

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: The Group IFRS accounts

