

# Corporate Governance

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By your side

## ORGANISATIONAL STRUCTURE



## General Shareholders' Meeting

The General Shareholders' Meeting is the highest bank management body taking decisions on the main issues of the Bank's activity. The annual General Shareholders' Meeting was convened on 4 June 2010. The meeting resolved to approve the Bank's annual report for 2009, distribute profits and pay dividends for 2009, approve an independent auditor for 2010, elect members of the Supervisory Board and the Statutory audit commission, approve the new version of the Charter and Terms of Reference for the Management Board, and pay remuneration to the members of the Supervisory Board and the Statutory audit commission.

## Supervisory Board

According to the Charter, the Bank's Supervisory Board is responsible for general management matters. In 2010, the Supervisory Board held five meetings, at which the members discussed, among other things, convening and preparing the annual General Shareholders' Meeting, the Bank's annual report for 2009, the distribution of profits and recommendations on dividend amounts, the Bank's auditor for 2010, the implementation of anti-crisis programme measures, the specific features of the Bank's lending policy, the interim operating results, the results of audits by the Internal Control Service, the approval of the securities prospectus and decisions on the issue of Russian depositary receipts confirming ownership right for United Company RUSAL Plc's common shares, the approval of transactions with related parties, changes to membership of the Bank's Management Board.

### MEMBERS OF THE SUPERVISORY BOARD ELECTED ON 4 JUNE 2010

Sergey Ignatiev	Chairman of the Bank of Russia
Georgy Luntovsky	First Deputy Chairman of the Bank of Russia
Alexei Ulyukaev	First Deputy Chairman of the Bank of Russia
Andrei Belousov	Director of the Economic and Finance Department, Government of the Russian Federation
Arkady Dvorkovich	Assistant to the President of the Russian Federation
Nadezhda Ivanova	Director of the Consolidated Economic Department of the Bank of Russia

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Alexei Kudrin	Deputy Prime Minister of the Russian Federation — Minister of Finance
Elvira Nabiullina	Minister of Economic Development of the Russian Federation
Alexei Savatyugin	Deputy Minister of Finance of the Russian Federation
Valery Tkachenko	Chief Auditor of the Bank of Russia
Konstantin Shor	Head of the Moscow Branch of the Bank of Russia
Sergey Shvetsov	Director of the Financial Market Operations Department of the Bank of Russia (up to 2010)
Managers of Sberbank	
Herman Gref	CEO, Chairman of the Management Board of Sberbank of Russia
Bella Zlatkis	Deputy Chairman of the Management Board of Sberbank of Russia
Independent Directors	
Sergey Guriev	Rector of the Russian Economic School, a non-state educational institution
Kayrat Kelimbetov	Chairman of the Management Board of the joint-stock company Samruk-Kazyn National Welfare Fund (Republic of Kazakhstan)
Vladimir Mau	Rector of the Russian Academy of National Economy and Public Administration under the President of the Russian Federation

The Supervisory Board of Sberbank Russia consists of 17 members. The list of members elected to the Supervisory Board in 2010 comprises 12 members representing the majority shareholder, the Presidential Administration and Government of the Russian Federation; two Sberbank managers; and three independent directors, who fully meet Russian legislation's requirements for independent directors.

### Supervisory Board's committees

The Supervisory Board's committees are special purpose bodies that have been established to conduct the preliminary review of important matters falling within the responsibility of the Supervisory Board, and to make relevant recommendations. The committees are formed annually from Supervisory Board members, with inde-

pendent directors being included in each committee. The committees facilitate communications with the Bank's governance bodies. The committees' decisions are advisory in nature.

The **Audit Committee** is responsible for the preliminary assessment of candidates for the role of Bank auditor, reviewing reports prepared by the Bank auditor and the Statutory audit commission, assessing the efficiency of the Bank's internal controls, and the preliminary review of the Bank's annual financial statements. At 1 January 2011, the committee was chaired by Vladimir Mau; the other committee members are Nadezhda Ivanova and Valery Tkachenko.

The **Staff and Remuneration Committee** aims to attract highly qualified experts for management roles within the Bank and to create incentives for successes achieved. At 1 January 2011, the committee was chaired by Georgy Luntovsky; the other committee members are Konstantin Shor and Vladimir Mau.

The **Strategic Planning Committee** is responsible for the preliminary review of matters pertaining to Bank operations' strategic management with a view to improving the Bank's long-term efficiency. At 1 January 2011, the committee was chaired by Alexei Ulyukaev; the other committee members are Sergei Guriev, Herman Gref, Arkady Dvorkovitch, Kayrat Kelimbetov, Alexei Savatuyugin and Sergey Shvetsov.

## Management Board

The Bank's current activity is guided by the CEO, the Management Board Chairman and the Management Board, which is a collegial executive body of the Bank. Matters considered by the Board in 2010 included the preparation of the Bank's business plan, the business plan for the development of small business, the establishment of interest rates on deposits, the development of large-scale brokerage services for individual and corporate customers, the organisation of innovation activities at the Bank, Sberbank's Corporate University, and the provision of charitable aid and sponsor support, among other things.

At 1 January 2011, the Board was composed of 14 Bank managers. Dmitry Davydov and Alexander Govorunov left the Management Board in 2010. In October 2010, Aleksander Torbakhov and Sergey

Gorkov became members of the Management Board in the role of Deputy Chairman; Stanislav Kuznetsov was appointed Deputy Chairman of the Management Board (prior to 2010, he had been a member of the Management Board in the role of Senior Vice President).

**MEMBERS OF SBERBANK'S MANAGEMENT BOARD  
AS OF 1 JANUARY 2011**

Herman Gref	CEO, Chairman of the Management Board
Sergey Gorkov	Deputy Chairman of the Management Board
Andrey Donskih	Deputy Chairman of the Management Board
Bella Zlatkis	Deputy Chairman of the Management Board
Anton Karamzin	Deputy Chairman of the Management Board
Evgeny Korolev	Deputy Chairman of the Management Board
Stanislav Kuznetsov	Deputy Chairman of the Management Board
Aleksander Torbakhov	Deputy Chairman of the Management Board
Denis Bugrov	Senior Vice President
Olga Kanovich	Senior Vice President
Victor Orlovsky	Senior Vice President
Alexander Bazarov	Vice President – Director of the Corporate Clients Department
Andrei Golikov	Vice President – Director of the Treasury and Financial Markets Department
Alexander Morozov	Vice President – Director of the Finance Department

**Management Board's committees**

A number of collegial bodies (committees) were established under the Management Board to enhance the efficiency of management and the development of 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.

Corporate Business Committee	Adopts decisions on key issues related to the corporate business
Loans and Investments Committee	Adopts decisions on the most significant loans and related issues
Committee for Problem Assets	Adopts decisions on the key issues with respect to recovering loans and on writing off bad debts
Retail Business Committee	Adopts decisions on key issues related to the retail business
Retail Lending Committee	Adopts decisions on lending to individuals
Asset and Liability Management Committee.	Adopts decisions on the management of the Bank's assets and liabilities, liquidity risk management and market risks
Committee on Implementation of the Development Strategy	Adopts decisions on key issues related to implementation of the Development Strategy
Processes and Technologies Committee	Adopts decisions on technological development, manages the IT projects portfolio, approves business process models
Staff Management Committee	Adopts decisions on human resource management, considers Central Office organisational structures and staff schedules

### Bank's Collegium

The Collegium, a permanent collegial working body, has been operating at Sberbank since 2008. It comprises the members of the Management Board, the heads of the regional offices and subsidiary banks and a number of the heads of the Central Head Office's subdivisions. The body is a platform for active discussions on strategic development issues and working out the best solutions with regard to the specific regional features of the Bank's activity. The body meets regularly, usually at one of the regional offices, thereby allowing the best practices at the localities to be studied and the regional office's subdivisions to be visited.

## Statutory audit commission

To supervise the Bank's business, the annual General Shareholders' Meeting appoints an Statutory audit commission. 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 OF THE STATUTORY AUDIT COMMISSION ELECTED ON 4 JUNE 2010

Vladimir Volkov	Deputy Director – Head of the Accounting and Reporting Department, Bank of Russia
Lyudmila Zinina	Deputy Head of the Auditing Department of the Moscow Branch, Bank of Russia
Olga Polyakova	Deputy Director of the Internal Auditing and Inspection Department, Bank of Russia
Maxim Dolzhnikov	Deputy Director of the Internal Control, Revisions and Audit Department, Sberbank
Valentina Tkachenko	Deputy Chief Accountant – Deputy Director of Accounting Department, Sberbank
Natalia Polonskaya	Deputy Director of the Shared Service Centre, Sberbank
Yulia Isakhanova	Head of the Financial Control Division of the Finance Department, Sberbank

## Minority Shareholders Committee

The **Minority Shareholders Committee** has been operating at Sberbank since 2008. The Committee is focused on maintaining effective shareholder relations and enhancing the corporate governance environment. The results of the Committee's work and the working schedule for 2011 were considered and approved by the Bank's Supervisory Board.

In 2010, the Committee held five meetings in Moscow and six meetings at the regional head offices. Along with the establishment of call centres for shareholders in Moscow and Omsk, the Bank launched the Committee's website [www.sber-minor.ru](http://www.sber-minor.ru), thereby simplifying relations and creating a discussion platform for shareholders.

**MEMBERS OF THE MINORITY SHAREHOLDERS COMMITTEE**

Chairman	A.V. Danilov-Danilyan	minority shareholder of Sberbank
Members	M.G. Lyubomudrov	minority shareholder of Sberbank
	A.A. Navalny	minority shareholder of Sberbank
	M.N. Nedelsky	minority shareholder of Sberbank, general director of ZAO Status
	V.A. Statin	minority shareholder of Sberbank
	D.A. Udalov	minority shareholder of Sberbank
Secretary	D.V. Zhdanovitch	minority shareholder of Sberbank, head of the Investor Relations Department of Sberbank

**Internal control**

The Bank's internal control system has been established in compliance with the Bank of Russia's requirements to maintain risk at a level that would not jeopardise the interests of the Bank's shareholders and customers. In compliance with international practices, the Bank takes steps to develop and improve the efficiency of its internal control system in line with the nature and scale of the Bank's business.

Over 33,700 scheduled reviews and more than 8,600 unscheduled inspections were performed in 2010 in accordance with the plan approved by Sberbank's Supervisory Board and on Bank management instructions. Acting as members of the Statutory audit commissions, the representatives of the Internal Control Service conducted 17 inspections covering the financial and business activities of the Bank's subsidiaries and associates, including two inspections of the subsidiary banks.

In 2010, the Internal Control Service provided ongoing independent monitoring to track the quality of the corporate and retail loan portfolio; realised operational risks; anti-money laundering and counter-terrorism financing actions; transactions in own securities; and subsidiaries' and associates' activities. The corresponding findings were reported to various levels of Bank management.

Throughout 2010, the Internal Control Service discovered no cases whereby management had taken risks unacceptable for the Bank; nor situations in which risk management measures were inade-



quate to the level of the risk assumed; nor any cases of violation, misconduct or fault in the activities of any Bank units or the Bank as a whole, which could have jeopardised the interests of investors and depositors or had a negative impact on the Bank's financial stability.

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## REMUNERATION OF MEMBERS OF THE BANK'S GOVERNING BODIES

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

### **Management Board's remuneration**

The Board members' salaries and bonuses are paid in accordance with the contracts signed with the Chairman and Chief Executive Officer of the Bank and each Board member. The Bank does not pay any commission, nor use any stock options for the remuneration of the Board members.

In 2010, no stock options, interest-free or preferential loans were issued to the Bank's employees, nor were any other indirect incentive schemes offered (such as insurance or credit-deposit programmes).

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, performance results 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 respective employment contract.

Information on the value of payments to Management Board members is published on the Bank's website as part of the issuer's quarterly reports.

Payments made to Management Board members for 2010, excluding payments for time on business trips, amounted to RUB 985m. The growth versus 2009 is attributable to an increase in the Bank's net profit to RUB 174.0bn — more than eight times as compared to last year's net profit of RUB 21.7bn.

### **Remuneration of the members of both the Supervisory Board and the Statutory audit commission**

Taking into account the decision of the annual General Shareholders' Meeting, which was held on 4 June 2010 and which approved Sberbank's annual report for 2009, the following remuneration was paid in 2010 according to current Russian legislation:

- Remuneration of the Supervisory Board's members for acting as members of this board: RUB 24m.
- Remuneration of the Statutory audit commission's members for fulfilling their obligations in overseeing the Bank's financial and business activities: RUB 1.5m.

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## RELATED PARTY TRANSACTIONS

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In accordance with Federal Law No. 208-FZ “On Joint Stock Companies” of 26 December 1995, the following persons shall be deemed to be related to a company (i.e. to have interest in the conclusion of a transaction by a company):

- Members of a company’s board of directors (supervisory board).
- Members of a company’s collective executive body.
- A shareholder of a company who holds, together with affiliates, 20% or more of the voting rights in the company.
- A person who conducts the functions of a sole executive body of a company, including an organisation or an individual charged with management functions.
- Other persons who have the right to give a company instructions, which are binding on the company.

During this year, the Supervisory Board approved a number of transactions, which according to Russian law are regarded as related party transactions. Such transactions involve the issuance of loans and credit lines, guarantees, pledge and direct debit agreements, agreements with the stock exchange and the clearing chamber, acquisition of additional shares issued by Sberbank’s subsidiaries, intercompany operating and services agreements with subsidiary banks and companies, a liability insurance policy covering the liability of the Chairman of the Board and Chief Executive Officer, members of Sberbank’s Management Board, Sberbank and its subsidiaries.

Sberbank entered into all related party transactions in the normal course of business in compliance with its Licence and Charter. Details of all related party transactions are disclosed on the corporate website as part of the documents provided to persons who are entitled to participate in the annual General Shareholders’ Meeting.

## EQUITY

As of 1 January 2011, the Bank's **share capital** totalled RUB 67.76bn and consisted of 21,586,948,000 ordinary shares and 1,000,000,000 preferred shares with a par value of RUB 3. The Bank's shares are owned by investors from over 50 countries. Sberbank's principal shareholder is the Bank of Russia, which owns the majority of the Bank's voting shares (60.25%).

According to Bloomberg, the value of the Bank's ordinary shares grew by 25.5% in 2010, achieving the third-highest growth rate among the world's 30 largest banks by market capitalisation. Over the past year, Sberbank's **market capitalisation** soared from USD 61.8bn to USD 76.1bn, improving the Bank's ranking in the FT Global 500 list of the world's largest banks to number 15, up three positions from the previous year, and making it the second-largest company in Russia after Gazprom.

### SBERBANK'S SHARE PRICE AND MARKET CAPITALISATION

	31 December 2010	31 December 2009
Ordinary share (MICEX), RUB per share	104.4	83.1
Preferred share (MICEX), RUB per share	75.1	69.1
RTS index	1770	1445
Market capitalisation, USD bn	76.1	61.8

Source: Bloomberg, market capitalisation — FT Global 500

Sberbank's ordinary shares remained to be the most liquid securities on the Russian stock market in 2010, with the average daily trading volume of the Bank's ordinary shares accounting for 34% of MICEX turnover.

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## REPORT ON PAYMENT OF DECLARED AND ACCRUED DIVIDENDS

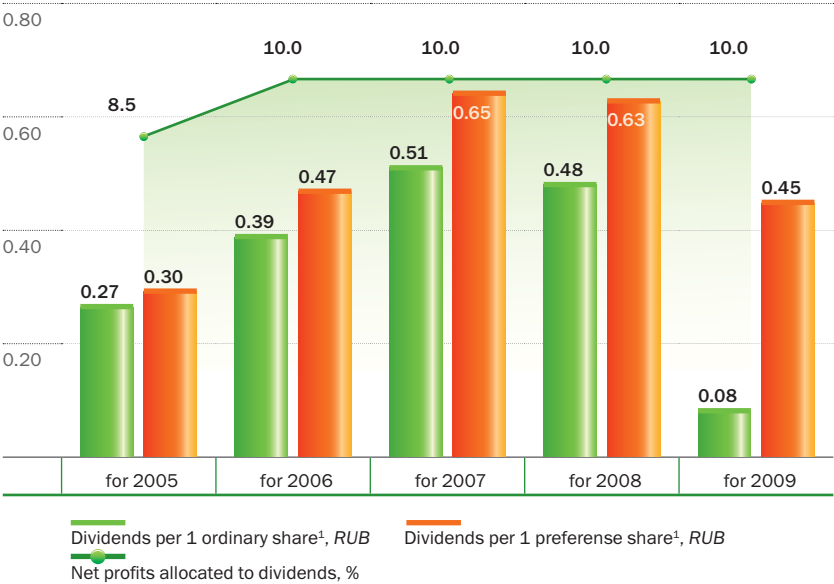
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The right to dividends and dividend-payment procedure are stipulated by Sberbank's Charter and Dividend Policy, approved by the Supervisory Board in 2008. Both documents can be found on Sberbank's corporate website: [www.sberbank.ru](http://www.sberbank.ru).

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 on paying 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 the Bank's further business development. The recommendations are based on the Bank's net profit calculated according to Russian Accounting Standards.

Sberbank has a policy of making regular dividend payments on its shares and has been allocating 10% of its net profits for payment of dividends in recent years.

THE HISTORY OF DIVIDEND PAYMENTS



The decision to pay dividends and their amount for 2010 will be made at the annual General Shareholders' Meeting on 3 June 2011. The respective information will be posted on the Bank's official web-site at [www.sberbank.ru](http://www.sberbank.ru).

<sup>1</sup> The amount of dividends per share for 2005-2006 was restated to conform with the current nominal value of the Bank's share (RUB 3).