. Mau and E. T. Gurvich), who possess the necessary experience and knowledge in preparing, analyzing, assessing, and auditing the accounting (financial) statements.

At its meeting held on March 20, 2015, the Supervisory Board of the Bank proposed to the General Shareholders' Meeting to approve the Annual Accounting (Financial) Statements for 2014.

The Audit Commission of the Bank confirms the reliability of information contained in the Annual Accounting (Financial) Statements.

To Item 3:

In accordance with Federal Law No. 208-FZ "On Joint Stock Companies" dated December 26, 1995, the agenda of the annual General Shareholders' Meeting must include the items on the distribution of profits, including the payment (declaration) of dividends for the financial year, as well as the record date to determine the persons entitled to receive dividends.

The adoption of these resolutions is referred by the said Federal Law to the competence of the General Shareholders' Meeting. In this case, the recommendations to the Meeting on these issues are within the competence of the Supervisory Board of the Bank.

At its meeting held on April 17, 2015, the Supervisory Board gave the recommendations to the General Shareholders' Meeting on the distribution of net profits, the amount of dividends on shares of the Bank, and establishing the record date to determine the persons entitled to receive dividends. More information is provided in Section 6 hereof.

The source for payment of annual dividends is the after-tax profits of the Bank (net profits), determined pursuant to the accounting (financial) statements of the Bank prepared in accordance with the requirements of the laws of the Russian Federation.

In the period from January 1 to December 31, 2014, the net profits of the Bank (under RAS) amounted to 311,212,961,304.69 rubles.

At its meeting held on April 17, 2015, the Supervisory Board decided to recommend to the annual General Shareholders' Meeting to allocate for the payment of dividends (3.3 / 3.5) percent of net profits under RAS/IFRS. In absolute terms, it is proposed to allocate for the dividends 10.2 billion rubles.

Justification for the distribution of net profits allocated to the payment of dividends:

In accordance with the Regulations on Dividend Policy of the Bank (approved in their new version on March 20, 2015), the specified amount of allocations from net profits will allow the Bank to pay the equal amounts of dividends to the holders of common and preferred shares (0.45 rubles per share). Given the high level of macroeconomic uncertainty, such amount of dividend payments will allow maintaining the capital adequacy of the Bank, which experienced significant pressure amid the devaluation of the ruble.

Nevertheless, the Bank considers it appropriate to keep its target for the amount of dividend payments set in the Bank's Development Strategy until 2018 at the level of 20 percent of net profits under IFRS.

The period for payment of the dividends to shareholders of the Bank depends on the record date used to determine the persons entitled to receive the dividends.

Such date cannot be established earlier than 10 days from the date of resolution adopted by the General Shareholders' Meeting on the payment of dividends or later than 20 days from the date of such resolution. Therefore, it is proposed to establish that the record date for persons entitled to receive dividends be June 15, 2015.

The period for payment of dividends to a nominal holder and the trustee, who are registered in the register of shareholders, shall not exceed 10 working days from the record date used to determine the persons entitled to receive dividends.

The dividends to entitled persons, who are registered in the register of shareholders, shall be paid no later than 25 working days from the record date used to determine the persons entitled to receive dividends.

To Item 4:

In accordance with Federal Law No. 208-FZ "On Joint Stock Companies" dated December 26, 1995, the agenda of the annual General Shareholders' Meeting must include the item on the approval of the auditor.

On an annual basis, the Bank holds an open tender for selecting the auditing organization with the right to audit the Bank. The tender documentation for the open tender to select the auditor is approved by the Tender Committee of the Bank for procurement of goods, performance of works, and provision of services and published on the official website of the Bank (www.sberbank.ru) and official website of the Russian Federation (www.zakupki.gov.ru).

The auditing organization selected following the open tender is agreed by the Executive Board, Audit Committee of the Supervisory Board, and the Supervisory Board. The amount of the auditor's fee is determined as part of open tender procedures (the information on proposals submitted by the bidders is available on the website of the Bank) and approved by the Supervisory Board of the Bank.

The winner of the open tender for 2015 was Ernst & Young LLC, an auditing organization, the proposal of which has been recognized as the best.

The auditor will conduct its audits in accordance with the laws of the Russian Federation and the requirements of international auditing standards.

The information on the candidate for the auditor of the Bank is provided in Section 10 hereof.

To Item 5:

In accordance with Federal Law No. 208-FZ "On Joint Stock Companies" dated December 26, 1995, the annual General Shareholders' Meeting must consider the item on the election of members of the Supervisory Board of the Bank.

According to the Charter, the Supervisory Board of the Bank shall include fourteen members.

The candidates for election to the Supervisory Board of the Bank have been proposed by shareholders, passed a preliminary review by the HR and Remuneration Committee of the Supervisory Board, and were included by the decision of the Supervisory Board adopted on March 17, 2015, into the list of candidates for election to the relevant body of the Bank.

Resolution of the HR and Remuneration Committee of the Supervisory Board of the Bank:

1. Recommend to the Supervisory Board to include into the list of candidates for voting in the election to the Supervisory Board at the annual General Shareholders' Meeting of Sberbank of Russia for 2014 the candidates proposed by the shareholders of Sberbank of Russia.

2. For the purposes of complying with the requirements of the Listing Rules of the Moscow Stock Exchange and the provisions of the Corporate Governance Code recommended for the use by the Bank of Russia, recognize seven candidates as independent directors.

Note: In connection with the receipt from Mr. P. Kraljic, a candidate to members of the Supervisory Board of the Bank, of a written refusal to stand for election, the Supervisory Board decided to introduce changes to the list of candidates for voting in the election to the Supervisory Board by excluding Mr. P. Kraljic from the list of candidates. The number of candidates corresponding to the status of an independent director has decreased to six.

The detailed information on candidates is provided in Section 7 hereof.

The General Shareholders' Meeting is invited to vote for candidates included in the list of candidates for voting in the election to the relevant body of the Bank.

Fourteen candidates, who receive the largest number of votes, will be considered as elected to the Supervisory Board of the Bank.

To Item 6:

In accordance with Federal Law No. 208-FZ "On Joint Stock Companies" dated December 26, 1995, the annual General Shareholders' Meeting must consider the item on the election of members of the Audit Commission of the Bank.

According to the Charter, the Audit Commission of the Bank shall include seven members.

Three candidates have been proposed by shareholders for the election to the Audit Commission.

In accordance with the Article 53 of Federal Law No. 208-FZ "On Joint Stock Companies" dated December 26, 1995, given the insufficient number of candidates proposed by shareholders for establishing the Audit Commission, the Supervisory Board of the Bank has additionally proposed four candidates from the current members of the Audit Commission.

By its decision adopted on March 17, 2015, the Supervisory Board included all candidates into the list of candidates for voting in the election to the relevant body of the Bank.

The detailed information on candidates to the Audit Commission is provided in Section 8 hereof.

The General Shareholders' Meeting is invited to vote for candidates included in the list of candidates for voting in the election to the relevant body of the Bank.

To Item 7:

In accordance with the Article 48 of Federal Law No. 208-FZ "On Joint Stock Companies" dated December 26, 1995, the issue of establishing an executive body of the company and early termination of its powers is referred to the competence of the shareholders' meeting, unless such issues are referred by the Charter of the company to the competence of the Board of Directors.

In accordance with the Clause 11.8. of the Charter of the Bank, CEO, Chairman of the Executive Board of the Bank is elected by the General Shareholders' Meeting for four years.

Herman O. Gref, CEO, Chairman of the Executive Board of the Bank, was elected for another term of office at a Shareholders' Meeting held in 2011. This term of office expires on November 28, 2015.

The information on candidate for the position of CEO, Chairman of the Executive Board of the Bank is provided in Section 9 hereof.

To Item 8:

The item "Approving the New Version of the Charter" is included in the agenda of the annual General Shareholders' Meeting on the proposal of the Supervisory Board of the Bank.

The draft new version of the Charter of the Bank submitted for consideration has been prepared by taking into account the following:

- Changes introduced by Federal Law No. 99-FZ dated May 5, 2014, to Chapter 4 of the Civil Code of the Russian Federation (entered into force on September 9, 2014).

- Changes to Federal Law No. 208-FZ "On Joint Stock Companies" dated December 26, 1995, introduced by Federal Law No. 379-FZ dated December 21, 2013.

- Changes related to the organization of internal control system of the Bank in accordance with the Regulation "On Organization of Internal Controls in Credit Institutions and Banking Groups" (No. 242-P, approved by the Bank of Russia on December 16, 2003, as revised on April 24, 2014).

- Provisions of the Corporate Governance Code recommended for the use by the Bank of Russia in its letter No. 06-25/2463 dated April 10, 2014.

The detailed information on this item is provided in Section 11 hereof.

To Item 9:

The item "Approving the New Version of the Regulations on the General Shareholders' Meeting" is included in the agenda of the annual General Shareholders' Meeting on the proposal of the Supervisory Board of the Bank.

The current Regulations on the General Shareholders' Meeting of the Bank have been approved by the Shareholders' Meeting held in 2014.

However, in connection with the changes in the applicable laws (Federal Laws No. 208-FZ "On Joint Stock Companies" dated December 26, 1995, and No. 39-FZ "On Securities Market" dated April 22, 1996), as well as given the provisions of the Corporate Governance Code recommended for use by the Bank of Russia in its letter No. 06-25/2463 dated April 10, 2014, the Regulations currently require revisions and changes.

The detailed information on this item is provided in Section 12 hereof.

To Item 10:

The item "Approving the New Version of the Regulations on the Supervisory Board" is included in the agenda of the annual General Shareholders' Meeting on the proposal of the Supervisory Board of the Bank.

The current Regulations on the Supervisory Board have been approved by the Shareholders' Meeting held in 2014 in order to bring it into conformity with the provisions of the laws of the Russian Federation and the Charter of the Bank.

The version of the Regulations on the Supervisory Board submitted for approval takes into account the provisions of the Corporate Governance Code recommended for the use by the Bank of Russia in its letter No. 06-25/2463 dated April 10, 2014, in order to implement best corporate governance practices in the Bank.

The detailed information on this item is provided in Section 13 hereof.

To Item 11:

The item "Approving the New Version of the Regulations on Remunerations and Compensations Paid to the Members of the Supervisory Board" is included in the agenda of the annual General Shareholders' Meeting on the proposal of the Supervisory Board of the Bank.

The current version of Regulations has been approved by the Shareholders' Meeting of the Bank held in 2013 in order to set in an internal document a transparent procedure available to shareholders for determining and paying to members of the Supervisory Board the remunerations and compensations for expenses incurred while performing their duties.

The version of the Regulations on the Supervisory Board submitted for approval takes into account the provisions of the Corporate Governance Code recommended for use by the Bank of Russia in its letter No. 06-25/2463 dated April 10, 2014, in order to implement best corporate governance practices in the Bank.

The detailed information on this item is provided in Section 14 hereof.

To Item 12:

The General Shareholders' Meeting is invited to approve the Directors, Officers, and Companies Liability Insurance Contract between the Bank and Ingosstrakh OJSIC (hereinafter referred to as the "Contract"), a non-arm's length transaction.

According to the Code of Corporate Governance (recommended for the use by the Bank of Russia in its letter No. 06-25/2463 dated April 10, 2014), the joint stock companies are recommended to insure the liability of members of their boards of directors and executive bodies, since such insurance is an important element of corporate governance and is intended to guarantee the compensation of possible losses at the expense of the insurance company.

Since all members of the Supervisory Board of the Bank are the persons interested in the performance of this insurance transaction by the Bank, the resolution on its approval (including the determination of its price) must be adopted by the General Shareholders' Meeting of the Bank in accordance with Clause 2 of Article 83 and paragraph 5 of Clause 1 of Article 77 of Federal Law "On Joint Stock Companies."

The Contract, submitted for approval, provides for liability insurance of insured parties (members of the Supervisory Board and officials of the Bank, as well as those of subsidiaries of the Bank) with regard to compensation of losses to the Bank or third parties incurred as a result of actions by the members of the management bodies and expenses for legal defense in case of a lawsuit filed in connection with the exercise of their powers.

The insurance company, the transaction price (insurance premium) and other material terms of the Contract have been determined based on the open tender held by the Bank.

The resolution on the approval of non-arm's length transactions shall be adopted by the General Shareholders' Meeting of the Bank only on the proposal of the Supervisory Board.

The Supervisory Board reviewed the terms of the Contract and proposed to the General Shareholders' Meeting of the Bank to be held in 2015 to approve the Contract as a non-arm's length transaction.