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## Independent auditors' report

To the Shareholders and Supervisory Board of Sberbank —

We have audited the accompanying consolidated financial statements of Sberbank and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2010, and the consolidated income statement, consolidated statements of comprehensive income, of changes in equity and of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS**

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### **AUDITORS' RESPONSIBILITY**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

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

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

## **OPINION**

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2010, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

*Ernst & Young Vershaudit*

21 March 2011

## Consolidated Statement of Financial Position

In millions of Russian Roubles	Note	31 December 2010	31 December 2009
<b>ASSETS</b>			
Cash and cash equivalents	7	719,601	725,521
Mandatory cash balances with the Bank of Russia		50,532	40,572
Trading securities	8	66,168	91,022
Securities designated at fair value through profit or loss	9	106,875	124,439
Due from other banks		13,035	10,219
Loans and advances to customers	10	5,489,387	4,864,031
Securities pledged under repurchase agreements	11	81,493	2,699
Investment securities available for sale	12	1,210,921	845,975
Investment securities held to maturity	13	358,191	—
Deferred income tax asset	27	7,518	—
Premises and equipment	14	283,756	249,881
Other assets	15	241,050	150,707
<b>TOTAL ASSETS</b>		<b>8,628,527</b>	<b>7,105,066</b>
<b>LIABILITIES</b>			
Due to other banks	16	188,431	53,947
Due to individuals	17	4,834,459	3,787,312
Due to corporate customers	17	1,816,672	1,651,559
Debt securities in issue	18	119,426	124,599
Other borrowed funds	19	270,765	115,213
Deferred income tax liability	27	15,921	4,598
Other liabilities	20	92,173	69,841
Subordinated debt	21	303,513	519,061
<b>TOTAL LIABILITIES</b>		<b>7,641,360</b>	<b>6,326,130</b>
<b>EQUITY</b>			
Share capital	22	87,742	87,742
Share premium		232,553	232,553
Revaluation reserve for office premises		53,648	55,540
Fair value reserve for investment securities available for sale		24,431	(598)
Foreign currency translation reserve		(1,136)	(1,009)

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The notes are an integral part of these consolidated financial statements.

In millions of Russian Roubles	Note	31 December 2010	31 December 2009
Retained earnings		585,819	403,934
<b>Total equity attributable to shareholders of the Bank</b>		<b>983,057</b>	<b>778,162</b>
Non-controlling interest		4,110	774
<b>TOTAL EQUITY</b>		<b>987,167</b>	<b>778,936</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>8,628,527</b>	<b>7,105,066</b>

Approved for issue and signed on behalf of the Management Board on 21 March 2011.



**Herman Gref**  
Chairman of the Management  
Board and CEO



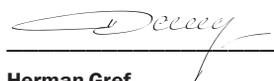
**Andrey Kruzhalov**  
Chief Accountant

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## Consolidated Income Statement

In millions of Russian Roubles	Note	2010	2009
Interest income	23	795,646	814,962
Interest expense	23	(299,825)	(312,245)
<b>Net interest income</b>		<b>495,821</b>	<b>502,717</b>
Net provision charge for loan impairment	10	(153,809)	(388,932)
<b>Net interest income after provision charge for loan impairment</b>		<b>342,012</b>	<b>113,785</b>
Fee and commission income	24	130,949	105,723
Fee and commission expense	24	(7,375)	(4,634)
Net gains arising from trading securities		4,770	13,310
Net gains arising from securities designated at fair value through profit or loss		9,642	7,557
Net gains arising from investment securities available for sale		9,597	17,102
Impairment of investment securities available for sale	12	(39)	(2,274)
Net gains arising from trading in foreign currencies, operations with foreign currency derivatives and foreign exchange translation gains	25	14,072	16,228
Net gains arising from operations with precious metals and precious metals derivatives		570	1,657
Net gains arising from operations with other derivatives		1,793	768
Negative revaluation of office premises	14	—	(14,996)
Goodwill impairment	15	(917)	—
Impairment of non-current assets held for sale		—	(2,967)
Provision charge for impairment of other assets	15	(6,437)	(2,373)
Other operating income		14,117	10,255
<b>Operating income</b>		<b>512,754</b>	<b>259,141</b>
Operating expenses	26	(282,619)	(229,277)
<b>Profit before tax</b>		<b>230,135</b>	<b>29,864</b>
Income tax expense	27	(48,487)	(5,468)
<b>Profit for the year</b>		<b>181,648</b>	<b>24,396</b>
Attributable to:			
— shareholders of the Bank		182,131	24,396
— non-controlling interest		(483)	—
<b>Earnings per ordinary share for profit attributable to the shareholders of the Bank, basic and diluted (expressed in RR per share)</b>	<b>28</b>	<b>8.42</b>	<b>1.10</b>

Approved for issue and signed on behalf of the Management Board on 21 March 2011.



**Herman Gref**  
Chairman of the Management Board and CEO



**Andrey Kruzhalov**  
Chief Accountant

The notes are an integral part of these consolidated financial statements.

## Consolidated Statement of Comprehensive Income

in millions of Russian Roubles	Note	2010	2009
<b>Profit for the year recognised in the income statement</b>		<b>181,648</b>	<b>24,396</b>
<b>Components of other comprehensive income:</b>			
Office premises remeasurement:			
— Negative revaluation of office premises	14	—	(21,198)
Investment securities available for sale:			
— Net gains on revaluation of investment securities available for sale		40,823	55,556
— Impairment of investment securities available for sale transferred to Income statement	12	39	2,274
— Accumulated gains transferred to Income statement upon disposal of securities		(9,597)	(17,102)
Net foreign currency translation losses		(152)	(1,110)
Deferred income tax relating to components of other comprehensive income:			
— Office premises remeasurement	27	39	4,257
— Investment securities available for sale	27	(6,236)	(8,141)
<b>Total components of other comprehensive income for the year, net of tax</b>		<b>24,916</b>	<b>14,536</b>
<b>Total comprehensive income for the year</b>		<b>206,564</b>	<b>38,932</b>
Attributable to:			
— shareholders of the Bank		207,072	38,932
— non-controlling interest		(508)	

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## Consolidated Statement of Changes in Equity

In millions of Russian Roubles	Attributable to shareholders of the Bank			
	Note	Share capital	Share premium	Revaluation reserve for office premises
<b>Balance as at 1 January 2009</b>		<b>87,742</b>	<b>232,493</b>	<b>74,981</b>
<b>Changes in equity for the year ended 31 December 2009</b>				
Disposal of treasury shares		–	60	–
Dividends declared	29	–	–	–
Amortisation of revaluation reserve for office premises, net of tax		–	–	(2,500)
Business combinations		–	–	–
Total comprehensive income recognised for the year ended 31 December 2009		–	–	(16,941)
<b>Balance as at 31 December 2009</b>		<b>87,742</b>	<b>232,553</b>	<b>55,540</b>
<b>Changes in equity for the year ended 31 December 2010</b>				
Dividends declared	29	–	–	–
Amortisation of revaluation reserve for office premises, net of tax		–	–	(1,931)
Acquisition of subsidiaries		–	–	–
Acquisition of non-controlling interests in subsidiaries	37	–	–	–
Total comprehensive income recognised for the year ended 31 December 2010		–	–	39
<b>Balance as at 31 December 2010</b>		<b>87,742</b>	<b>232,553</b>	<b>53,648</b>

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Consolidated Statement of Changes in Equity

Fair value reserve for investment securities available for sale	Foreign currency translation reserve	Retained earnings	Total	Non-controlling interest	Total equity
<b>(33,185)</b>	<b>101</b>	<b>388,030</b>	<b>750,162</b>	<b>—</b>	<b>750,162</b>
—	—	—	60	—	60
—	—	(10,992)	(10,992)	—	(10,992)
—	—	2,500	—	—	—
—	—	—	—	774	774
32,587	(1,110)	24,396	38,932	—	38,932
<b>(598)</b>	<b>(1,009)</b>	<b>403,934</b>	<b>778,162</b>	<b>774</b>	<b>778,936</b>
—	—	(2,177)	(2,177)	—	(2,177)
—	—	1,931	—	—	—
—	—	—	—	4,211	4,211
—	—	—	—	(367)	(367)
25,029	(127)	182,131	207,072	(508)	206,564
<b>24,431</b>	<b>(1,136)</b>	<b>585,819</b>	<b>983,057</b>	<b>4,110</b>	<b>987,167</b>



## Consolidated Statement of Cash Flows

In millions of Russian Roubles	Note	2010	2009
<b>Cash flows from operating activities</b>			
Interest received		809,556	823,100
Interest paid		(250,681)	(266,462)
Fees and commissions received		130,669	105,198
Fees and commissions paid		(7,140)	(4,634)
Net gains received from trading securities		1,040	2,404
Net gains received / (losses incurred) from securities designated at fair value through profit or loss		4,505	(171)
Net (losses incurred) / gains received from trading in foreign currencies and from operations with foreign currency derivatives		(14,516)	7,272
Net gains received from operations with other derivatives		2,944	—
Net gains received from operations with precious metals and precious metals derivatives		928	2,210
Other operating income received		12,267	7,781
Operating expenses paid		(240,549)	(194,165)
Income tax paid		(48,249)	(5,723)
<b>Cash flows from operating activities before changes in operating assets and liabilities</b>		<b>400,774</b>	<b>476,810</b>
<b>Changes in operating assets and liabilities</b>			
Net increase in mandatory cash balances with the Bank of Russia		(9,960)	(32,929)
Net decrease / (increase) in trading securities		28,436	(352)
Net decrease in securities designated at fair value through profit or loss		24,532	15,527
Net increase in due from other banks		(2,948)	(2,640)
Net increase in loans and advances to customers		(807,732)	(131,215)
Net increase in other assets		(76,191)	(52,752)
Net increase / (decrease) in due to other banks		130,062	(252,700)
Net increase in due to individuals		1,044,458	638,290
Net increase / (decrease) in due to corporate customers		155,431	(76,554)
Net decrease in debt securities in issue		(4,672)	(16,384)
Net increase / (decrease) in other liabilities		29,597	(138)

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The notes are an integral part of these consolidated financial statements.

In millions of Russian Roubles	Note	2010	2009
<b>Net cash from operating activities</b>		<b>911,787</b>	<b>564,963</b>
<b>Cash flows from investing activities</b>			
Purchase of investment securities available for sale		(1,835,415)	(674,269)
Proceeds from disposal and redemption of investment securities available for sale		1,178,645	168,711
Purchase of investment securities held to maturity		(94,636)	–
Acquisition of premises and equipment	14	(63,082)	(52,498)
Proceeds from disposal of premises and equipment including insurance payments		410	1,357
Acquisition of associates		(2,211)	–
Acquisition of subsidiaries		(994)	(1,467)
Dividends received		1,414	188
<b>Net cash used in investing activities</b>		<b>(815,869)</b>	<b>(557,978)</b>
<b>Cash flows from financing activities</b>			
Other borrowed funds received		178,190	832
Redemption of other borrowed funds		(27,799)	(53,090)
Repayment of interest on other borrowed funds		(3,918)	(5,258)
Redemption of subordinated debt		(214,912)	(15,897)
Repayment of interest on subordinated debt		(28,992)	(41,269)
Acquisition of non-controlling interest	37	(367)	–
Disposal of treasury shares		–	60
Dividends paid	29	(2,205)	(11,012)
<b>Net cash used in financing activities</b>		<b>(100,003)</b>	<b>(125,634)</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>		<b>(1,835)</b>	<b>40,421</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(5,920)</b>	<b>(78,228)</b>
Cash and cash equivalents at the beginning of the year		725,521	803,749
<b>Cash and cash equivalents as at the end of the year</b>	<b>7</b>	<b>719,601</b>	<b>725,521</b>

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