Annual Report 2012

Contents

FINANCIAL REVIEW

Address

Dear shareholders,

The year 2012 was far from simple in the world's financial markets, making the achievements of Sberbank of Russia all the more impressive.

Sergey Ignatiev
Chairman of the Supervisory Board of Sberbank of Russia

The secondary public offering was a great achievement, as both the largest privatization deal in Russia and one of the largest public offerings in 2012 globally. Demand exceeded supply by several times, and shares were acquired by investors from all over the world looking for long-term investment.

2012 also saw several major milestones in the transformation of Sberbank of Russia into a major international corporation. Sberbank closed deals to acquire Volksbank International and DenizBank. Another significant milestone is the integration of Sberbank and Troika Dialog, as part of which Sberbank CIB (Corporate & Investment Banking) was created.

These, other successes and Sberbank's financial results justifiably enabled it to gain international recognition. The Banker magazine named Sberbank as the Bank of the Year in Russia. I am sure Sberbank will continue its successful development both in the Russian and international markets in 2013.

Sergey Ignatiev

Opening Statement

Dear shareholders, customers and partners,

The year 2012 is noted as the year of challenges for the financial sector — both in Russia and abroad, — which made Sberbank's 2012 achievements and financial results far more notable and distinguished.

Herman Gref
CEO
and Chairman
of the Executive Board

Last year was a record year of generating earnings for Sberbank — net profit under IFRS reached 347.9 bln RUB. Sberbank achieved outstanding ROAE of 24.2% and ROAA of 2.7% despite turbulent market conditions. Remarkably Sberbank maintains its number one position delivering the highest ROAE and ROAA among the top 20 largest world banks by market capitalization second year in a row. Furthermore, we are the ninth by net profit and number ten by cost/income ratio. These results are achieved at the important stage of intensive investments into the Bank's modernization that we believe would lead to a significant transformation of the Bank.

Sberbank's SPO was clearly one of the key events of the past year. It was the largest privatization deal in Russia, the largest secondary placement in EMEA in 2011–2012, and one of the largest public offerings in 2012 globally. The global demand was represented by more than 300 institutional investors with orderbook oversubscribed several times. The transaction was executed in highly concentrated timeframe. As a result, the Central Bank of Russia raised US$ 5.208 billion from the deal.

We are grateful to our investors for their trust and loyalty! We will continue to transform the Bank into a modern technologically sophisticated institution that would create value for our shareholders.

Last year can be described as the year of the strategic play on the international arena: in February we finalized the acquisition of Volksbank International, and in September — of DenizBank in Turkey, which was the largest acquisition in the history of Sberbank. Sberbank Group's presence nowadays expands into 20 countries, we have over 1300 branches abroad; the share of the Group's foreign assets reached 11.4% at the end of 2012.

Another accomplishment that I would like to mention is the diversification of our product lines, both for our corporate and retail clients. In January we completed the acquisition of Troika Dialog, now well-known as Sberbank Corporate & Investment Banking (CIB). This allows us to complete the full spectrum of our product offering for corporate clients. In retail banking we reached new levels of remote channel services for retail clients, which gives us a triple benefit effect: convenience for clients, reduction in customer servicing costs and freeing up of front-office managers' time for a more valuable time allocation. We also entered the Point of Sale consumer lending market in Russia under the Cetelem brand.

Our major achievements of 2012 include further transformation of risk management systems, reformatting of the branch network, technological modernization and changes in our organizational structure.

We believe that our current achievements are just the beginning in our drive to transform the Bank, and we are currently developing our next five and ten-year Strategy. Key priorities would be client services, increase in efficiency of operations, innovation management, and adoption of world-class technologies.

Herman Gref

Bank Profile

Full name: *Sberbank of Russia.*
Abbreviated name: *Sberbank.*
The principal shareholder: *Central bank of the Russian Federation (Bank of Russia).*
Head office: *19 Vavilova St., Moscow, Russia, 117997.*

OUR MISSION

We instill confidence and a sense of reliability, we make people’s lives better, helping to fulfill their dreams and aspirations.
We are building one of the best financial services companies in the world, and our success will be based on the professionalism as well as the feeling of harmony and happiness of our staff.

OUR VALUES

- Openness and goodwill.
- A drive for perfection.
- Respect for traditions.
- Integrity.
- Prudence and professionalism.
- Trust and a sense of responsibility.
- Initiative and creativity.
- Teamwork and effectiveness.
- A healthy lifestyle (mind, body and soul).

Sberbank’s position in the financial market

During 2012, Sberbank entered new financial markets through the completion of acquisitions in Europe and Turkey and enhanced its positions in most sectors of the Russian and other CIS markets.

Sberbank’s market share across different Russian financial segments is shown below. For more information, see the *Management Report* section.

%	January 1, 2013	January 1, 2012
Assets	28.9	26.8
Equity	27.4	29.1
Corporate lending	33.6	32.9
Retail lending	32.7	32.0
Corporate accounts	17.2	14.5
Retail deposits	45.7	46.6

Source: Central Bank, Sberbank

MANAGEMENT REPORT

Due to the number of acquisitions completed in 2012, some of the key financial metrics for the consolidated group are not directly comparable to the 2011 figures. For this reason, the data in this section of the Annual Report refers to OJSC Sberbank of Russia on a standalone basis via both Russian Accounting Standards and management accounting data, if not specifically noted otherwise. Key financial results and figures relating to the Group's major subsidiaries are disclosed and discussed in the section Financial Results of Key Subsidiaries.

Management responsibility statement

I confirm that to the best of my knowledge:

(a) the financial statements, prepared in accordance with International Financial Reporting Standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of Sberbank and the undertakings included in the consolidation taken as a whole; and

(b) the management report includes a fair review of the development and performance of the business and the position of Sberbank and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

On behalf of the Management Board,

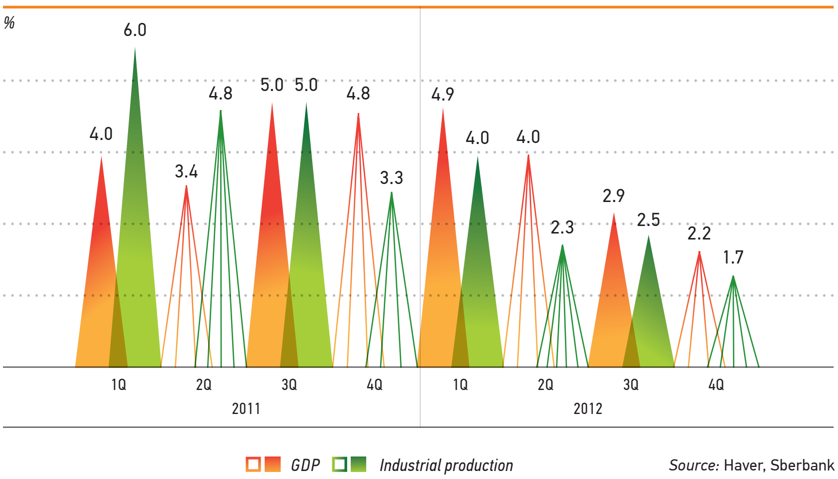
Herman Gref
CEO and Chairman of the Management Board

Macro Developments and Banking System Trends in Russia

A gradual deceleration in the Russian economy

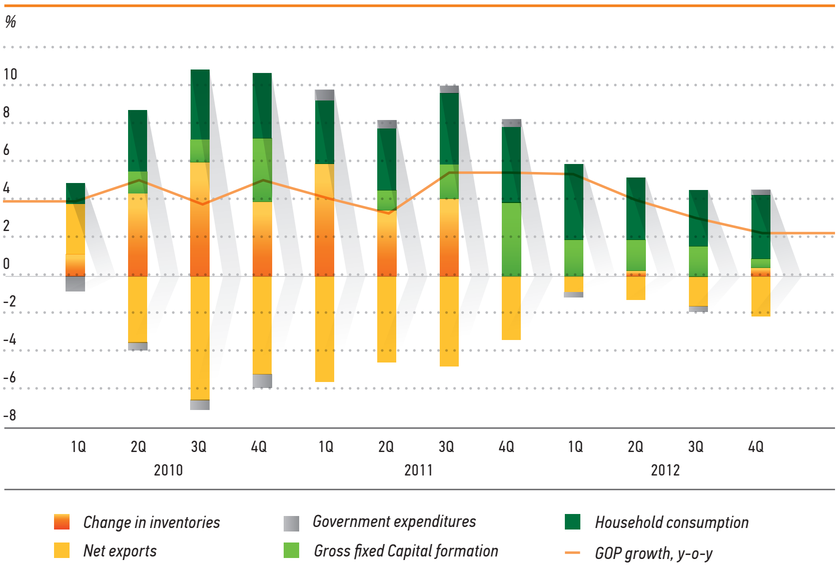
The Russian economy saw a significant slowdown in 2012, quarterly growth rates decelerating from 4.9% in 1Q12 to 2.2% in 4Q12. This trend was driven by a combination of both internal and external factors, with turbulent global markets and declining domestic investment activity among the key factors.

GDP AND INDUSTRIAL PRODUCTION GROWTH IN 2011–2012



Source: Haver, Sberbank

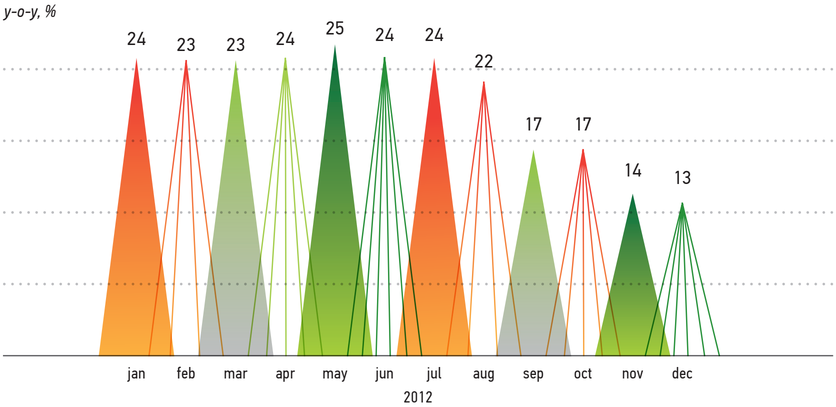
COMPOSITION OF GDP GROWTH



Source: State Statistics Service, Sberbank

Among key GDP components, only final consumption drove the growth, while all other factors offered negligible contributions to GDP growth. In such an environment, it is no surprise that the Russian banking system saw a significant decline in demand for corporate loans, annual growth therein falling from 26% in 2011 to 13% in 2012.

CORPORATE LOAN BOOK GROWTH IN RUSSIAN BANKING SYSTEM

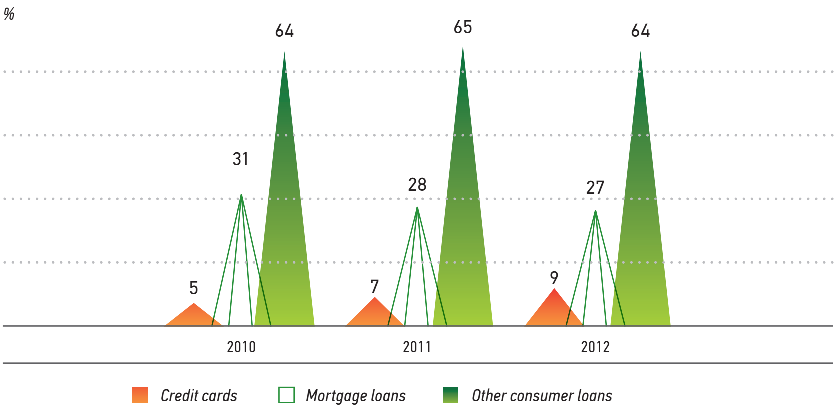


Source: Central Bank, Sberbank

Among other factors that contributed to slower lending growth was a rapid development of the local bond market and the favorable conditions in external debt capital markets, which both allowed major Russian corporate borrowers to source significant amounts of debt financing outside of the traditional loan market.

At the same time, the Russian economy's strong consumption trend was revealed yet again in the continuing rapid expansion of retail lending, with the aggregate volume of loans to individuals increasing 39.4% y-o-y in 2012 and some consumption-oriented segments posting even higher growth. In 2H12, Russian regulators started paying increased attention to retail lending market developments, announcing plans to introduce regulations aimed at more carefully managing the risks associated with market expansion of this nature.

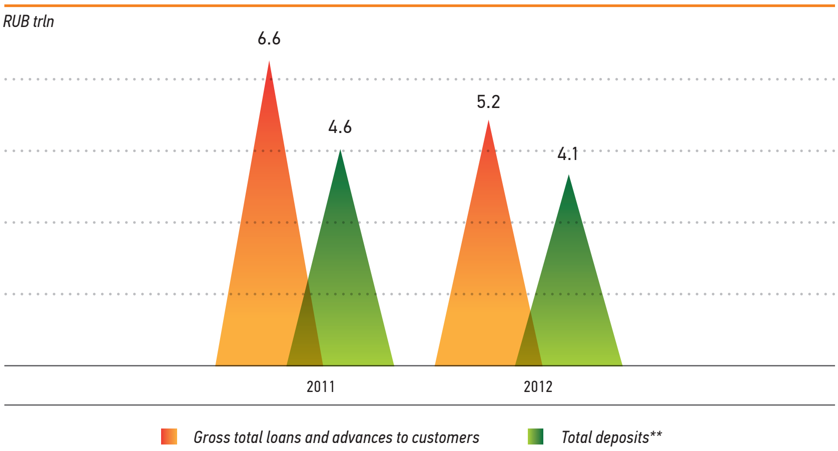
RUSSIAN BANKS' RETAIL LOAN PORTFOLIO BREAKDOWN



Source: Russian banks' RAS accounts, Central Bank, Sberbank

On the funding side, the Russian banking system saw a deceleration in deposit inflows in 2012, mainly driven by reduction of corporate funds inflow (–11.0% y-o-y). In the retail deposit market, the situation was more benign, with the amounts of deposits up 20% y-o-y for 2012. Despite the slower corporate lending expansion, the loan book still grew by a larger amount compared to deposit inflows with the gap being filled primarily by funding raised from monetary authorities.

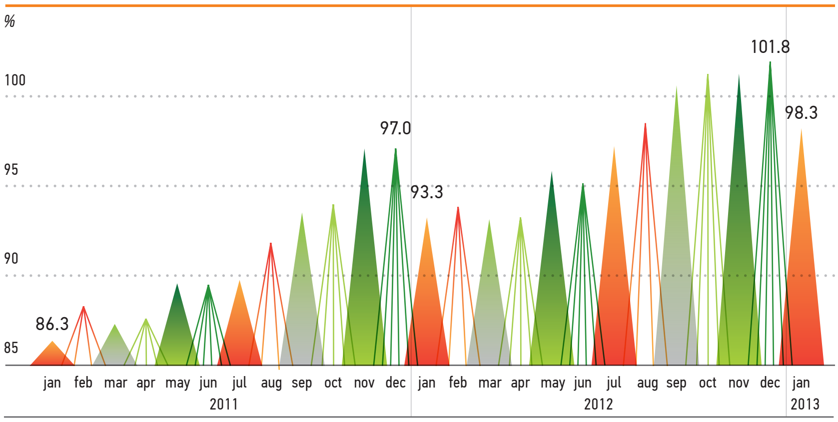
GROWTH IN TOTAL GROSS LOANS AND DEPOSITS IN RUSSIAN BANKING SYSTEM*



Source: Central Bank, Sberbank

Despite a notable gap between loan and deposit growth that developed in 2011–2012, the structure of banking assets and liabilities remains balanced, with the loan to deposit ratio staying at a conservative 98.3% as of end 2012 from the low starting point of 86.3% as of end 2010.

RUSSIAN BANKS' AGGREGATE LOAN TO DEPOSIT RATIO***



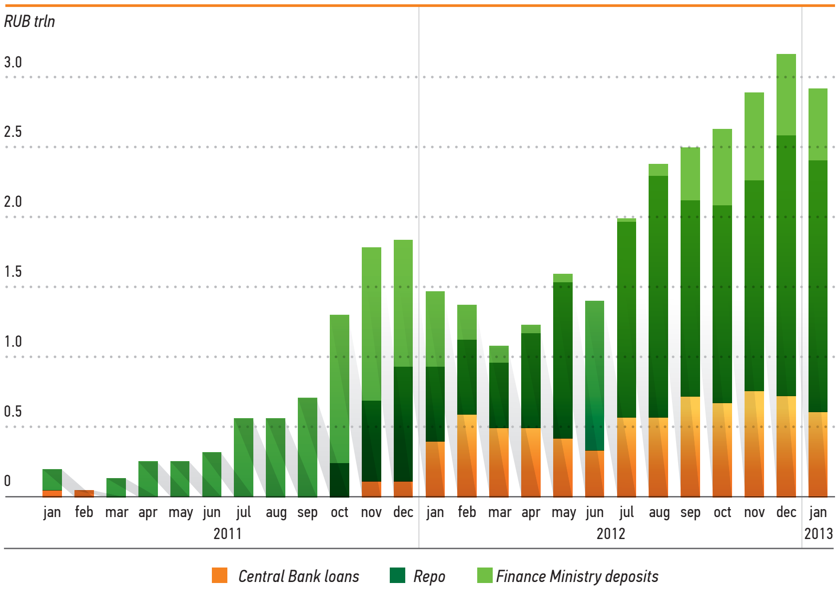
Source: Russian banks' RAS accounts, Central Bank, Sberbank

* In accordance with the Central Bank's definition.
** Deposits do not include Finance Ministry funds deposited in the banking system.
*** As of the beginning of the respective month.

Both the Central Bank of Russia and the Finance Ministry continued operations to support liquidity in 2012, covering banks' needs in periods of heightened liquidity deficits. Over 2012, the overall utilization of the regulators' funding (including funds owed to the Central Bank and the Finance Ministry) gradually increased, peaking in November 2012, while traditional year-end deposit inflow in December, driven by higher-than-average budget spending, provided significant relief for the liquidity situation.

Throughout 2012, Central Bank repo operations remained the key source of liquidity for Russian banks, which has become a new norm given the shift toward a floating exchange rate and inflation targeting policy. At the same time, the regulators retain significant capacity to provide additional funding to the banks via other channels, including asset-backed lending from the Central Bank (mostly secured by loans). Given the importance of liquidity creation mechanisms under a floating exchange rate regime, the Central Bank has announced some plans to further expand the refinancing system in 2013.

GOVERNMENT FUNDS IN THE RUSSIAN BANKING SYSTEM*



Source: Central Bank, Sberbank

* As of the beginning of the respective month.

Corporate and Investment Business*

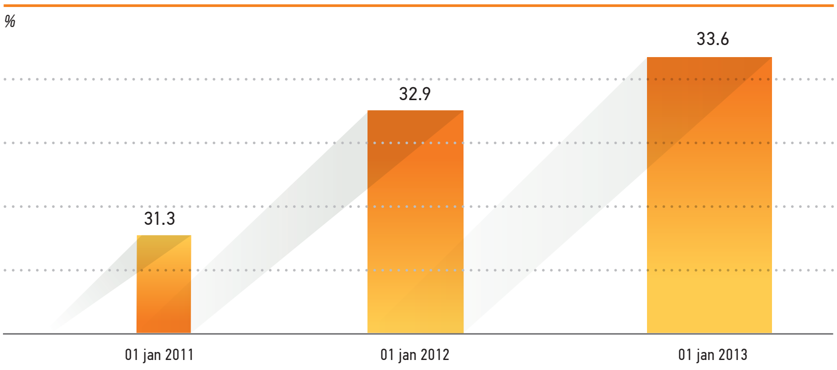
* This section discusses Sberbank's corporate and investment banking business in Russia. Sberbank's foreign subsidiary businesses are reviewed in the *Key Subsidiaries' Financial Results* section.

Corporate segment remains the key part of our business, with loans to corporate customers representing 74.4% of Sberbank's total loan book and 31.4% of client deposits on a group level as of 2012 year-end. We also actively develop new products in transaction banking and international finance, aimed at providing our clients all services they need in order to remain their bank of choice. With the acquisition of Troika Dialog and the creation of the Sberbank CIB platform in 2012, we have also seen an increase in synergies from our investment banking operations, which has been mutually beneficial for both our traditional corporate banking business and the investment banking product line.

CORPORATE LENDING

Sberbank is the largest lender to the Russian economy. In 2012, we expanded our market share in traditional corporate lending by 0.7 pp y-o-y despite strong competition in Russian corporate lending. The key factors behind the increasing competition for borrowers were softer demand for corporate loans, driven by the deceleration in economic growth, and the very rapid development of the corporate bond market in Russia.

SBERBANK'S MARKET SHARE IN CORPORATE LENDING



Source: Central Bank, Sberbank

Nevertheless, 2012 was a record year in terms of corporate loan issuance for Sberbank. Amounts of loans underwritten in 2012 exceeded 5.9 trln RUB, increasing by circa 350 bln RUB from 2011.

Small business financing: an eventful year

In 2012, we continued to place special emphasis on the development of lending to small business. During the year we significantly extended Credit Factory platform for small business, so the volume of loans issued under this framework more than tripled, exceeding 90 bln RUB as of YE12. We also introduced innovative lending products, such as *'Business Start'* and *'Business Overdraft'* loans.

As a result of these initiatives and our strong emphasis on sales, lending to small clients* grew 31% y-o-y, much faster than the rest of our corporate lending business.

* According to internal classification of the Bank. Data on OJSC Sberbank of Russia only.

Trade finance business

Another business that grew even faster than lending to small business was trade finance. In 2012, Sberbank actively expanded the business line, increasing the volume of the respective part of the loan portfolio 47.1% y-o-y in dollar terms to $10.5 bln as of end 2012. The number of trade finance transactions completed in 2012 exceeded 1,300, compared with 950 in 2011. Sberbank's international expansion, including the acquisition of banking businesses in Switzerland, CEE and Turkey, has allowed us to develop a product offering for our clients that involves our international subsidiaries and allows us to service all our clients' needs. In recognition of our efforts in this field, Sberbank was named "The best trade finance bank in Russia and CIS for 2012" by Global Trade Review Magazine.

Loan yields gradually increased in second half of 2012

In 2012 two contradicting factors drove corporate loan yields in Russia. On one hand, there was high competition for borrowers amid softer demand for credit; on the other, relatively tight liquidity conditions precluded yields from falling sharply. Against this backdrop, effective loan yields in 2012 remained steady in 1H12 and started picking up slightly in 2H12. This reflects the bank's ability to adjust its lending policy in accordance with market conditions, maintaining a constant focus on preserving interest margins. This also reflects the increasing proportion of SME loans with higher yields in the total corporate loan portfolio.

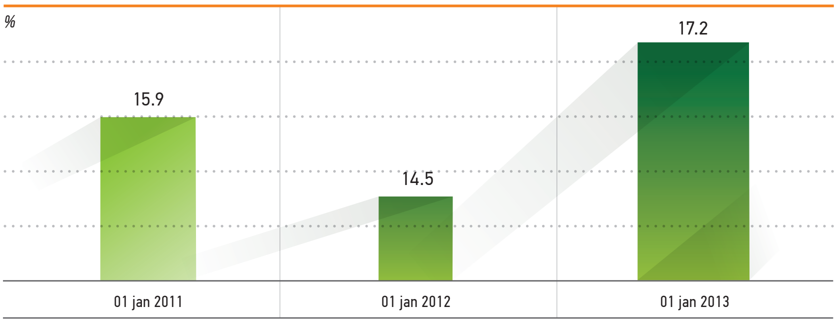
Improved loan book quality

In 2012, despite a slowdown in economic activity in Russia, we did not observe any significant signs of deterioration in our loan book quality. The share of non-performing loans in our corporate portfolio decreased in 2012 from 3.6% to 2.9% (according to management accounting, OJSC Sberbank standalone), not only as a result of the growing portfolio, but also due to a decrease in overdue loans in absolute terms.

CORPORATE DEPOSITS

In view of tight funding conditions in the Russian banking system in 2012, Sberbank significantly increased its focus on corporate funding compared with 2011. In 2012, we delivered a robust 74.9% increase in corporate term deposits. As a result, our market share in corporate funds expanded 2.7 pp to 17.2% by end 2012.

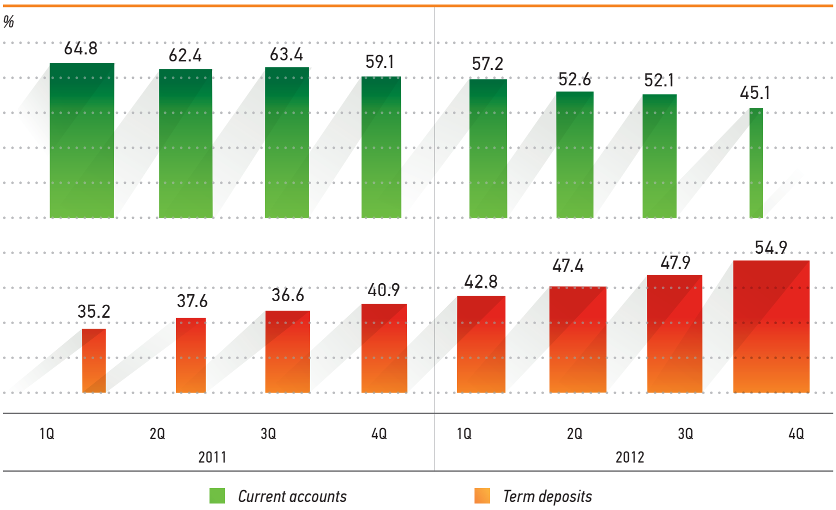
SBERBANK'S CORPORATE FUNDS MARKET SHARE



Source: Sberbank management accounting

Most of this growth came from term corporate deposits across all major client segments, while the volume of less expensive current accounts remained largely unchanged. The lack of growth in current corporate accounts at Sberbank mirrors the situation in the Russian banking system in general.

BREAKDOWN OF CORPORATE DEPOSITS*



Source: Sberbank management accounting

Our strategy, aimed at attracting significant additional amounts of term corporate deposits in 2012, was to a great degree driven by the banking system's liquidity situation, which became increasingly tight in 2H12. As a result, we extended usage of this funding source, which is demonstrated above. This decision was made for the following two main reasons: 1) we kept a significant emergency liquidity buffer and 2) raising corporate deposits remained a more cost-efficient option compared with sources of Central Bank financing from a funding cost management standpoint. Our balance sheet and liquidity management are discussed in more detail in the *Financial Review* section of this report.

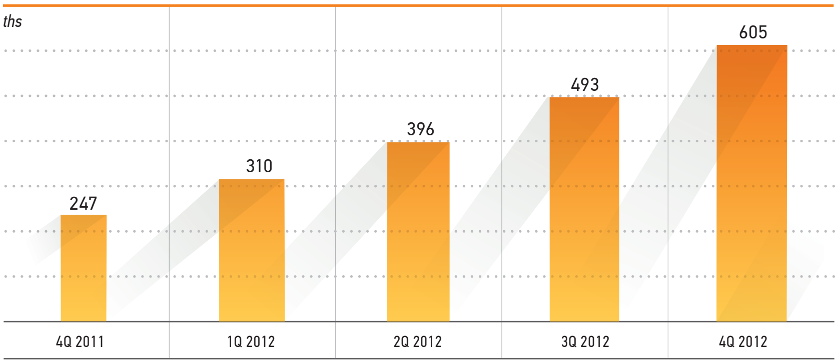
* Deposits do not include Finance Ministry funds.

SERVICE CHANNELS

Development of our fee-based services to corporate customers was aimed at continuously improving the quality of the bank's services and reducing associated costs. We continued developing various remote service channels for our corporate customers. One of our major targets is to reduce the share of labor-intensive, paper-based transactions and move most of the standardized operations into remote service channels.

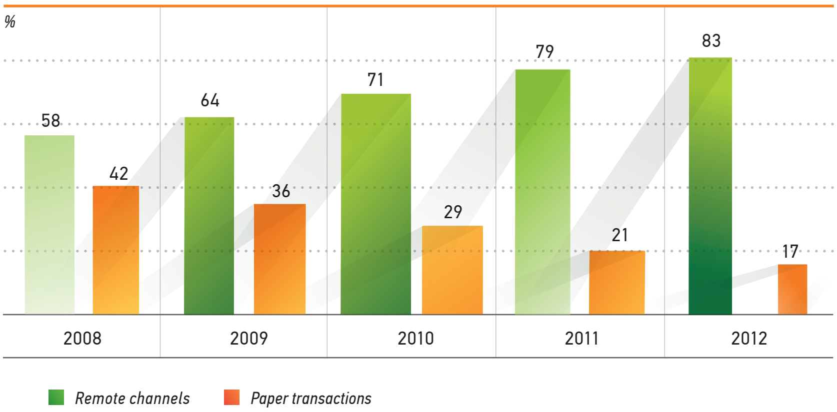
These efforts resulted in a rapid increase in 2012 in the number of users of our corporate internet banking platform, Sberbank Business Online, which more than doubled y-o-y. The proportion of paper transactions decreased to 17%, compared with 42% in 2008.

NUMBER OF SBERBANK BUSINESS ONLINE CLIENTS



Source: Sberbank management accounting

BREAKDOWN OF TRANSACTIONS BY CHANNELS



Source: Sberbank management accounting

INVESTMENT BANKING BUSINESS

One of the major events for Sberbank Group in 2012 was the full-scale integration of the investment-banking platform, which previously existed under the name of Troika Dialog and was acquired by Sberbank in 2011, into the Group's corporate and investment banking business processes. The companies of former Troika Dialog Group, as well as the employees of respective divisions of Sberbank, became parts of the integrated Investment Banking and Global Markets (IBGM) line of business within the Corporate banking segment. IBGM focuses on providing a full range of financial services to our corporate customers, while the retail asset management network was merged into the private banking arm of Sberbank's retail business.

The nature of the IBGM business in its current shape is predominantly client-oriented and focused on generating revenue flow, and it involves only a very limited degree of market risk-taking activities.

IBGM revenues were up 62.7% y-o-y, mainly due to a very strong performance by the Fixed Income, Currencies and Commodities (FICC) business. The results of our FICC, which generated 79% of IBGM's revenues in 2012, were driven by our activities in the repo market as one of the key liquidity providers, as well as by the growing flow of client derivative transactions. The derivatives business mainly comprises hedging services provided to our key corporate clients, while the strong performance in this business line is a result of synergies between the newly merged parts of our CIB franchise.

The role of proprietary risk-taking activities in the IBGM business is insignificant, as the proprietary books within IBGM contributed less than 3% of the business segment's total revenues for 2012. Our key aim with respect to the CIB business segment is to maintain and strengthen its focus on facilitating client business without assuming any significant proprietary market risk positions.

Retail Business

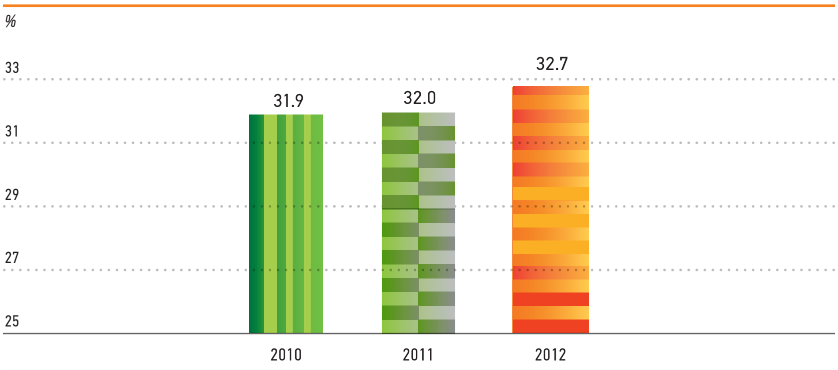
In 2012, the retail business was in the spotlight for Russian entire banking system, primarily because of the rapid expansion of retail loan volumes, which brought market growth to a remarkable 39.4%. Against such a backdrop, Sberbank was able to expand its retail loan market share, with the highest growth rate delivered by the credit card segment. On the other hand, 2012 was marked by increased competition for retail deposits, resulting in a significant uptick in funding costs for the banking system.

Alongside lending growth and competition for deposits, 2012 was a year of a very rapid development for Sberbank in both the volumes and level of transaction service provided to our retail customers. We have implemented a number of initiatives focused on expanding and developing remote service channels that have already brought a number of visible results, including strengthening Sberbank's positions in the rapidly developing card market, alongside the introduction and successful rollout of innovative payment solutions for retail customers.

LENDING

In 2012, Sberbank not only managed to keep up with the very fast pace of market growth, but also increased its market share in retail lending 0.7 pp for the year to 32.7% at year end. Although consumer loans and credit cards were the fastest-growing products, we also saw strong results in mortgage loans, which remain one of our most important products. Overall, Sberbank's retail loan book grew 42.3% in 2012 to 2.5 trln RUB as of end 2012.

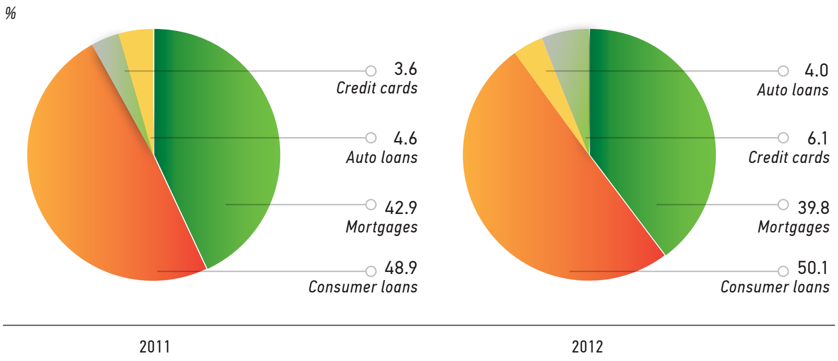
SBERBANK'S MARKET SHARE IN RETAIL LENDING*



Source: Central Bank, Sberbank

* As of year-end.

STRUCTURE OF RETAIL LOAN PORTFOLIO*



Source: Sberbank management accounting

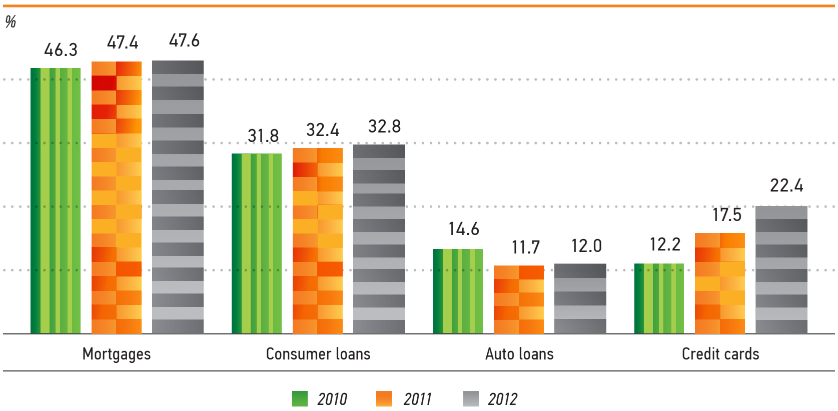
Such rapid retail loan book growth was made possible by a number of technological innovations that we have put in place in recent years, including scoring solutions integrated under the Credit Factory platform. In 2012, we test-launched our Loan Middle Office project in Moscow, which is based on automated scanning of loan application forms and is aimed at freeing credit officers from performing back office functions.

Another important part of our work aimed at ensuring a high quality of service in the retail lending segment is related to streamlining loan issuance procedures, and providing faster responses to loan applications. As a result, in 2012 we managed to shorten the average loan application processing time by circa 30%.

Consumer loans

Consumer loans, representing general purpose lending, were clearly the main growth driver of retail loan book expansion for Sberbank in 2012, the annual growth rate in this segment reaching 44.6%, compared with 43.7% in 2011. Consumer loan portfolio growth at Sberbank in 2012 was slightly higher than the market growth rate. As a result, our market share in consumer lending increased circa 0.4 pp to 32.8%.

SBERBANK'S MARKET SHARE IN RETAIL LENDING BY PRODUCT**



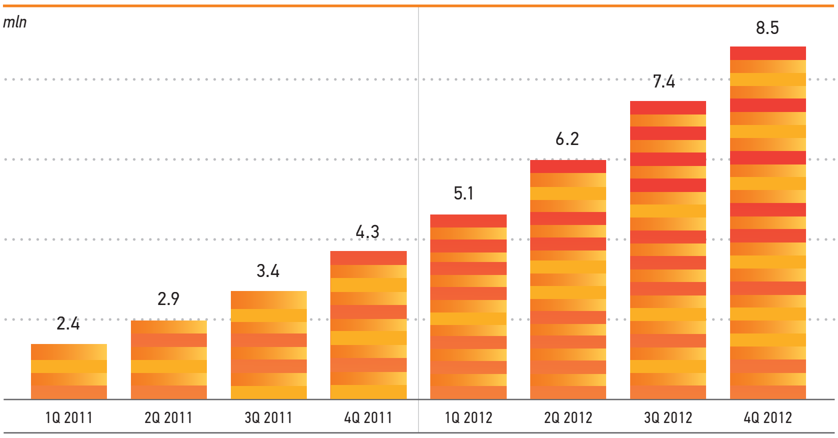
Source: Central Bank, Sberbank

* Excluding "SberKarta" cards.
** As at the year end.

Credit cards

Starting from a relatively low base, our credit card business grew quickly in 2012, with the aggregate loan portfolio increasing 139% to 153 bln RUB as of end 2012. The number of credit cards issued almost doubled to 8.5 mln cards as of year end. As a result, in 2012 we took the number one spot on the credit card market.

NUMBER OF CREDIT CARDS ISSUED



Source: Sberbank management accounting

Auto loans

The Russian auto loan market slowed in 2012 relative to other retail lending segments, increasing just 20.8% for the year. Sberbank's auto loan portfolio grew 24.1%.

Mortgage loans

Mortgages remain one of our key products in the retail segment. With a market share of 47.6%, Sberbank is the undisputed leader on the mortgage market. In 2012, our mortgage portfolio expanded 31.2%, generally in line with market trends, and exceeded 1 trln RUB. Despite the high interest rate environment, we did not observe any visible deceleration in mortgage portfolio growth rates compared with 2011.

Cetelem: a new JV in consumer lending

In August 2012, Sberbank and BNP Paribas launched a joint venture in consumer lending, whereby Sberbank acquired a 70% stake in BNP Paribas Vostok for 5.2 bln RUB, the remaining 30% still owned by BNP Paribas Group. The newly acquired institution continues working under the Cetelem brand. With the acquisition of a stake in Cetelem, Sberbank aims to build up its presence in certain retail loan market segments where it is not currently present. This primarily concerns the POS and express auto loan markets, with a further aim to cross-sell other Sberbank retail products to its customers.

As of end 2012, the project was still in an early stage of development, resulting in a limited contribution to Sberbank Group's overall retail lending business results. However, the bank delivered very high growth rates, average monthly new loan originations growing 30% in auto loans and 22% in POS loans for September-December 2012.

CREDIT QUALITY

Besides boosting loan book growth and expanding our market share, Sberbank's key priority is to maintain the high quality of its retail loan book. The overall credit quality of our retail loan portfolio remained high in 2012, with the 90+ days NPL ratio of less than half of that of the rest of the banking system*.

Sberbank not only saw an improvement in its headline NPL metrics, but also the underlying dynamics of loan book quality reflected a continuing improvement in loan book risk metrics. Based on our models tracking previous loss experiences as well as other exogenous factors driving loan book quality, we see a continuing trend of declining expected loss (EL) value as a percentage of our retail loan book. Since the launch of our Credit Factory platform for retail business in October 2008, we have continuously improved and expanded the functionality of our loan application scoring and approval practices. The main developments of Credit Factory are concentrated around three main lines:
1) the development of new credit-scoring models and their practical implementation;
2) the introduction of new data sources into the decision-making process and automation of data exchange processes; and
3) the development of new scoring and data processing technologies.

In 2012, our main accomplishments in the field were as follows:
- first, we note the development and implementation of new region-specific scoring models for consumer loans. Existing data indicate that clients' risk profiles differ significantly across Russia's regions; moreover, the most relevant factors also have notable regional variability. Therefore, we built regional clusters with similar risk patterns and developed individual scoring models for each cluster. As a result, rejection levels across the regions much better reflect their specifics and the overall portfolio risk level has reduced;
- the implementation of risk-based pricing for consumer loans from March 2012 enabled us to increase the yields of higher-risk portfolios and attract higher quality clients by offering them lower-yielding loans;
- the introduction of new scoring models in mortgage lending resulted in a 0.5 pp higher approval level and lower credit risk for new portfolios;
- we integrated our data with the Equifax Interbank Fraud Prevention Service platform, aimed at discovering inconsistencies in client data and preventing fraudulent activities by borrowers;
- we instituted an automated client reliability assessment based on State Pension Fund data as part of scoring consumer loan applications. This new data source allows us to evaluate and verify the stability of a prospective borrower's employment and income, as well as receive indirect confirmation of their employment history. The system was launched in Moscow in 2012, and we are currently planning to implement it nationwide;
- we started testing automated photo processing and verification technology. This is another anti-fraud measure aimed at handling cases of identity theft by adding another dimension to the client verification process. This is scheduled for launch in 2013.

* According to the data of the Central Bank of Russia.

RETAIL DEPOSITS

Amid tight liquidity conditions in 2012, competition for all funding sources intensified, with the retail deposit market becoming one of the most competitive segments overall. This resulted in a significant increase in the average cost of term retail deposits.

One of Sberbank's key priorities remains the active management of funding costs, as we aim to minimize the impact of adverse market conditions on our margins while still maintaining competitive lending rates across all our products and business lines. On the back of increased competition for retail funding in 2012, we had to raise our interest rates payable on retail term deposits. Since our target was to limit its impact on our aggregate funding costs and margins, this resulted in slower retail deposit growth versus the market and a 0.9 pp drop in our share of Russian retail deposit market, which fell to 45.7% as of year end.

New products and service improvements

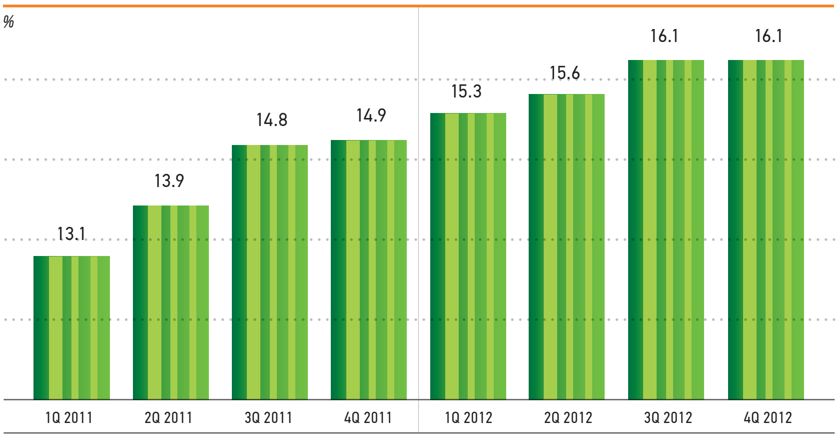
One of the most significant technological developments in our retail deposit business was the introduction of online deposits in 2012. These represent a new channel of raising deposits via our internet bank and ATMs, which allows us to save on operating costs. As of year end, the total volume of online deposits was 97 bln RUB.

Another important development in our retail funding platform in 2012 was the further expansion of our savings certificate program. As a product, these certificates have a number of important features. They are not covered by the deposit insurance scheme and thus exempt from its costs. Unlike retail deposits, which by Russian law are callable at any moment, savings certificates are repaid upon maturity. This product is aimed at individuals with high net worth. Our portfolio of deposit certificates grew from a very low base of 9 bln RUB at end 2011 to 222 bln RUB as of end 2012.

A very important accomplishment in our retail deposit portfolio was a structural shift toward current accounts, represented mainly by bank card account balances. Their share increased from 14.9% to 16.1%* of total retail deposits (15.6% including saving certificates into total customer deposits). This helped us partially make up for the effects of rising interest rates on term retail deposits on the overall cost of retail funding. Our growth rate in current retail accounts stood at 24.3% in 2012, significantly exceeding the 15.2%** rate posted by the rest of the banking system.

* Based on average monthly balances. Savings certificates are excluded.
** Based on RAS accounts of Russian banks.

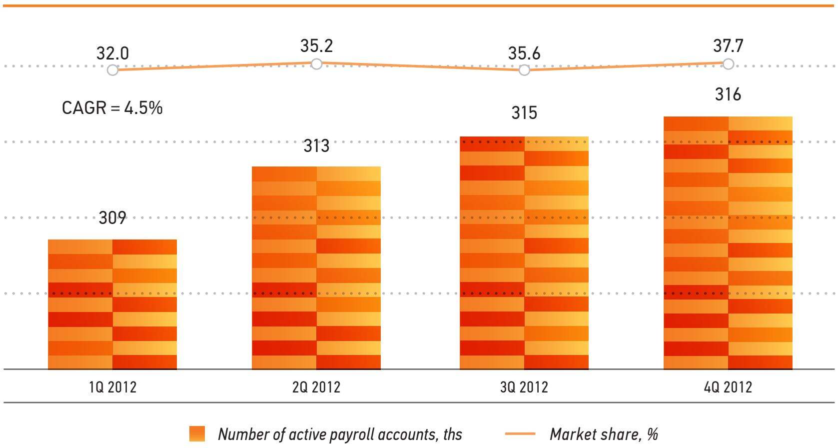
SHARE OF CURRENT ACCOUNTS IN RETAIL DEPOSITS*



Source: Sberbank management accounting

This achievement was made possible by our growing market shares in the highly competitive salary payment and pension payment markets. Our efforts toward expanding remote service channels, including continuous improvements in internet and mobile banking services, also played a critical role in bringing retail current account balances to Sberbank.

SALARY PAYMENTS VIA SBERBANK ACCOUNTS



Source: Sberbank management accounting

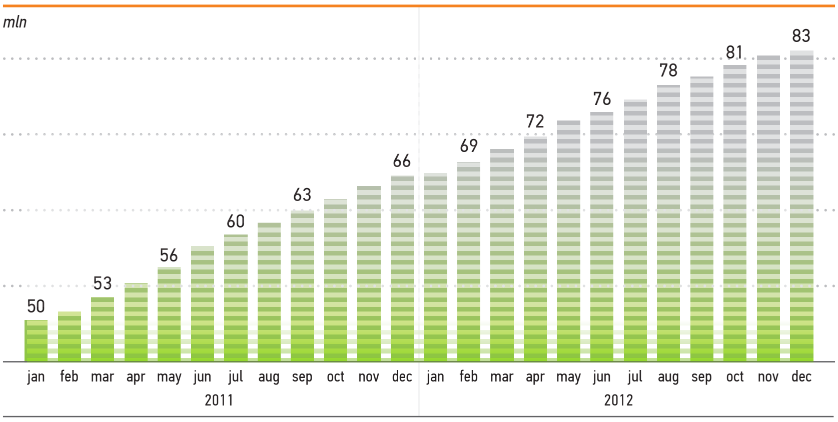
* Based on average monthly balances. Savings certificates are excluded.

TRANSACTION SERVICES AND FEE INCOME

Among other achievements in our retail business in 2012 was the expansion of our bank card and transaction business, which resulted in growth of both volumes of serviced transactions and fees generated by this business line. The overall numbers of transactions substantially increased, which was accompanied by a structural shift in operations toward non-cash.

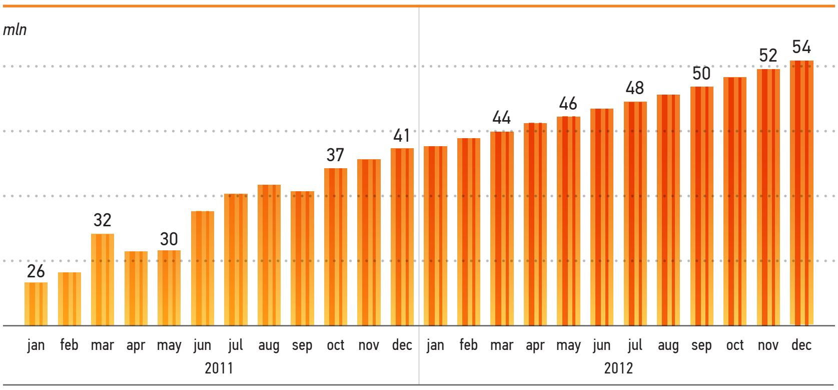
The combination of these factors, which were all made possible by extensive investments in service quality, resulted in 28.3% growth in retail transaction business fees, including 56% growth in bank card operation fees. Thus, bank cards became our single largest fee revenue source, having more than doubled over the last two years. We outline the key drivers of retail fee and commission income below:

GROWTH IN NUMBER OF CARDS ISSUED*



Source: Sberbank management accounting

NUMBER OF ACTIVE BANK CARDS*



Source: Sberbank management accounting

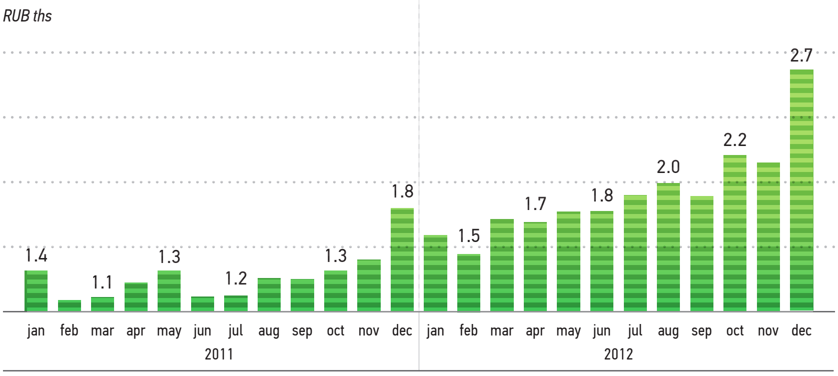
The number of active bank cards issued by Sberbank has almost doubled since the beginning of 2011 to 54 mln by end 2012.

* Excluding "SberKarta" cards.

Increasing client activity

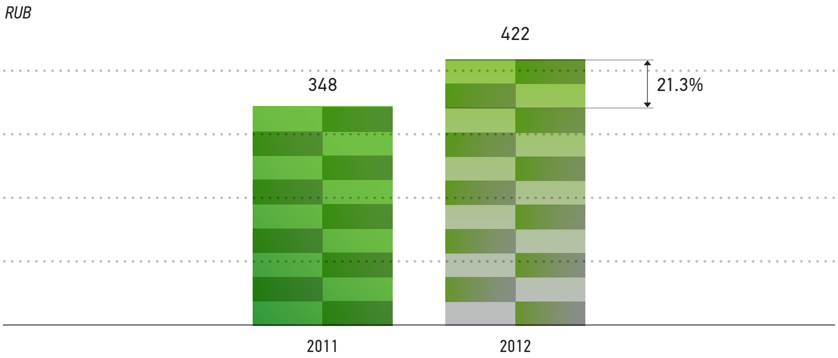
In 2012, we observed a significant pickup in cardholder activity, which was a key factor behind growing bank card fee income. Compared with 2011, average monthly trade turnover per active card increased 44% (not including less productive cash withdrawal transactions), reaching 2.7 ths RUB per month in December 2012.

MONTHLY TRADE TURNOVER PER ACTIVE CARD*



Source: Sberbank management accounting

ANNUAL COMMISSION PER CARD*



Source: Sberbank management accounting

The more active use of bank cards resulted in higher fee revenue per card in 2012, which rose 21.3% y-o-y.

A higher share of non-cash card transactions

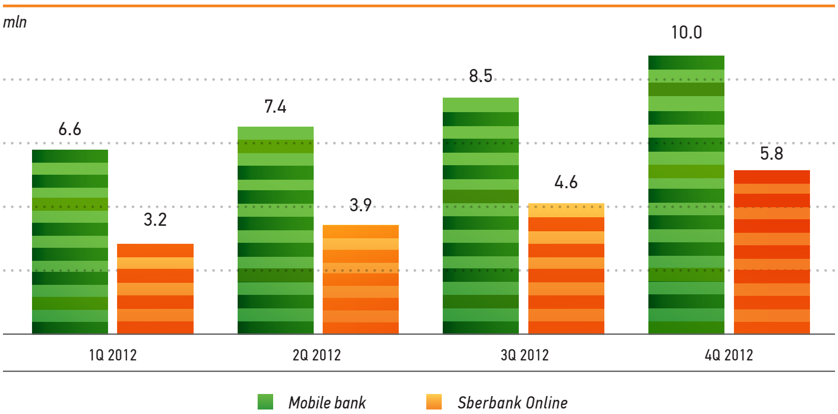
We saw a continuing increase in non-cash transactions via our bank cards in both 2011 and 2012. The share of these transactions reached 29% in 2012 and as much as 33% in December 2012, compared with a 22% average for 2011. This trend made a significant contribution to our fee revenues in the bank card business and to growth in the balances our customers keep on their bank cards.

* Trade turnover comprises transactions in retail network and on-line purchases; Excluding 'SberKarta' cards.

Other transaction business products

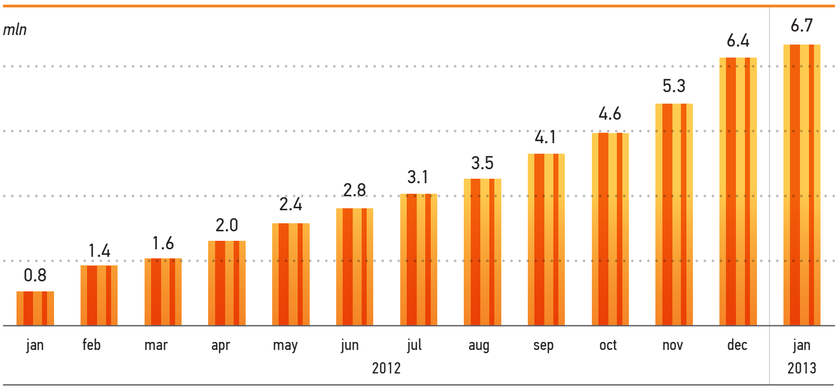
Our strategic target is to increase the proportion of services provided to our customers using Sberbank's remote channels. To further this goal, we have developed a number of remote service channel platforms. Sberbank Online, our internet banking platform, continued to deliver strong performance in 2012, with the average number of active clients growing by 3.4 mln. Revenues generated by our mobile banking service were up 62% on the back of more customers using the service and executing more transactions via this service.

NUMBER OF ACTIVE CLIENTS OF MOBILE BANK AND SBERBANK ONLINE



Source: Sberbank management accounting

NUMBER OF AUTO-PAYMENT SERVICE USERS*



Source: Sberbank management accounting

In addition, Auto-Payment, our newly introduced automated billing service, posted very solid growth, with the number of clients using it to pay for mobile phone services increasing by circa 6 mln in 2012.

* As of the beginning of the month.

Securities Portfolio and Capital Markets Funding

Our total securities book increased 12.4% to 1.68 trln RUB as of end 2012. Our portfolio remains dominated by fixed income securities with a share of 97.4% as of end 2012, the bulk of which is Russian Sovereign bonds, comprising 54.8% of our total securities position (up 2.8 pp y-o-y). Such a structure is defined by our approach to securities on our banking books as predominantly a means of liquidity management, rather than a risk-taking instrument.

The corporate bond portfolio was the most rapidly growing part of our securities book in 2012, climbing 22.3% to reach a share of 35.4% of our total securities portfolio. Such growth was a function of the rapid development of both domestic and external debt capital markets in 2012. Conservative approach to managing our securities books is also reflected in the shift of the structure of our corporate bond book — the share of investment-grade rated positions in this portfolio grew to 52.1% as of end 2012, versus 44.4% the year before.

SECURITIES PORTFOLIO BREAKDOWN

	2012		2011	
	RUB bln	*% of total*	*RUB bln*	*% of total*
Federal loan bonds (OFZ)	777	46.4	708	47.5
Corporate bonds	594	35.4	486	32.6
Russian Federation Eurobonds	141	8.4	66	4.4
Municipal and Subfederal bonds	118	7.0	134	9.0
Corporatle shares	43	2.6	86	5.8
Foreign Government bonds	3	0.2	10	0.7
Total	**1,676**	**100.0**	**1,490**	**100.0**

Source: Sberbank management accounting

BOND PORTFOLIO BREAKDOWN BY GRADE

RUB bln	2012			2011		
	Investment grade	Speculative grade	Not rated	Investment grade	Speculative grade	Not rated
Russian Sovereign Eurobonds	141	–	–	66	–	–
Corporate bonds	310	247	37	216	197	73
Government bonds (OFZs)	777	–	–	708	–	–
Municipal and sub-federal bonds	81	37	–	93	41	0
Foreign government bonds	–	3	–	–	10	–
Total	**1,309**	**287**	**37**	**1,083**	**248**	**73**

Source: Sberbank management accounting

In 2012, Sberbank was relatively active on the debt capital market, raising an equivalent of 256 bln RUB via public bond issues and syndicated loan deals, compared with 71 bln RUB in 2011. As of end 2012, the total amount of funding raised from these sources stood at 352 bln RUB.

DEBT ISSUES IN 2012

Type of liability	Currency	Amount, *bln*	Amounts outstanding, *bln*	Maturity, *years*	Coupon/ interest rate
Syndicated loan	USD	1.50	1.50	3	LIBOR+1.50%
Syndicated loan	EUR	0.5	0.5	5	EURIBOR+1.50%
Eurobonds	CHF	0.41	0.41	3.5	3.100%
Eurobonds	USD	1.30	1.30	5	4.950%
Eurobonds	USD	1.00	1.00	7	5.180%
Eurobonds	USD	1.50	1.50	10	6.125%
Subordinated bonds	USD	2.00	2.00	10	5.125%

Source: Sberbank management accounting

Financial Results of Key Subsidiaries

Our CIS subsidiaries posted solid results for 2012, their combined net income growing more than 2 times y-o-y. Our newly acquired international subsidiaries (Sberbank Europe and DenizBank) were still in an early stage of integration into the Group. Sberbank Europe was our only international subsidiary to post a net loss for 2012, which is attributed to the challenging market environment in CEE, while DenizBank made a positive contribution to the Group's net income from 4Q12.

In 2012, our subsidiary banks in Kazakhstan, Ukraine and Belarus continued shifting some of their lending products under the centralized Credit Factory framework. In late 2012, some of Sberbank's East European subsidiaries also started to gradually introduce Credit Factory technologies.

Subsidiaries in the CIS

In 2012, all of Sberbank's subsidiaries in the CIS posted rapid lending growth, averaging 35.7% for the year while remaining profitable and meeting their key financial KPIs. The overall contribution of CIS subsidiaries to the Group's net income increased from 2.2% to 2.7%. Our Kazakh subsidiary posted the strongest performance in 2012, its share in the combined net income of the three CIS-based subsidiaries coming in at 67.6%.

KEY IFRS FINANCIAL RESULTS OF SBERBANK'S CIS BANKING SUBSIDIARIES (ON A STANDALONE BASIS)

RUB bln	Sberbank Kazakhstan		Sberbank Belarus		Sberbank Ukraine	
	2012	2011	2012	2011	2012	2011
Total assets	147.1	106.6	112.5	106.1	99.1	69.5
Loans and advances to customers, net	104.5	74.9	67.5	56.1	77.5	52.8
Due to customers	102.0	86.5	59.9	50.6	49.7	30.3
Net interest income	6.9	4.4	5.2	5.4	4.6	2.9
Net provision charge	0.5	(1.2)	(1.1)	(1.6)	(1.5)	(0.3)
Net F&C income	1.7	1.3	2.3	1.9	0.8	0.5
Operating income	10.0	5.2	7.0	7.8	5.3	3.5
Operating expenses	(3.9)	(2.9)	(4.5)	(3.4)	(3.3)	(2.3)
Profit for the reporting period	5.0	2.3	0.8	(0.4)	1.6	1.3

Source: Subsidiary banks stadalone IFRS accounts

SBERBANK KAZAKHSTAN (SBK)

Sberbank Kazakhstan remains our largest subsidiary in the CIS. In 2012, the bank's assets increased 38.0%, driven predominantly by the corporate loan book. SBK grew faster than Kazakhstan's banking system, which posted relatively slow 8.3% corporate loan book growth for the year. On the funding side, the bank remains largely self-sufficient in terms of covering loan growth with deposit flows. Its loan/deposit ratio stood at 102.5% at year end.

SBERBANK UKRAINE (SBU)

Sberbank Ukraine posted the highest loan and asset growth rates among Sberbank's CIS subsidiaries, delivering 46.8% growth in its net loan book. Similarly to SBK, its lending expansion was driven by growth in its corporate loan book. In the stagnating lending environment in Ukraine, SBU visibly increased its market share, moving up 6 slots in the banking system's ranking by assets to 11th place as of end 2012. The rapid loan book expansion in 2012 was partly financed by deposits, but the bank also increased its borrowing from the parent company. Despite the rapid expansion, SBU remained profitable, posting 1.6 bln RUB in net income on the standalone basis and a 1.6% return on assets.

SBERBANK BELARUS (SBB)

Sberbank Belarus showed somewhat slower growth rates versus other CIS subsidiaries. Its assets expanded 6.0% and net loans increased 20.3%. SBB already has a strong position on the Belarusian market, though it is only the third largest bank by assets and corporate loans. As the interest rate environment in Belarus gradually normalized in 2012 after the country's currency devaluation and sharp increase in interest rates in 2011. This led to decrease of loss on non-monetary position to 1.3 bln RUB. At the same time SBB's lending margins declined, as well as forex trading incomes and the bank's operating costs increased on the back of salary inflation. These factors combined resulted in a 57% drop in SBB's net income on the standalone basis for 2012, but allowed to earn profit of 0.8 bln RUB.

SBERBANK EUROPE (SBE)

Sberbank Europe's financial performance in 2012 was impacted by both the persistence of challenging economic conditions in some of the bank's key geographies, as well as the financial and operational integration of the bank into Sberbank Group. Overall loan growth for SBE during 2012 stood at circa 8% and was driven by corporate loans that were underwritten under the bank's new procedures. SBE posted a loss for February-December 2012 (the period of its consolidation into Sberbank Group) of circa 8 bln RUB that was to the greatest degree attributable to a large amount of new loan loss provisions created during this period.

DENIZBANK

Since its acquisition by Sberbank in September 2012, DenizBank has provided a positive contribution to the Group's consolidated results. On the net income level, its contribution stood at 2.4 bln RUB on the sub-group level for 4Q12. Among the Group's international subsidiaries, DenizBank was the single largest contributor to the Group's consolidated balance sheet with respective shares of consolidated assets and loan book of 6.5% and 6.1% at end 2012.

Risk Management

The Group's integrated risk management system is set out in the bank's policies, as approved by the Executive Board, and implies a three-level process:

- *the first level* (carried out by the Executive Board and Group Risk Committee) is focused on managing the Group's aggregate risks on a consolidated level. On this level, requirements related to managing specific groups of risk and risk management procedures are formed, and collegial bodies and other participants responsible for risk management are defined;
- *the second level* (carried out by respective committees of the Bank) is responsible for management of specific classes of risks, as defined by the first level;
- *the third level* (collegial bodies and departments of the Group's participants) is responsible for risk management procedures in individual entities of the Group, in accordance with the roles, authorities and limits defined at the first and second levels.

The integrated risk management process includes the following five key elements:

- *identification of the Group's risks and evaluation of their significance,* aiming to identify all significant risks affecting the Group;
- *establishing systems to manage all significant risks,* including assigning functions and authorities to responsible officials, departments and collegial bodies of the bank and the Group;
- *planning the Group's exposure to specific risks;*
- *defining the Group's risk appetite;*
- *managing the Group's aggregate risks.*

As part of implementing the Group's integrated risk management framework, the following initiatives were carried out:

- the Group's risks were assessed, which helped identify the following significant classes of risk: credit risk; country risk; market and credit risks stemming from financial market operations; interest rate and currency risk of non-trading books; property revaluation risk; operational risk; legal, regulatory and compliance risk; liquidity risk; reputational risk; strategic risk; model risk; and tax risk;
- the Group's risk committee has distributed functions and authorities to manage all significant risks across the bank's collegial bodies and subdivisions;
- as part of the Group's business planning for 2013–15, risk metrics and methodologies for calculations and stress testing were included into the bank's business plan;
- the bank's risk appetite was approved.

Data on specific risks is presented in the *Financial Risk Management* section of the audited financial statements.

The Bank's Development

In line with Sberbank's strategy, we continued our work aimed at transforming the bank into a technological leader across all major fields of the banking industry, improving clients' experiences when dealing with the bank and ensuring the stability of our business processes. Our key strategic programs in this field were centered primarily on developing our IT platforms and automated business processes, reformatting our branch network and continuing the centralization of back and middle-office functions.

DEVELOPMENT OF IT PLATFORMS

Following global trends, Russian banking business is becoming increasingly complicated and demanding from an IT standpoint, and many of our business successes in 2012 were directly linked to our continuing investments in our technological platform. Having set one of our key strategic goals as making a rapid shift to providing high-tech banking solutions to our clients, we are continuing to invest actively in our IT development.

The centralization and unification of our IT platforms across the regions is one of the most important technological initiatives. As part of this project, we are integrating core banking functions (e.g. accounting) under select platforms. This enables us to ensure much higher stability for our IT system, which is increasingly important given the growing complexity of our operations and the rapidly expanding number of transactions. As part of our technology centralization strategy, we have built Mega Data Processing Centers that have started to play a pivotal role in our business processes, as they allow us to ensure much greater reliability and higher execution speed in all of our operations. Growing business volumes, in particular in retail transactions, also imply very high demand for more powerful processing technologies, which represent another important area of investments in our IT platforms.

In this section of this report, we discuss the major results achieved on the IT front in the past year.

GENERAL BANKING IT PROJECTS

These include automation of various important intra-banking functions, including Basel 2 compliant risk reporting and enterprise-wide risk management, as well as migrating various HR functions at the head office to a centralized SAP-based ERP system.

Additionally, cash liquidity management based on the OptiCash/OptiNet platform was launched in 2012, facilitating significant cost savings in physical cash movement. This project was recognized in the 2012 Financial World Recognition Awards.

Centralized IT equipment procurement is also bringing significant savings, including a 36% reduction in costs for telephone services (inter-regional and international) and a 50% savings on PC purchases across our regional banks in Russia.

Other awards for 2012

Our Mega Data Processing Centers (Mega-DPCs), which concentrate the processing of our account transactions, have been certified Tier III for reliability by Uptime Institute; the Mega-DPCs have also received an international Green Enterprise IT Award (GEIT) in 2012 for innovative energy-saving technologies.

Sberbank was the first company to be awarded by the International Project Management Association.

We also received Enterprise Architecture Awards from Forrester Research.

RETAIL BUSINESS IT PLATFORMS

In 2012, Sberbank made substantial progress in modernizing its IT systems, with a number of innovative technological solutions introduced. We launched new versions of our mobile banking application for retail customers on major mobile banking platforms. These featured a number of important new functionalities, including simplification of transfers between clients' own accounts, payments based on previously created templates, transfers to other clients using their identification by cell phone number rather than full account data, etc. We also included a personal financial planning service into our retail Internet bank, which is aimed at better servicing clients' needs, as well as increasing the penetration of banking products across existing clients.

We integrated our billing platforms with Aeroflot in all of our remote service channels (POS and ATMs); this enabled our clients to pay for plane tickets in a number of more convenient ways.

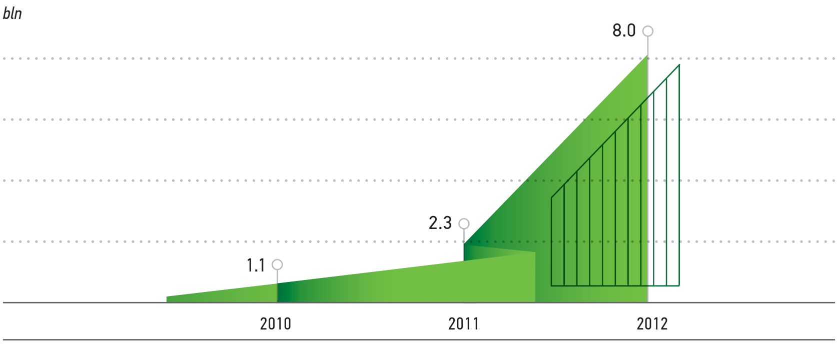
In order to increase Sberbank's share in the volume of transaction fees, we have introduced functionality allowing repayments of third-party banking loans via our remote channels.

Growth in the bankcard business was supported by further expansion of our processing technologies, including an increase in the number of serviced cards by circa 20.5% in 2012 to 82.7 mln bankcards. The average number of transactions per day grew to 28 mln and the peak load jumped to 40,000 transactions per minute. In response to such growth, we significantly expanded our card processing capacities in 2012.

As a way to strengthen the security of our remote channels, we launched a new self-educating fraud monitoring system that verifies financial transactions and authorizations in an online mode.

In order to improve the client experience, all our major branches and offices were equipped with electronic queue management systems.

NUMBER OF SMS MESSAGES SENT



Source: Sberbank management accounting

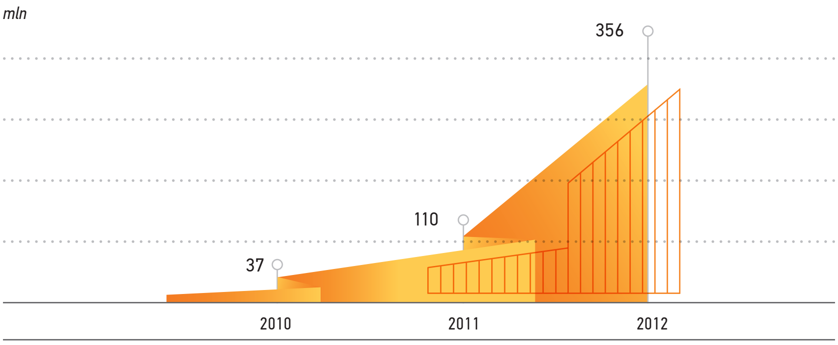
CORPORATE BUSINESS

The number of clients using the Sberbank Business Online service (the corporate e-banking platform) has increased to more than 60% of our total customer base (600,000+ clients). Our centralized Sberbank Corporation solution provides multi-branch holding companies with a flexible and multi-functional cash-management tool.

The innovative E-Invoicing product was launched in 2012 that allows us to offer clients fully electronic yet legally binding financial document workflow, including reporting to various state bodies. The service is integrated with our corporate internet banking platform.

In 2012, we implemented another transaction product that is new to the Russian market, an SMS payment system that enables merchants to collect payments for their services using SMS messages rather than customers' plastic cards. This service is particularly convenient for smaller businesses that are not yet ready to use POS terminals.

NUMBER OF INCOMING CLIENT REQUESTS



Source: Sberbank management accounting

BRANCH REFORMATTING

One of our most important projects aimed at improving the client experience and strengthening relations with our customers is a large-scale branch reformatting project aimed at modernizing and significantly improving our branch network in Russian cities. The program was launched in 2011 with 872 branches completed, and in 2012 we more than doubled the number of offices that underwent reformatting, reaching 1,941 outlets.

In 2012, our approach to office reformatting changed, as we put in place a new geo-marketing branch evaluation methodology, allowing us to assess the required parameters of new offices and to determine the optimal positioning of the offices and their formats. The decisions we make with respect to the new office network are based on our assessment of client flows.

Our experience with reformatted and relocated branches indicates that the new offices deliver significant growth in business volumes, which on average stays between 1.5 and 3 times higher than before the reformatting when the offices mature.

CENTRALIZATION OF MIDDLE AND BACK OFFICE FUNCTIONS

Our aim is to improve the efficiency of our support functions by integrating and concentrating specific functions in a number of dedicated centers, rather than keeping them distributed across our broad regional network. This allows us both to improve efficiency and to ensure the quality of the processes, as well as to achieve economies of scale. In 2012, the project for the centralization of middle-office functions was completed as 15 Client Transaction Support Centers (CTSCs) were launched across Russia and the rest of the CIS. The 13 centers located in Russia are integrated into a network and are functioning in a centralized mode.

FUTURE DEVELOPMENT

To ensure successful realization of the "Sberbank Strategy until 2014," in 2013 the Bank must provide overall performance, bearing the cost of implementing a wide range of strategic projects. This will require resolution to follow through on the main tasks and achieve the key performance indicators.

In the field of *finance,* the Bank plans to provide high financial productivity through sustainable business development, and improving cost management and effective risk management.

The Bank plans to continue its efforts on the further development in client relationships, increasing profitability per client, the quantity of products per client, diversification of the resource base and exploring new market opportunities.

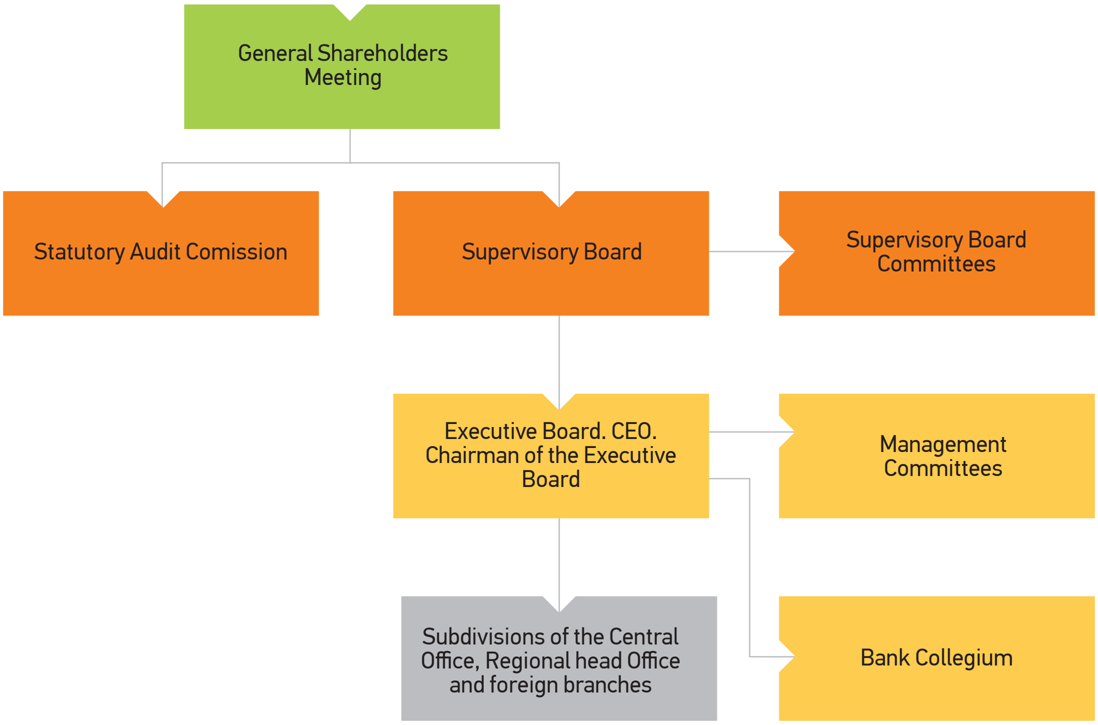
Development of processes and modern technologies is another strategic goal that should lead to the increase of reliability, growth of productivity and technological leadership.

The bank executes a number of important projects to create a basis for development of more sophisticate technologies. This includes consolidation of an IT infrastructure, creation of a multichannel model, development of big data management systems and further digitalization.

Modernization of management systems and HR-management: Continuous employee development — main milestones:

- advanced HR systems based on business requirements;
- IT development: establishing IT systems to improve operational efficiency, building an analytical platform that ensures business performance;
- creation of a monitoring system that adequately addresses the increasing complexity of business and volatility of external factors.

Corporate Governance



GENERAL SHAREHOLDERS' MEETING

The General Shareholders' Meeting is the highest management body that makes decisions regarding the Bank's key business issues. The annual General Shareholders' Meeting was convened on June 1, 2012. The Meeting approved the 2011 annual report prepared according to the requirements of the Federal Securities Commission and the annual report based on the requirements of the Central Bank of Russia. The Meeting also resolved to distribute profits and pay dividends for 2011, approved the independent auditor for 2012 and 1Q13, and elected members of the Supervisory Board and Statutory Audit Commission. In addition, the Meeting approved a new version of the Bank's Charter and decided on the payment of compensation to members of the Supervisory Board and Statutory Audit Commission.

SUPERVISORY BOARD

According to the Charter, the Supervisory Board is responsible for general management matters. The Supervisory Board is authorized to determine the Bank's business agenda, set up the collegial executive body (Executive Board), convene and prepare general shareholders' meetings, recommend the amount of dividends to be distributed and the distribution procedure, and, on a regular basis, hear the reports of the CEO and Chairman of the Executive Board on the Bank's financial results and progress toward achieving top-priority objectives, as well as other matters. The Bank's Charter contains a full list of matters under the authority of the Supervisory Board.

In 2012, the Supervisory Board held seven meetings to discuss various matters, such as: convening and preparing the annual General Shareholders' Meeting; the Bank's annual reports; recommendations on the distribution of profits and dividend amounts; selecting the Bank's auditor for 2012 and 1Q13; the activities of subsidiary banks and the creation of branches and representative offices abroad; progress on the implementation of the Strategy and Development Program through 2014, as well as aspects of the Bank's operations during the heightened macroeconomic tensions in Russia and worldwide; progress in achieving strategic targets of the investment banking business; development of the Bank's retail business and IT projects; the Bank's policy regarding interest rates and risk management; the Bank's interim operating results; the results of audits by the Internal Control Function and the approval of related-party transactions; and other issues.

The Supervisory Board was elected by the General Shareholders' Meeting. It consists of 17 members who meet the qualification and reputation requirements defined by federal legislation and the regulations of the Central Bank of Russia. The procedure for electing members of the Supervisory Board is outlined in the Charter.

MEMBERS OF THE SUPERVISORY BOARD ELECTED ON JUNE 1, 2012

1	Sergey Ignatiev	Chairman of the Central Bank of Russia
2	Georgy Luntovsky	First Deputy Chairman of the Central Bank of Russia
3	Alexei Ulyukaev	First Deputy Chairman of the Central Bank of Russia
4	Nadezhda Ivanova	Director of the Consolidated Economic Department of the Central Bank of Russia
5	Valery Tkachenko	Chief Auditor of the Central Bank of Russia
6	Sergey Shvetsov	Deputy Chairman of the Central Bank of Russia
	Sberbank management	
7	Herman Gref	CEO, Chairman of the Executive Board of Sberbank
8	Bella Zlatkis	Deputy Chairman of the Executive Board of Sberbank
	Independent and external directors	
9	Sergei Guriev	Rector of the New Economic School, a privately funded graduate school
10	Mikhail Dmitriev	President of the Center for Strategic Research
11	Mikhail Matovnikov	CEO of the Interfax Center for Economic Analysis
12	Vladimir Mau	Rector of the Russian Presidential Academy of National Economics and Public Administration
13	Rair Simonyan	Adviser for the CEO of "OJSC Rosneft"
14	Sergey Sinelnikov-Murylev	Rector of the Russian Foreign Trade Academy of the Ministry of Economic Development of the Russian Federation
15	Alessandro Profumo	Chairman of the Banca Monte Dei Paschi Di Siena, Italy
16	Dmitry Tulin	Professor at Russian Academy of Entrepreneurship
17	Ronald Freeman	Independent Adviser for Sberbank of Russia

The Supervisory Board elected on June 1, 2012 includes members from the Central Bank of Russia, the Russian government and Sberbank, as well as independent and external directors. In 2012, the bank's major shareholder — the Central Bank of Russia — for the first time elected independent directors to the Supervisory Board, which increased their number in the body to 8 (the highest number in its history). Management representation was unchanged, as the Bank's two top managers are included in the Supervisory Board.

For more information on members of the Supervisory Board, please refer to the 2012 Annual Report, prepared according to Russian securities legislation, and the Bank's website.

SUPERVISORY BOARD COMMITTEES

The Supervisory Board committees are special-purpose bodies established to conduct a preliminary review of the most important matters that fall under the responsibility of the Supervisory Board and to make relevant recommendations. The committees are formed annually from Supervisory Board members, with independent and external directors included in each committee. The committees facilitate communications with the bank's governing bodies. The committees' decisions are advisory in nature.

The Audit Committee is responsible for the preliminary assessment of candidates for the role of Sberbank's auditor, reviewing the auditor's and Statutory Audit Commission's reports, assessing the efficiency of the bank's internal controls and preliminary review of the bank's annual financial statements.

As of December 31, 2012, the committee was chaired by Vladimir Mau, and the other members were Nadezhda Ivanova, Valery Tkachenko, Rair Simonyan, Sergey Sinelnikov-Murylev and Dmitry Tulin.

The Staff and Remuneration Committee is responsible for developing policy and criteria for remuneration of Supervisory Board members and executive bodies of the Bank. It also makes suggestions on labour contracts of Supervisory Board members and members of executive bodies of the bank and evaluates activity of members of executive bodies.

As of December 31, 2012, the committee was chaired by Georgy Luntovsky, and the other members were Sergey Guriev, Vladimir Mau and Sergey Sinelnikov-Murylev.

The Strategic Planning Committee is responsible for the preliminary review of matters pertaining to the strategic management of the bank's operations in order to improve the bank's long-term efficiency.

As of December 31, 2012, the committee was chaired by Alexei Ulyukaev and the other members were Herman Gref, Mikhail Dmitriev, Alessandro Profumo, Mikhail Matovnikov, Sergey Sinelnikov-Murylev and Ronald Freeman.

ATTENDANCE OF SUPERVISORY BOARD MEETINGS AND MEETINGS OF ITS COMMITTEES

Member of the supervisory board	Supervisory Board	The Audit Committee	The Staff and Remuneration Committee	The Strategic Planning Committee
Herman Gref	7/7			1/1
Sergei Guriev	6/7		3/5	
Mikhail Dmitriev	6/7			1/1
Bella Zlatkis	6/7			
Nadezhda Ivanova	5/7	4/6		
Sergey Ignatiev	7/7			
Georgy Luntovsky	6/7		4/5	
Mikhail Matovnikov	7/7			1/1
Vladimir Mau	6/7	5/6	5/5	
Alessandro Profumo	5/7			1/1
Rair Simonyan	3/7	3/6		
Sergey Sinelnikov-Murylev	5/7	5/6	4/5	1/1
Valery Tkachenko	7/7	5/6		
Dmitry Tulin *	3/4	3/3		
Alexei Ulyukaev	6/7			1/1
Ronald Freeman *	4/4			
Sergey Shvetsov	7/7			

Number of sessions the Member of the Supervisory Board attended/number of sessions the member of the Supervisory Board should have attended.
* Elected to the Supervisory Board and its committees on June 1, 2012.

Evaluation of the effectiveness of the Bank's Supervisory Board

Acting on the recommendation of the Supervisory Board's Staff and Remuneration Committee, the Bank commissioned the international consulting company Oliver Wyman to review and report on the effectiveness of the Supervisory Board and its Committees in 2012.

This project is the first external assessment of the Supervisory Board of Sberbank. It is the intention of the Board to undertake an evaluation of its performance and that of its Committees on an annual basis, with external assessment at least every third year.

EXECUTIVE BOARD

The CEO and Chairman of the Executive Board and the collegial executive body — the Executive Board — direct the bank's current operations. The procedure for electing the CEO and Chairman of the Executive Board and the Executive Board is laid out in the charter.

In 2011, the Executive Board considered the following matters: business planning; assets and liabilities management; adoption of a risk-management integration policy; acquisition of DenizBank; a management concept for subsidiaries and associates; classification of loans and advances to customers; change in the bank's organizational structure; participation in charity events and other issues.

AS OF DECEMBER 31, 2012, THE BOARD WAS COMPOSED OF 13 MANAGERS

1	Herman Gref	CEO, Chairman of the Executive Board
2	Igor Artamonov	Deputy Chairman of the Executive Board
3	Sergey Gorkov	Deputy Chairman of the Executive Board
4	Andrey Donskih	Deputy Chairman of the Executive Board
5	Bella Zlatkis	Deputy Chairman of the Executive Board
6	Anton Karamzin	Deputy Chairman of the Executive Board
7	Stanislav Kuznetsov	Deputy Chairman of the Executive Board
8	Alexander Torbakhov	Deputy Chairman of the Executive Board
9	Denis Bugrov	Senior Vice President
10	Olga Kanovich	Senior Vice President
11	Victor Orlovsky	Senior Vice President
12	Alexander Bazarov	Vice President, Director of the Corporate Clients Department
13	Alexander Morozov	Vice President, Director of the Finance Department

According to the ruling of the bank's Supervisory Board on November 16, 2012, effective from January 1, 2013:

- Alexander Morozov was appointed to the position of Deputy Chairman of the Executive Board;
- Nikolai Tsekhomsky was appointed to the position of Vice President, Director of Finance Departmant and joined the board;
- Vadim Kulik was appointed to the position of Senior Vice President and joined the board (effective from January 15, 2013);
- Anton Karamzin resigned from the board.

In accordance with the decision of the Supervisory Board on February 22, 2013:

- Vadim Kulik was approved to become Deputy Chairman of the Executive Board;
- Maxim Poletaev was elected Member of the board as of March 1, 2013;
- as of March 1, 2013 , Victor Orlovsky resigned from the board.

For more information on the CEO and Chairman of the Executive Board and board members, please refer to the 2012 Annual Report, prepared in accordance with Russian securities legislation, and the bank's website.

MANAGEMENT COMMITTEES

A number of collegial bodies (committees) were established under the Executive Board to improve the management's efficiency and help to develop the bank's business. Their main task is to resolve issues and establish a unified, coordinated policy across different lines of the bank's operations.

The list of the bank's committees is as follows:

- Corporate Business Committee;
- Loans and Investments Committee;
- Committee for Distressed Assets;
- Retail Business Committee;
- Retail Lending Committee;
- Asset and Liability Management Committee;
- Committee on Implementation of the Development Strategy;
- Processes and Technologies Committee;
- Staff Management Committee;
- Subsidiaries and Associated Companies Management Committee;
- Committee for Addressing Conflicts of Interest;
- The Group Risks Committee;
- The Group Trading Risks Committee.

COLLEGIUM

The Collegium, a permanent collegial working body, has been operating at Sberbank since 2008. It is comprised of members of the Executive Board and heads of territorial and subsidiary banks. The body is a platform for discussion of strategic development issues and determining the best solutions with regard to the specific regional features of the bank's activity.

The Collegium met three times in 2012 in order to discuss and decide on such key matters as the bank's development up to 2019, the new organizational model for the bank's regional network, productivity management, headcount and other issues.

Statutory Audit Commission

The annual General Shareholders' Meeting elects the Statutory Audit Commission to supervise the bank's business. The Statutory Audit Commission oversees the Bank's compliance with legal and other acts governing the bank's activity, the exercise of internal control in the bank and the legitimacy of its operations. The Statutory Audit Commission assesses the accuracy of information included in the bank's annual reports and presented in its financial statements.

MEMBERS OFTHE STATUTORY AUDIT COMMISSION ELECTED ON JUNE 1, 2012

Olga Polyakova	Director of the Internal Audit Department, Central Bank of Russia
Natalia Borodina	Head of Section, Internal Audit Department, Central Bank of Russia
Vladimir Volkov	Deputy Director of the Accounting and Reporting Department, Head of the Division for Methodology, Implementation of Accounting Standards, Development and Updating of the Methodological Framework for Financial Reporting under International Standards, Central Bank of Russia
Maxim Dolzhnikov	Deputy Director of the Internal Control, Revisions and Audit Department, Sberbank
Yulia Isakhanova	Head of the Financial Control Division of the Finance Department, Sberbank
Irina Kremleva	Deputy Director of the Risk Department, Sberbank; Vice President of Sberbank since January 22, 2013.
Alexei Minenko	Deputy Chief Accountant, Deputy Director of the Accounting Department, Sberbank

REMUNERATION OF MEMBERS OF THE BANK'S GOVERNING BODIES

The Staff and Remuneration Committee of Sberbank's Supervisory Board is authorized to establish the principles and criteria for determining the remuneration of members of the Supervisory Board and the CEO and Chairman of the Executive Board, as well as members of Sberbank's Executive Board. The decision to pay remuneration to members of the Supervisory Board is made at the annual General Shareholders' Meeting.

Executive Board remuneration

Salaries and bonuses are paid to members of the Executive Board in accordance with contracts signed with the Chairman and CEO of the Bank and each board member. The bank does not pay any commission or use any stock options for the remuneration of board members.

There were no stock options or interest-free or preferential loans issued to bank employees in 2012 or 2011 and no other indirect incentive schemes offered (such as insurance or credit-deposit programs).

To control expenses with respect to board members' remuneration, the following limits were set by the bank's Supervisory Board:

- limits on regular salary;
- limits on the bonus paid during the year subject to Sberbank's net profit and the performance and KPIs of a given board member;

- limits on the annual bonus paid as a percentage of the bank's net profit.

These limits are stipulated in each board member's employment contract. Information on the value of payments to Executive Board members is published on the Sberbank website as part of the bank's quarterly reports.

Payments made to Executive Board members for 2012 amounted to 2.4 bln RUB, (versus 2.2 bln RUB in 2011).

Remuneration of members of the Supervisory Board and the Statutory Audit Commission

Based on the decision made at the General Shareholders' Meeting on June 1, 2012, remuneration of members of the Supervisory Board and the Statutory Audit Commission is as follows:

- remuneration of Supervisory Board members in 2011 — 55.8 mln RUB;

  In November 2012, the Supervisory Board adopted a new approach to remunerating Supervisory Board members, which will be brought for approval at the AGM in 2013. According to this policy, the remuneration consists of a fixed part and additional variable part for participation in board committees, as well as for chairing the committees and the Supervisory Board.

- remuneration of Statutory Audit Commission in 2011 — 3.3 mln RUB.

Compliance with Corporate Governance Code

Sberbank is committed to high standards of corporate governance. Sberbank has complied during 2012 with the applicable Code of Corporate Conduct recommended by the FCSM for the companies founded in the Russian Federation, and Sberbank's Corporate Governance Code developed on this basis and approved at the shareholders meeting.

The respect of the rights and legitimate interests of shareholders and clients, transparency, sustainable efficiency and financial stability, and profitability are of the first priority for the Bank. The Code is available at the Bank's website: www.sberbank.ru.

SHARE CAPITAL

As of December 31, 2012, the bank's share capital totaled 67.76 bln RUB and consisted of 21,586,948,000 ordinary shares and 1,000,000,000 preferred shares with a par value of 3 RUB. Sberbank's principal shareholder is the Central Bank, which owns the majority of the bank's voting shares.

SHARE CAPITAL STRUCTURE (COMMON STOCK)

%	2012*	2011
Bank of Russia	50.00	57.58
Foreign legal entities	44.05	33.43
Russian legal entities	2.30	4.16
Foreign private investors	0.01	0.01
Russian private investors	3.64	4.82

Sberbank is a public company. Its shares are in free float on the Russian stock market and its ADRs are traded in London and Frankfurt and US market on the OTC basis. In 2012, Sberbank shares continued to be the most liquid instruments on the Russian stock market; the average daily trading volume of Sberbank ordinary shares accounted for 30.5% of total trading volumes on MICEX*.

The most important event in 2012 was Sberbank's SPO, which is considered one of the year's largest public offerings globally. To comply with decisions of the National Banking Board, agreed with the government of the Russian Federation, the Central Bank sold 7.58% of Sberbank's ordinary shares via offering shares on MICEX and ADRs on international markets.

Preparation for the SPO took 15 months, but it was executed in the narrow term of two days. The Central Bank's holding was sold for 160 bln RUB, with demand substantially exceeding supply. The deal demonstrated investors' high level of confidence in the Russian economy and Sberbank. As a result, the Central Bank's share in Sberbank's equity fell to 50% plus 1 voting share, or a 52.32% voting stake.

The price of Sberbank's ordinary shares increased 17% in 2012 to reach 92.9 RUB per share, while the MICEX Index grew slightly more than 5% over the same period. The stock price remained volatile throughout the year, affected by continued turbulence in the global economy. Despite this volatility, Sberbank was ranked as the 20th largest major global bank by market capitalization in the FT Global 500.

Sberbank's share price and market capitalization	Jan 1, 2013	Jan 1, 2012
Ordinary shares (MICEX), RUB per share	92.9	79.4
Preferred shares (MICEX), RUB per share	67.3	59.2
MICEX Index	1,475	1,402
RTS Index	1,527	1,382

Sberbank strives to implement proactive approach in dealing with investors and building long lasting relations. In 2012 Sberbank's management met with more than 1000 investment funds' representatives, took part in 11 investment conferences, and held a few events of special formats for the investors.

* As of April 11, 2013.
** Sberbank calculations.

REPORT ON PAYMENT OF DECLARED AND ACCRUED DIVIDENDS

The right to dividends and dividend payment procedure are stipulated by Sberbank's charter and dividend policy. Both documents can be found on Sberbank's corporate website.

Holders of ordinary and preferred shares are entitled to dividends. The minimum dividend on preferred shares is 15% of the nominal value of a preferred share. Pursuant to the bank's charter, dividends are payable once a year in cash by transfer to the shareholder's bank account. The decision to pay dividends and their amount is made at the annual General Shareholders' Meeting, based on the Supervisory Board's recommendations. These recommendations are made taking into consideration the interests of the shareholders and further development of the bank's business.

In the reporting year, the bank increased the amount to be distributed as dividends on Sberbank shares to 15.3% of 2011 net profit based on Russian accounting standards (RAS).

Year for which dividends are paid	Percentage of IFRS net profit distributed as dividends	Percentage of RAS net profit distributed as dividends	Dividend declared/ accrued per ordinary share, *RUB*	Dividend declared/ accrued per preferred share, *RUB*	Total dividends declared/accrued on all ordinary and preferred shares, *RUB mln*	Total dividends paid on all ordinary and preferred shares, *RUB mln*	Date of General Shareholders' Meeting that decided to pay/declare dividends
2009		10.0%	0.08	0.45	2,177	2,165	Jun 4, 2010
2010		12.1%	0.92	1.15	21,010	20,922	Jun 3, 2011
2011	15.0%	15.3%	2.08	2.59	47,491	47,277	Jun 1, 2012

The Supervisory Board adopted a new dividend policy in August 2011. As part of its plans to improve capital structure and build long-term shareholder engagement, the bank will gradually, over a three-year period, increase dividends to 20% of net profit attributable to the bank's shareholders based on the bank's annual consolidated financial statements under International Financial Reporting Standards (IFRS). However, dividends will still be paid out of net profit based on Russian legislation, i.e. RAS. The bank started to distribute dividends according to this policy in 2011.

The table below shows the amount of dividends on Sberbank shares for 2012 that the Supervisory Board recommended for approval at the General Shareholders' Meeting.

Percentage of IFRS net profit, *%*	Percentage of RAS net profit distributed as dividends, *%*	Dividend declared/accrued per ordinary share, *RUB*	Dividend declared/accrued per preferred share, *RUB*	Total dividends declared/ accrued on all ordinary and preferred shares, *mln RUB*
16.9	17.0	2.57	3.20	58,678

The decision on dividends for 2012 will be taken at the annual General Shareholders' Meeting on. This information will be available on Sberbank's website.

FINANCIAL REVIEW

Dynamics of Sberbank Group's key figures over the past five years in accordance with IFRS

	2012	2011	chng.	2010	2009	2008
For the year, RUB bln						
Operating income before provisions	920.8	736.3	25.1%	648.0	635.1	435.6
Provision charge for loan impairment	(21.5)	1.2	—	(153.8)	(388.9)	(97.9)
Operating income	899.3	737.5	21.9%	494.2	246.2	337.7
Operating expenses	(451.4)	(341.8)	32.1%	(264.1)	(216.3)	(207.8)
Profit before tax	447.9	395.7	13.2%	230.1	29.9	129.9
Net profit	**347.9**	**315.9**	**10.1%**	**181.6**	**24.4**	**97.7**
As of 31 December, RUB bln						
Loans and advances to customers, net	10,499	7,720	36.0%	5,489	4,864	5,078
Loans and advances to customers before provision for loan impairment	11,064	8,382	32.0%	6,192	5,444	5,280
Total assets	15,097	10,835	39.3%	8,629	7,105	6,736
Due to individuals and corporate customers	10,179	7,932	28.3%	6,651	5,439	4,795
Total liabilities	**13,474**	**9,567**	**40.8%**	**7,641**	**6,326**	**5,986**
Total equity	**1,624**	**1,268**	**28.1%**	**987**	**779**	**750**
Per share, *RUB per share*						
Basic and diluted earnings	16.0	14.6	9.6%	8.4	1.1	4.5
Dividends per ordinary share declared during the year	2.1	0.9	133.3%	0.1	0.5	0.5
Net assets per ordinary share	75.2	58.7	28.1%	45.7	36.1	34.8
Financial ratios, %						
Profitability ratios						
Return on assets (ROA)	2.7	3.2	-0.5 pp	2.3	0.4	1.7
Return on equity (ROE)	24.2	28.0	-3.8 pp	20.6	3.2	14.1
Spread (return on assets less cost of funds)	5.8	6.1	-0.3 pp	5.9	7.1	6.5
Net interest margin (net interest income to average assets)	**6.1**	**6.4**	**-0.3 pp**	**6.4**	**7.6**	**6.9**
Operating expenses to operating income before provisions	49.0	46.4	2.6 pp	40.9	34.1	47.7
Loans and advances to customers after provision for loan impairment to amounts due to individuals and corporate customers	103.1	97.3	5.8 pp	82.5	89.4	105.9
Capital adequacy ratios						
Core capital ratio (Tier I)	10.4	11.6	-1.2 pp	11.9	11.5	12.1
Total capital ratio (Tier I and Tier II)	13.7	15.2	-1.5 pp	16.8	18.1	18.9
Equity to total assets	10.8	11.7	-0.9 pp	11.4	11.0	11.1
Asset quality ratios, %						
Non-performing loans to total loans outstanding	3.2	4.9	-1.7 pp	7.3	8.4	1.8
Provision for loan impairment to non-performing loans (times)	1.6	1.6	0.0 pp	1.6	1.3	2.1
Provision for loan impairment to total gross loans to customers	5.1	7.9	-2.8 pp	11.3	10.7	3.8

Group IFRS Income statement

GENERAL TRENDS

In 2012, Sberbank Group's net profit by IFRS increased 10.1% to 347.9 bln RUB. The contribution of assets acquired in 2012 (VBI Group, DenizBank, Cetelem) to the bottom line on the group level was a negative 4.0 bln RUB mainly driven by the acquisition of VBI Group.

The Group's operating income before provisions increased in 2012 by 25.1% to 920.8 bln RUB driven mostly by net interest income and net fee income from the core banking business.

Operating expenses for 2012 increased by 32.1% to 451.4 bln RUB attributable to growth of personnel expense and continuing investments in the modernization of the bank's branch, network and IT systems.

The Group created in 2012 21.5 bln RUB of provisions for loan impairment; nearly half of these provisions are attributable to newly acquired VBI Group.

INTEREST INCOME

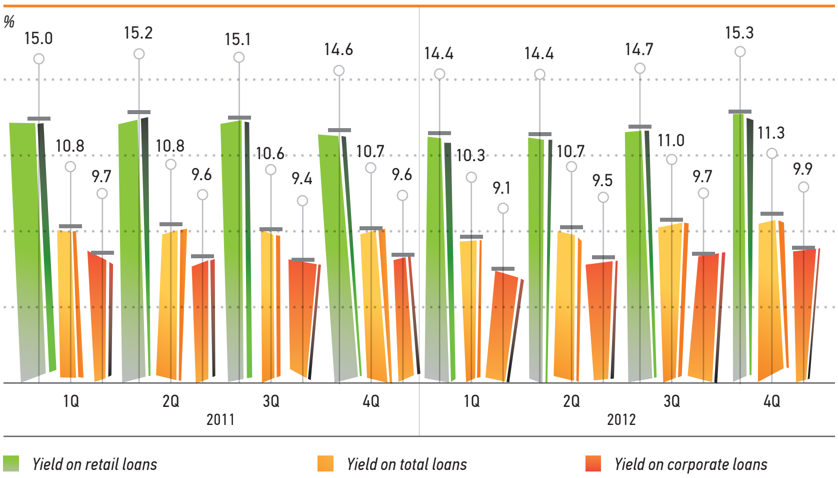
In 2012, the Group's interest income increased 36.1% to nearly 1.2 trln RUB. Most of this growth came from the expansion of the Group's loan portfolio, which supplied 96.4% of the growth in interest income for the year.

RUB bln	2012			2011		
	Average amount for the period	Interest income	Average yield, %	Average amount for the period	Interest income	Average yield, %
Loans to corporate customers	7,284.8	693.8	9.5	5,416.0	518.2	9.6
Loans to individuals	2,348.9	343.8	14.6	1,495.2	223.6	15.0
Due from other banks	426.9	6.7	1.6	371.6	7.0	1.9
Debt securities	1,588.9	113.0	7.1	1,523.9	101.8	6.7
Total	**11,649.5**	**1,157.3**	**9.9**	**8,806.7**	**850.6**	**9.7**
Provision for loan impairment	(600.4)			(669.8)		
Other assets	1,650.3			1,126.2		
Total assets	**12,699.4**			**9,263.1**		

Growth of interest income was driven by the expansion of volumes of earning assets and by the increase of high yield products in interest earning assets.

As the table above demonstrates, average yield on loans declined in 2012. The average yield on total earning assets increased from 9.7% to 9.9%, however, because of faster growth of loans, especially retail loans that have the highest yields of all asset classes.

LOAN YIELDS



INTEREST EXPENSE

The most important factor that influenced the Group's interest expense in 2012 was the shortage of liquidity in the Russian banking system, the main market for the Group, where customer lending was growing faster than deposits. Though the Central Bank of Russia had significantly extended volumes of liquidity it provides to Russian banks by means of its market instruments, high demand brought a general increase in interest rates on customer deposits and borrowing in the money market. This led to a noticeable increase in cost of funds for The Group.

Funds from retail customers remain the core item in the liability structure. Due to an increased share of current accounts, the cost of total retail funds increased by just 0.1 pp to 4.2% in 2012.

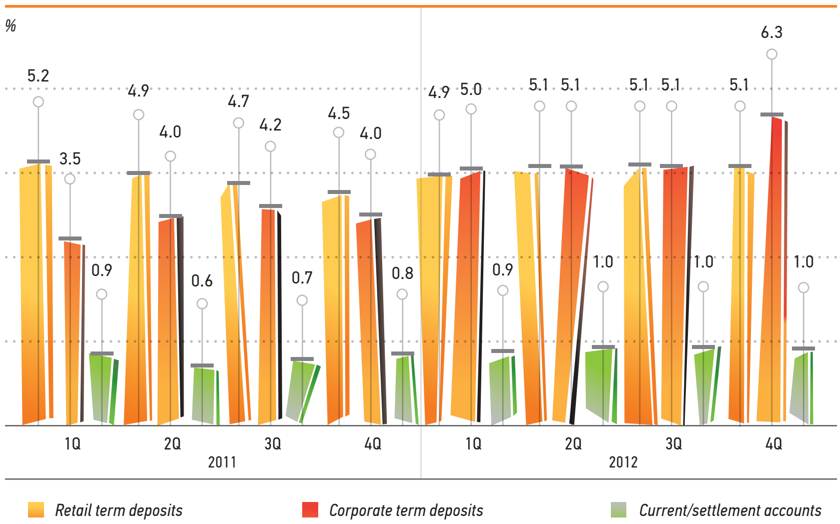
RUB bln	2012			2011		
	Average amount for the period	Interest expense	Average cost	Average amount for the period	Interest expense	Average cost
Due to individuals	6,224.5	262.5	4.2%	5,129.1	211.0	4.1%
Due to corporate customers	2,676.0	90.5	3.4%	1,906.6	36.5	1.9%
Subordinated debt	327.9	20.9	6.4%	310.7	19.5	6.3%
Other borrowed funds	313.2	6.9	2.2%	195.4	4.2	2.1%
Debt securities in issue	483.6	25.1	5.2%	267.8	12.8	4.8%
Due to banks	928.1	46.6	5.0%	158.6	5.6	3.5%
Total	**10,953.3**	**452.5**	**4.1%**	**7,968.2**	**289.6**	**3.6%**
Other liabilities	305.5			165.4		
	11,258.8			**8,133.6**		

RUB bln	2012			2011		
	Average amount for the period	**Interest expenses**	**Average cost of funds, %**	**Average amount for the period**	**Interest expenses**	**Average cost of funds, %**
Due to corporate customers						
Term deposits	1,348.5	73.7	5.5%	658.4	26.0	3.9%
Current accounts	1,327.5	16.8	1.3%	1,248.2	10.5	0.8%
Sub-total	2,676.0	90.5	3.4%	1,906.6	36.5	1.9%
Due to individuals						
Term deposits	5,072.4	253.7	5.0%	4,288.8	205.8	4.8%
Current accounts	1,152.1	8.8	0.8%	840.3	5.2	0.6%
Sub-total	6,224.5	262.5	4.2%	5,129.1	211.0	4.1%
TOTAL	**8,900.5**	**353.0**	**4.0%**	**7,035.7**	**247.5**	**3.5%**

The cost of corporate deposits increased by 1.5 pp, mostly driven by higher costs of corporate term deposits. Furthermore, average annual amount of these deposits doubled in 2012.

Interest expenses on sums due to banks reached 46.6 bln RUB in 2012 compared with 5.6 bln RUB in 2011. This increase is explained by large borrowings from the Central Bank of Russia, the largest liquidity provider for the market. The average cost of funds from other banks was 5.0% in 2012 (versus 3.5% in 2011).

COST OF LIABILITIES



NET INTEREST INCOME

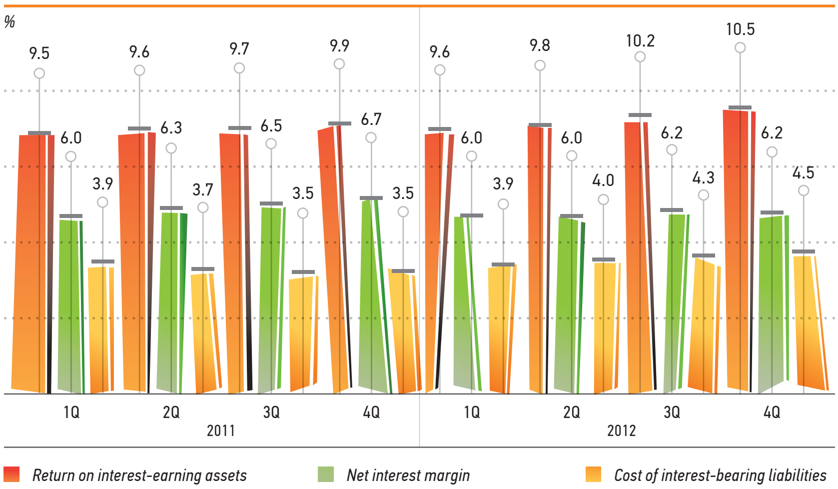
Net interest income earned in 2012 totaled 704.8 bln RUB, increasing 25.6% for the year (or 20.4% excluding 2012 acquisitions).

The net interest margin declined by 0.3 pp y-o-y to 6.1%. The margin was negatively affected by 1) the rising share of relatively expensive corporate term deposits, which increased the absolute figure for interest expenses as well as the ratio of interest-bearing liabilities to interest-earning assets; 2) increased debt from other banks that is dominated by relatively expensive repo loans from CBR; and 3) decreased yields on loans. On the other hand, increased share of loans in interest-earning assets structure supported NIM.

THE FOLLOWING FACTORS AFFECTED NIM IN 2012

2011 NIM	6.4%
Return on corporate loans	-
Return on retail loans	-0.1%
Return on amounts due from other banks	-
Return on securities	0.1%
Structure of interest-earning assets	0.3%
Costs of amounts due to corporate customers	-0.3%
Costs of amounts due to individuals	-0.1%
Costs of amounts due to other banks	-0.1%
Costs of issued securities and subordinated debt	-
Structure of interest-bearing liabilities	-
Ratio of interest-earning assets to interest-bearing liabilities	-0.1%
2012 NIM	6.1%

QUARTERLY INTEREST MAGRIN



FEE AND COMMISSION INCOME/EXPENSE

RUB bln	2012	2011	Change, *RUB bln*	Change, %
Plastic card operations	51.9	35.1	16.8	47.9%
Cash and settlement transactions with individuals	48.7	41.5	7.2	17.3%
Cash and settlement transactions with legal entities	47.5	42.5	5.0	11.8%
Agent commissions on selling insurance contracts	17.0	14.0	3.0	21.4%
Guarantees issued	7.3	4.4	2.9	65.9%
Operations with foreign currencies	5.2	6.5	(1.3)	-20.0%
Cash collection	5.1	4.7	0.4	8.5%
Operations with securities	2.6	1.1	1.5	136.4%
Other	3.9	2.1	1.8	85.7%
Fee and commission expense	(18.9)	(11.2)	(7.7)	68.8%
Net fee and commission income	170.3	140.7	29.6	21.0%

The Group's net fee and commission income increased 21% to 170.3 bln RUB in 2012.

The largest item and main driver of fee income growth were fees from operations with bank-cards, which increased 47.9% for the year. Cash operations and settlement transactions with individuals and legal entities increased 14.5% to 96.2 bln RUB in 2012. Agent commissions on selling insurance contracts and fees from issuing guarantees also delivered strong growth.

FINANCIAL RESULTS FROM OPERATIONS WITH SECURITIES

The Group's net gains from operations with securities for 2012 shown in the income statement totaled 5 bln RUB, slightly less than in 2011.

In 2012, the Group received a substantial gain on securities available for sale shown in other comprehensive income. Most of this gain was recorded in 2H12 as the financial markets picked up.

RUB bln	2012	2011	Change, *RUB bln*
Net gains/(losses) arising from trading securities	3.2	(1.4)	4.6
Net gains/(losses) arising from securities designated at fair value through profit or loss	(0.7)	(2.8)	2.1
Net gains arising from investment securities available for sale	7.5	12.1	(4.6)
Impairment of investment securities available for sale	(5.0)	(1.1)	(3.9)
Total gain in securities — income statement	5.0	6.8	(1.8)
Gain on securities available for sale — other comprehensive income	55.7	(39.8)	95.5
Total net gain on securities — total comprehensive income	60.7	(33.0)	93.7

GAINS FROM FOREIGN EXCHANGE OPERATIONS

RUB bln	2012	2011	Change, *RUB bln*	Change, %
Net gains arising from trading in foreign currencies	10.6	5.5	5.1	92.7%
Net gains on revaluation of foreign currency derivatives	8.4	2.6	5.8	223.1%
Net foreign exchange translation (losses)/gains	0.6	1.4	(0.8)	-57.1%
TOTAL	**19.6**	**9.5**	**10.1**	**106.3%**

Net gains from foreign exchange operations in 2012 totaled 19.6 bn RUB. A substantial part of this should be attributed to Troika Dialog's integration into Sberbank Group. Significant synergies revealed themselves during 2012, revenues from forex and derivatives operations demonstrating strong growth, especially in 2H12. The overwhelming part of this growth came from trading with customers; the role of proprietary risk-taking trading was immaterial.

OPERATING EXPENSES

RUB bln	2012	2011	Change, *RUB bln*	Change, %
Staff costs	245.8	201.3	44.5	22.1
Depreciation of premises and equipment	51.8	42.4	9.4	22.2
Administrative expenses	30.7	22.5	8.2	36.4
Repairs and maintenance of premises and equipment	29.8	24.8	5.0	20.2
Taxes other than on income	19.3	11.7	7.6	65.0
Telecommunication expenses	19.1	10.8	8.3	76.9
Operating lease expenses for premises and equipment	16.8	10.4	6.4	61.5
Advertising and marketing services	9.6	5.1	4.5	88.2
Consulting and assurance services	7.3	3.5	3.8	108.6
Other	21.2	9.3	11.9	128.0
Total operating expenses	**451.4**	**341.8**	**109.6**	**32.1**

The Group's operating expenses increased 32.1% to 451.4 bln RUB in 2012. Excluding the impact of the acquisitions of VBI Group, DenizBank and Cetelem, operating expenses increased 26.1%.

By far the largest increase of the Group's operating expenses came in staff costs. These increased 22.1% (or 44.5 bln RUB) to 245.8 bln RUB for the whole Group. Excluding the effect of the abovementioned acquisitions, staff costs increased 17.9%. Personnel expenses in Sberbank standalone increased in 2012 mostly as a result of the continuing policy of gradually bringing the pay level of all categories of personnel across Russia in line with the market.

The Group's other operating expenses increased 46.3% (or 65.1 bln RUB) to 205.6 bln RUB in 2012 (37.9% excluding the effect of the abovementioned acquisitions). Their growth is attributable mostly to higher depreciation of premises and equipment, administrative expenses, telecommunication expenses, and operating lease expenses for premises and equipment. In Sberbank standalone, growth of these expenses was driven mostly by continuing investments in modernization of Sberbank's branch network and IT systems.

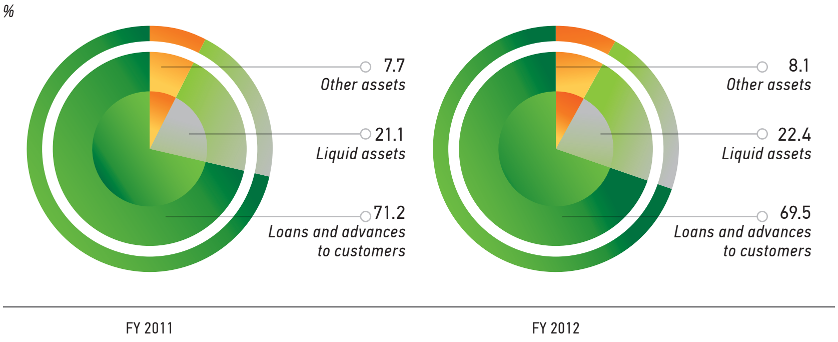
Structure of Sberbank Group's Assets under IFRS

GENERAL TRENDS

In 2012, the Group's assets increased 39.3% to 15.1 trln RUB as of December 31, 2012. Excluding the influence of the acquisitions of VBI Group, DenizBank and Cetelem, the increase was 26.4%.

Loans and advances to customers remained the largest asset class, comprising 69.5% of total assets as of end 2012. The proportion of liquid assets — comprising cash and cash equivalents, placements with banks and the securities portfolio — increased 1.3 pp to 22.4% of total assets by year end.

ASSET STRUCTURE



The securities portfolio increased by 343.9 bln RUB to 2.0 trln RUB at end 2012 and is comprised of bonds by circa 96%. The portfolio is primarily used for liquidity management.

LOANS AND ADVANCES TO CUSTOMERS

The Group's total gross loan portfolio increased 32.0% y-o-y to 11.1 trln RUB, including newly consolidated banks. Without the acquisitions, the portfolio expanded 20.5% in 2012.

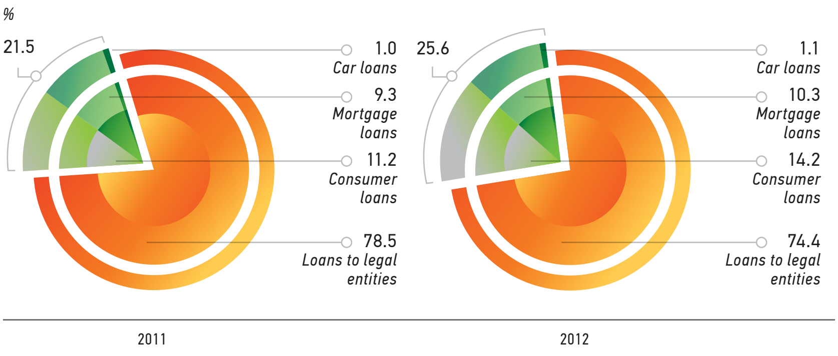
BREAKDOWN OF GROSS LOANS AND ADVANCES TO CUSTOMERS

	2012		2011	
	RUB bln	*% total*	*RUB bln*	*% total*
Commercial loans to legal entities	5,281.5	47.8	4,012.9	47.9
Specialized loans to legal entities	2,946.3	26.6	2,563.7	30.6
Consumer and other loans to individuals	1,569.7	14.2	944.0	11.2
Mortgage loans to individuals	1,143.4	10.3	777.4	9.3
Car loans to individuals	123.4	1.1	84.2	1.0
Total loans and advances to customers before provision for loan impairment	**11,064.3**	**100**	**8,382.2**	**100**

In 2012, retail loans increased 57.1%. This large growth is partially explained by the acquisitions of VBI Group, DenizBank and Cetelem. Excluding the influence of these acquisitions, retail loans still demonstrated a remarkable growth rate of 42.2% for the year.

Corporate loans increased 25.1% in 2012. Excluding the acquisitions, they grew 14.8%. As a result, loans to individuals increased to 25.6% of total gross loans in 2012 versus 21.5% in 2011.

STRUCTURE OF THE GROUP'S GROSS LOAN PORTFOLIO

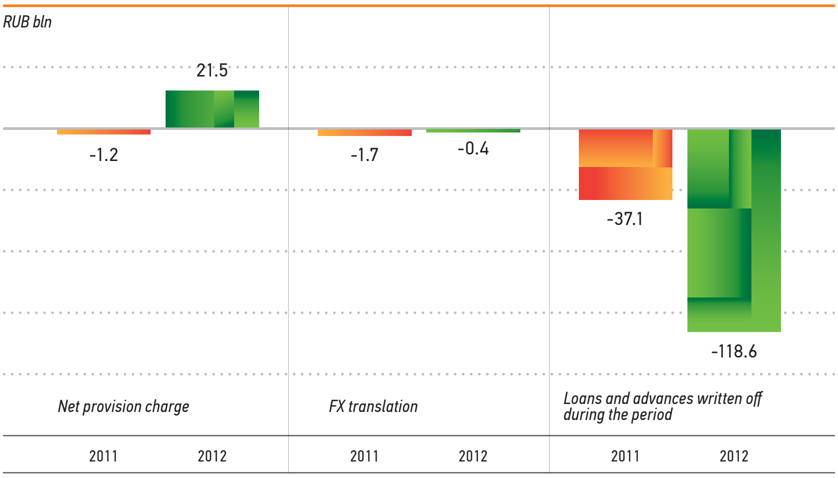


Despite the rapid expansion of the retail portfolio, its quality remained high, with the share of non-performing loans in total gross loans to individuals declining to 2.7% by end 2012 versus 3.0% the year before. This result is attributable to the acquisition effect and to the improvements in risk-management systems and a conservative lending policy.

In 2012, we successfully increased underwriting of loans to all categories of clients, especially in the SME segment (a 32.8% y-o-y increase of the portfolio, or 12.5% excluding acquisitions). These efforts resulted in a decline of exposure to the Top 20 clients to 19.3% of total corporate loans at end 2012 from 23.3% in 2011.

Corporate loan quality remained solid with the proportion of non-performing to total corporate loans declining to 3.3% by end 2012, compared with 5.4% the year prior. This reduction is the result of an intensive workout of problem loans, as well as large write-offs that mostly occurred in the first part of the year and totaled 118.6 bln RUB for 2012 versus 37.1 bln RUB in 2011.

CHANGE IN PROVISIONS FOR LOAN IMPAIRMENT



SECURITIES PORTFOLIO

The Group's securities portfolio increased 21.2% in 2012 to 2.0 trln RUB, with half of the growth attributable to the acquisitions of VBI Group, DenizBank and Cetelem.

The securities are used primarily for liquidity management. The proportion of equities in the portfolio decreased from 10.3% in 2011 to 3.9% by end 2012.

As of end 2012, the portfolio included foreign government bonds from the following countries: Turkey (61.1% of the total); East European EU members (16.5%); and Austria, France and Belgium and Germany (8,8%). Investment-grade securities make up 83.5% of the portfolio. These bonds came mostly as a result of the acquisition of VBI Group and DenizBank.

Corporate bonds reached 32.6% of the total portfolio as of end 2012. This represents an increase of nearly 0.9 pp in the total portfolio, and the share of investment-grade paper in this category increased to 52.5% as of end 2012 (versus 43.7% in 2011).

During 2012, the share of securities pledged under repo transactions increased to 48.2% of the total portfolio, from 18.5% in 2011. Most of these transactions are with the Central Bank of Russia and peaked in 4Q12 due to tight liquidity in the banking system.

SECURITIES PORTFOLIO BREAKDOWN

	2012		2011	
	RUB bln	*% of total portfolio*	*RUB bln*	*% of total portfolio*
Federal loan bonds (OFZ bonds)	783.9	39.8	712.5	43.8
Corporate bonds	641.6	32.5	514.7	31.7
Foreign government bonds	205.0	10.4	26.5	1.6
Russian Federation Eurobonds	141.7	7.2	66.3	4.1
Municipal and sub-federal bonds	118.4	6.0	134.5	8.3
Corporate shares	76.5	3.9	166.7	10.3
Investments in mutual funds	3.1	0.2	2.6	0.2
Promissory notes	–	–	2.0	0.0
Total	**1,969.7**	**100.0**	**1,625.8**	**100.0**

BOND PORTFOLIO BY CREDIT RATING

	2012		2011	
	RUB bln	*% of total portfolio*	*RUB bln*	*% of total portfolio*
Investment grade	1,514.2	80.1	1,105.5	75.9
Speculative grade	331.0	17.5	267.8	18.4
Not rated	44.9	2.4	83.2	5.7
Total	**1,890.1**	**100,0**	**1 456,5**	**100,0**

Structure of Sberbank Group’s Liabilities and Equity under IFRS

GENERAL TRENDS

The Group's liability structure is dominated by retail and corporate customer funds totaling 10.2 trln RUB, or 75.5% of total liabilities as of end 2012.

The Group increased borrowings from banks by a considerable 920 bln RUB (up 172.8% y-o-y); 66.7% of this incremental addition is attributable to repo operations mainly with the Central Bank of Russia.

bln RUB	**December 31, 2012**	**December 31, 2011**	**Change, *RUB bln***	**Change, %**
Due to banks	1,452.4	532.4	920.0	172.8%
Due to individuals	6,983.2	5,726.3	1,256.9	21.9%
Due to corporate customers	3,196.1	2,205.8	990.3	44.9%
Debt securities in issue	691.7	268.7	423.0	157.4%
Other borrowed funds	469.2	244.0	225.2	92.3%
Deferred income tax liability	33.2	21.2	12.0	56.6%
Other financial liabilities	199.7	222.8	(23.1)	-10.4%
Other non-financial liabilities	63.4	42.4	21.0	49.5%
Subordinated debt	384.7	303.5	81.2	26.8%
Total	**13,473.6**	**9,567.1**	**3,906.5**	**40.8%**

CUSTOMER DEPOSITS

The Group's corporate deposits increased 44.9% in 2012. Excluding the acquisitions, the growth was 27.1%. As was mentioned above, the volume of corporate term deposits nearly doubled for the year reaching 2.0 trln RUB (excluding the acquisitions); their share in total corporate deposits grew to 61.5%, versus 37.8% in 2011. This relatively expensive source of funding was the main factor contributing to the upward shift in the cost of liabilities.

The Group's retail deposits increased 21.9% in 2012; excluding the acquisitions of 2012, the growth was 14.0%. Current accounts increased 30,1%, and 12,1% excluding the effect of acquisitions. The proportion of current accounts in retail deposits increased to 20.1% as of end 2012.

BREAKDOWN OF AMOUNTS DUE TO CUSTOMERS

	December 31, 2012		December 31, 2011	
	RUB bln	*% of total*	*RUB bln*	*% of total*
Due to individuals				
Current/demand accounts	1,401.1	13.8	1,077.0	13.6
Term deposits	5,582.1	54.8	4,649.3	58.6
Total due to individuals	**6,983.2**	**68.6**	**5,726.3**	**72.2**
Due to corporate customers				
Current/settlement accounts	1,229.1	12.1	1,372.3	17.3
Term deposits	1,967.0	19.3	833.5	10.5
Total due to corporate customers	**3,196.1**	**31.4**	**2,205.8**	**27.8**
TOTAL	**10,179.3**	**100**	**7,932.1**	**100**

DEBT SECURITIES ISSUED

The 423.0 bln RUB expansion of issued debt securities in 2012 was driven by a 217.4 bln RUB increase in savings certificates. The Group also issued 138.1 bln RUB of participation notes under MTN and ECP programs, and 34.4 bln RUB of bonds denominated in Turkish lira, Belarusian rubles, US dollars, euros and Ukrainian hryvnias.

DEBT SECURITIES IN ISSUE

RUB bln	2012	2011	Change, *RUB bln*	Change, %
Loan participation notes issued under the MTN program	291.6	169.6	122.0	71.9
Savings certificates	227.2	9.8	217.4	2218.4
Promissory notes	110.1	77.2	32.9	42.6
Bonds issued	44.3	9.9	34.4	347.5
Notes issued under the ECP program	16.1	-	16.1	-
Structured notes	2.3	1.5	0.8	53.3
Other debt securities issued	0.1	0.7	(0.6)	-85.7
Total debt securities in issue	**691.7**	**268.7**	**423.0**	**157.4**

EQUITY

The Group's equity increased 28.1% during the year to 1.6 trln RUB as of December 31, 2012. The increase is attributed to the consolidation effect and capitalization of profit earned in 2011.

RUB bln	December 31, 2012	December 31, 2011	Change, *RUB bln*	Change, %
Share capital	87.7	87.7	0.0	0.0
Treasury shares	(7.6)	(7.0)	(0.6)	8.6
Share premium	232.6	232.6	0	0.0
Revaluation reserve for office premises	79.0	81.5	(2.5)	-3.1
Fair value reserve for investment securities available for sale	37.3	(7.5)	44.8	-
Foreign currency translation reserve	(4.7)	(5.7)	1.0	-17.5
Retained earnings	1,186.7	882.9	303.8	34.4
Total equity attributable to shareholders of the Bank	**1,611.0**	**1,264.5**	**346.5**	**27.4**
Non-controlling interest	12.8	3.5	9.3	265.7
TOTAL EQUITY	**1,623.8**	**1,268.0**	**355.8**	**28.1**

Capital adequacy

In 2012, the consolidated Tier 1 capital adequacy ratio decreased to 10.4% and the total capital adequacy ratio decreased to 13.7%. This decrease is explained mostly by a 39% rise in risk-weighted assets, which was based on natural assets growth supported by acquisitions. The Group's capital adequacy ratio is well above the Basel committee minimum requirements (8%). The total capital adequacy ratio of OJSC "Sberbank of Russia" on a standalone basis according to RAS (1H) as of end 2012 was 12.6%.

mln RUB	2012	2011
Tier 1 capital		
Share capital	87.7	87.7
Share premium	232.6	232.6
Retained earnings	1,186.7	882.9
Treasury shares	(7.6)	(7.0)
Less goodwill	(25.0)	(15.1)
Total Tier 1 capital	**1,474.4**	**1,181.1**
Tier 2 capital		
Revaluation reserve for premises	79.0	81.5
Fair value reserve for investment securities available for sale	16.8	(3.4)
Foreign currency translation reserve	(4.7)	(5.7)
Subordinated capital	382.7	303.5
Less investments in associates	(8.6)	(4.7)
Total Tier 2 capital	**465.2**	**371.2**
TOTAL CAPITAL	**1,939.6**	**1,552.3**
Risk-weighted assets		
Credit risk	13,693.1	9,867.8
Market risk	452.5	349.0
Total risk-weighted assets	**14,145.6**	**10,216.8**
Tier 1 capital adequacy ratio	**10.4**	**11.6**
Total capital adequacy ratio	**13.7**	**15.2**